

FAIRLEA PARK HOUSING CO-OPERATIVE INC.

HOUSING CHARGE ASSISTANCE BY-LAW

BY-LAW #6

This By-law sets down provisions that relate to the allocation of assistance by the Co-op and the rights and responsibilities of members receiving assistance. Requirements relating to the program application process, daily administration, Co-op reporting, etc. are not incorporated. The 56.1 Agreement should be consulted concerning these requirements.

1. Eligibility Requirements

1.1 Only applicants for whom the market housing charge equals more than 25% of their adjusted gross monthly household income are eligible for geared-to-income assistance, as per the 56.1 Agreement. The Board of Directors may, by resolution, establish a higher percentage of income scale for eligibility to distribute the available funds to a greater number of households.

1.2 A household must require a minimum of \$30.00 per month in housing charge assistance to be eligible.

1.3 Applicants must be Canadian Citizens or landed immigrants, and must be resident members of the Co-operative.

1.4 Members may not receive assistance greater than that for which they qualify according to the graduated housing charge scale attached as Appendix B.

1.5 In order to ensure that federal requirements and co-op targets are met, the Board may exercise its discretion to limit the number of households in receipt of assistance greater than \$400/month.

2. Occupancy Guidelines

2.1 Applicants receiving housing charge assistance must meet the conditions of the Co-op's Occupancy and Waiting List Policy, subject to Section 2.2.

2.2 If a member receiving housing charge assistance ceases to have the family size appropriate for the unit occupied as set out in section 2.1, the member will be offered the first two units of appropriate size that become available. If the member refuses both units offered, the housing charge assistance shall terminate three months after such refusal.

3. Definition of Income

For the purpose of setting geared-income housing charges, the definitions of income contained in Appendix A attached shall be used. Only the following types of income shall be excluded for the purpose of calculating housing charges:

- i) Earnings of children in regular attendance at recognized institutions of learning; funds for tuition, such as scholarships, bursaries and contributions from non-resident family members.
- ii) Living out or travelling allowances of a family head.
- iii) Earnings of a working spouse of up to \$75 per month.
- iv) Income from any source other than social assistance payments of a one-parent family up to \$75 per month.
- v) Earnings up to \$75 per month of all members of the family other than the family head or spouse. (This will include persons related by blood, marriage or adoption or other persons who may reasonably be assumed to form part of the family.)
- vi) Capital gains, such as insurance settlements, inheritances, disability awards, sale of effects.
- vii) Family allowance.

4. Annual Verification of Income and Household Composition

Members receiving housing charge assistance shall provide the Co-op with a signed declaration of gross income, assets and household size and composition annually. Each member shall promptly report to the Co-op, in writing, any change in any of the information given.

5. Changes in Income

i) Increases in Income

All increases in gross household income must be reported to the Co-op promptly. The assistance allocation will be adjusted if the increase in income is more than \$100.00 per month or, in the case of members receiving social assistance, if there is an increase in the shelter component.

(Note: The dollar amount relating to increases in household income should be reviewed annually by the Board and adjusted as necessary.)

ii) Notice of Increase

The Co-op shall give the member 60 days notice of any such adjustment except in the case of members receiving social assistance where the adjustment shall be made at the time the shelter component is increased.

iii) Decreases in Income

Housing charges shall be adjusted during the year if a member reports a decrease in household income, provided that funds are available. If the income returns to a higher level within the same year, the member shall report such an increase promptly and the housing charge shall be adjusted at the beginning of the month following to reflect the increase.

6. Utility Costs

The monthly housing charge to members receiving assistance will be adjusted by the amount allowed by CMHC for non fully serviced accommodation where member residents pay their own heating costs.

On an annual basis, the Board will review the fully serviced scale allowance for heating costs relative to the actual costs incurred by members.

7. Waiting Lists

7.1 Internal Waiting List

- i) A waiting list will be established consisting of Co-op members who meet the Eligibility Requirements set out in section 1 and the Occupancy Guidelines set out in section 2.
- ii) Priority for allocation of assistance (both permanent and emergency) will be based on date of completed application.

7.2 External Waiting List

Separate waiting lists will be maintained for applicants not requiring housing charge assistance, applicants requiring assistance, and applicants for units for the disabled. The following guidelines will be followed when assistance is available which is not required internally:

- i) Prior to initial full occupancy, the Board will allocate assistance taking into consideration the applicant's position on the waiting list and board targets for initial distribution of assistance.
- ii) After initial full occupancy, when assistance is available which is not required internally or reserved for emergencies, assistance will be offered to the first person on the waiting list who requires assistance that is not greater than the total assistance dollars available at that time.

8. Emergency Assistance

- i) Every month, a portion of the 56.1 assistance pool, in an amount to be determined by the directors from time to time, will be reserved for short-term, emergency allocation. Eligibility for emergency assistance will be restricted to those who, without assistance, would be paying more than 40% of their adjusted gross monthly household income on housing charges (excluding utilities).
- ii) Emergency assistance will only be allocated to households already resident in the Co-op except as provided in section 9.
- iii) If a household on the waiting list for permanent assistance is allocated emergency assistance, that

household shall retain its place on the waiting list and will be allocated on a permanent basis except as provided in section 9.

- iv) Eligible households may receive emergency assistance for a period to be determined by the Board. Emergency assistance will not normally be granted for a period exceeding six months.
- v) Households receiving emergency assistance are required to report promptly to the Co-op any increase in income. If a household ceases to be eligible for emergency assistance because of an increase in income, assistance will be withdrawn at the beginning of the month following the increase.
- vi) Members receiving emergency assistance must meet the eligibility requirements set out in section 1.1.

9. Allocation of Emergency Assistance to Disabled Applicants

In cases where a vacating member occupying a unit for the disabled was not receiving assistance, but the new member will require assistance and no permanent assistance is available, emergency assistance may be allocated on a permanent basis.

In such cases, the eligibility criteria will be those outlined in section 1.

10. False Declaration of Income

Where a household is discovered to have falsely declared its income, or failed to report an increase in income, it will be required retroactively to reimburse the Co-op for assistance funds allocated to its account unjustifiably. Where the household refuses to reimburse the Co-op, the amount of the reimbursement claimed by the Co-op will be deemed to be arrears of housing charges under the Occupancy By-law, and eviction proceedings will be initiated, pursuant to the Occupancy Agreement and By-law.

11. Households Being Evicted

Where a household is being evicted, any assistance allocated will be terminated effective on the date at which the household is required to vacate the unit.

12. Subletting

- i) Members will not be permitted to assign or sublet their unit and continue to receive housing charge assistance while the unit is assigned or sublet.
- ii) Members receiving housing charge assistance who assign or sublet their unit are eligible to apply to have assistance reserved for a period of up to six months for their use upon moving back into the Co-op. To be eligible, members must be members in good standing for

at least two years prior to subletting and must make application before subletting their unit.

Prior to moving back into the Co-op, such members must complete the Co-op's Housing Charge Assistance application form and provide updated proof of income.

During the period of the sublet, the assistance may be assigned to another resident on an emergency basis but will be reassigned to the members who have sublet when they return.

- iii) Members receiving assistance who plan to sublet their unit for a period longer than six months are eligible to have their names placed on the internal waiting list for assistance. For the purpose of determining the position on the waiting list, the date of application shall be considered to be the date of application for the subsidy they most recently received. To be eligible, members must be members in good standing for at least two years prior to subletting and must make application before they sublet their unit.

Prior to moving back into the Co-op, such members must complete the Co-op's Housing Charge Assistance application form and provide updated proof of income.

13. Application and Approval Procedures

- i) Households applying for assistance must complete the Co-op's Housing Charge Assistance application form and provide the required proof of income annually in order to be eligible for assistance.
- ii) The Board or its designates will verify that the households applying qualify for assistance, administer the assistance waiting list(s), and calculate the amount required by each applicant. The Board will give final approval to all applications for assistance.

APPENDIX A - DEFINITIONS OF INCOME

"EARNED" INCOME:

SUMMARY

The various types of "earned" income are organized in alphabetical sequence as follows:

BUSINESS INCOME:
SELF EMPLOYED
APPLICANTS/
RESIDENTS

Where the applicant/resident owns a company or business, income will be the greater of:

- A. the net income from the business, in proportion to the member's share of the business, as reflected in the company's most recent audited financial statement, or
- B. total withdrawals from the company over the previous 12-month period which were in the form of personal salary and/or loan.

Where the applicant/resident derives self-employment income from independent or non-company related services, such as child/day care, tutoring, child care, music teaching, taxi driving, etc., the actual amount received or anticipated to be received during the 12 month period following admission/verification, less deductions allowed by the Department of National Revenue for expenses incurred, should be included as income for subsidy purposes.

BONUSES/
INCENTIVE PAY

Bonuses or incentive payments are to be included as income for the year received and should be averaged over a 12-month period in determining the monthly income amount.

COMMISSIONS

Commissions received, less deductions allowed by the Department of National Revenue for expenses incurred, are to be included as income.

Where commissions are part of the income structure, the applicant/resident should be requested to provide the amount of projected commissions for the coming 12-month period.

Note: These projections can usually be verified with employer.

EMPLOYMENT/SALARY

The gross amount received on a monthly basis and in the form of salary, is to be included as income.

Where an applicant/resident declares a weekly or annual salary amount, the following formulae should be used in determining the monthly amount:

- | | | |
|--------------------|-------------|------------------|
| A. Annual Earnings | 12 (months) | Monthly Earnings |
| B. Weekly Earnings | 4.333 | Monthly Earnings |

GRATUITIES/TIPS

The normal amount received on a monthly basis in the form of gratuities or tips is to be included as income.

OVERTIME

Where the applicant/resident normally receives overtime pay and is expected to continue receiving this pay on a fairly consistent basis, the amount received over the previous 12-month period should be divided by 12 in order to determine a monthly income amount.

Note: Where this method is used, it is a good practice to verify, after a few months, that the monthly estimate was in fact, realistic in order to avoid any substantive over/under charges.

PART-TIME EARNINGS

Amounts received from part-time employment are to be included in the income declaration.

RETROACTIVE PAYMENTS

Retroactive payments shall be included as income and will be averaged over the number of months covered by the payment for the purpose of calculating monthly income.

SEASONAL/IRREGULAR EARNINGS

Income received from seasonal or irregular employment is to be included as income. The total amount received for the previous 12-month period should be divided by 12 in determining a monthly amount.

WORK INCENTIVE PROGRAMME

For recipients of social assistance taking advantage of the Work Incentive Programme, the total amount of the earned income, social assistance, and income from any other source should be included in the gross household income.

"UNEARNED" INCOME:

SUMMARY

The various types of "unearned" income are organized in alphabetical sequence as follows:

ACCIDENT
COMPENSATION

The gross amounts received as follows are to be included as income:

- A. monthly workmen's compensation payments and/or
- B. monthly insurance compensation payments.

ADULT TRAINING
ALLOWANCE

The gross amount received as "Adult Training Allowance" is to be included as income.

ANNUITIES

The following annuities are to be considered as income:

- A. life annuities,
- B. fixed term annuities,
- C. registered retirement income fund payments,
- D. registered retirement savings plan payments.

ASSETS/
INVESTMENTS:
INCOME YIELDING

Income received from assets is to be included as income. This would encompass dividends paid on stock/investment papers, and interest received on a regular basis from:

- A. savings accounts,
- B. stocks and bonds
- C. debentures,
- D. bank deposits, or bank notes, or term deposits,
- E. credit unions,
- F. mortgages or loans,
- G. all other income-bearing assets/investments.

ATTENDANCE
ALLOWANCE

The amount received as Attendance Allowance is not to be included as income. This allowance is normally received by the spouse of a disabled veteran in lieu of nursing services.

CAPITAL GAINS

Capital gains are not to be included as income. These include:

- A. lottery winnings,
- B. death benefits,
- C. retirement settlements,
- D. severance pay,
- E. workmen's compensation lump sum settlements,
- F. insurance pay-outs (lump sum),
- G. tax credits,
- I. proceeds of the sale of personal effects (i.e. furniture, automobiles, real estate, etc.), or the sale of securities,
- J. other payments received in the form of lump sum settlements, excepting the retroactive payments noted previously under "Earned Income".

NOTE: While the amounts received as "Capital Gains" are not recognized as income, once invested, the returns from such investment are to be considered as income. See "Assets/Investments: Income Yielding."

FAMILY ALLOWANCES

Family Allowance (i.e. Baby Bonuses) should not be included as income.

FAMILY BENEFITS

Where income received is in the form of a ALLOWANCES (FBA) Family Benefits Allowance, e.g. Mother's Allowance, it shall be declared and counted as income.

FOSTER CHILDREN
ALLOWANCES

Households in receipt of allowances for foster children will not include the amount of allowance received as income, and there will be no \$2 deduction from the monthly housing charge for such foster children.

HANDICAPPED
CHILDREN
ALLOWANCES

Income received from allowances for handicapped children will be treated in the same manner as allowances for Foster Children (see above).

SCHOLARSHIPS
BURSARIES

Amounts received in the form of scholarships, AND bursaries or tutorials are to be included as income, subject to Section 3(i) of the Housing Charge Assistance By-law.

SUPPORT PAYMENTS

Alimony, separation or support payments are to be considered as income.

Since it is recognized that there may be difficulty in obtaining these amounts, when it is evident that a household may be in receipt of such support payment(s), the legal documentation should be requested. The family court case workere should be requested to provide this documentation.

In those circumstances where, even though legally required, it is evident that payments are not being received, the Co-op's Board of Directors may, after assessment, decide to override this guideline.

TRAVEL/LIVING OUT
ALLOWANCES

Travel or living out allowances are normally reimbursements of actual expenses and for that reason should not be considered as income.

UNEMPLOYMENT
BENEFITS

The gross amount received in the form of INSURANCE Unemployment Insurance Benefits is to be included as income.

Applicants/residents who are unemployed and in receipt of these benefits should be placed on a month-to-month review. This allows the flexibility to adjust rents in accordance with actual payments received.

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APPENDIX B

Graduated Assisted Housing Charge Scale

Gross Monthly
Household Income

% of Adjusted Income
in Housing Charges

up to \$507

see CMHC Occupancy
Charge Scale (attached)

\$ 508	-	\$ 899	25%
900	-	999	25.5%
1,000	-	1,099	26%
1,100	-	1,199	26.5%
1,200	-	1,299	27%
1,300	-	1,399	27.5%
1,400	-	1,499	28%
1,500	-	1,599	18.5%
1,600	-	1,699	29%
1,700	-	1,799	29.5%
1,800	-	and over	30%

E: As required by the CMHC 56.1 Agreement, households receiving welfare assistance or family benefits shall pay the shelter component of the welfare or family benefit payment or the amount required by application of the total payment to the graduated housing charge scale, whichever is greater.

For families or individuals with children, a reduction in the adjusted monthly housing charge of \$2 per month is allowable for each child.

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