

Introduction

This guide helps housing providers calculate the Tenant Rent Contribution (TRC) for residents living in subsidized 'rent-gear-to-income' (RGI) units (including co-op members paying housing charges geared to income).

The TRC is the amount an RGI resident contributes towards rent whether they are living in non-profit housing, a housing co-operative, or housing managed by BC Housing.

This guide will help:

- Non-profit society staff and volunteers responsible for calculating rent contributions for residents in RGI units
- Co-op members or management staff responsible for calculating housing charges for residents in units where the housing charge is based on income
- BC Housing staff responsible for calculating rent contributions for residents in RGI developments managed by BC Housing and portable rent supplement units in the private market

For convenience:

- "Resident" refers to people living in each type of housing
- "Rent" refers to the rent or housing charge residents pay in any rental accommodation
- "Housing provider" includes all providers of subsidized housing

This guide *does not* apply to:

- Units with a fixed rent on the door
- Units where residents pay market rent
- Residents receiving subsidy from the [Shelter Aid for Elderly Residents \(SAFER\)](#) program or the [Rental Assistance Program](#)
- Residents in assisted living developments funded by the [Independent Living BC \(ILBC\)](#) program
- Rent supplements funded by the [Homeless Outreach Program \(HOP\)](#)
- Tenant Service Rent Supplement Programs (TSRSP)
- Units under the federal rent scale



All websites listed in this guide are included in the appendix, with additional websites of interest.

BC Rent Scale

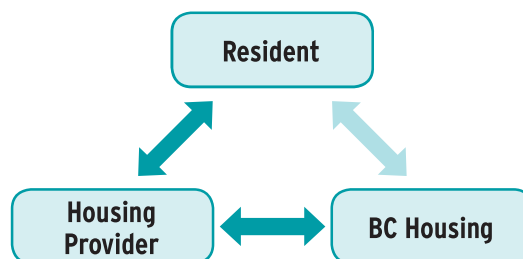
The BC Rent Scale ensures that TRCs are calculated consistently for all households in RGI units, and lists what income and assets to include in the rent calculation.

The BC Rent Scale forms part of your operating agreement. If you are unsure whether the BC Rent Scale and rent calculation process outlined in this guide apply to you, refer to your operating agreement or contact your BC Housing Non-Profit Portfolio Manager.

Relationships

1) Residents in Non-Profit or Co-op Housing

Residents living in housing managed by non-profit societies or housing co-ops submit the **Application for Rent Subsidy** form and Tenant Rent Contribution directly to the housing provider, and BC Housing pays the rent subsidy to the provider.



While the **Application for Rent Subsidy Form** creates a legal relationship between the resident and BC Housing, it is not a landlord and tenant relationship. The resident's primary relationship is with their housing provider as landlord; you are responsible for addressing any resident concerns regarding rent calculation. If necessary, you may contact BC Housing on behalf of the resident.

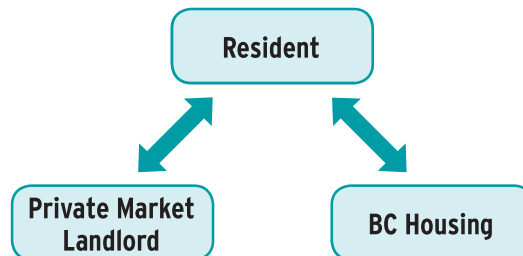
2) Residents in Directly Managed BC Housing Buildings

Residents in these buildings submit the **Declaration of Income and Assets** form directly to BC Housing, and contact BC Housing with questions about rent calculation.



3) Portable Rent Supplements in Private Market Units

BC Housing provides a limited number of rent supplements to residents in private market units. Generally, BC Housing has no relationship with the landlord. Instead, the resident enters into a tenancy agreement with the private market landlord, which is governed by the [Residential Tenancy Act \(RTA\)](#).



BC Housing enters into an agreement with the resident to provide a rent supplement to help pay the market rent. Usually BC Housing pays the rent supplement to the resident, who is responsible for paying the full market rent to the landlord. However, BC Housing may arrange to pay the rent supplement directly to the landlord in certain cases, and the resident is responsible for paying the landlord the balance (their TRC).

Tenant Rent Contribution

The TRC is not the actual market or economic rent for the unit, but is based on:

1) Household Composition – The number of people living in the unit and their relationship to each other. TRC is not based on the number of bedrooms in the unit.

2) Income Sources and Amount – The [gross household income](#) of all adults age 19 or older.

Subsidy Payments

Economic rent is the overall operating cost for each RGI unit. When a resident's TRC is less than the economic rent, BC Housing will provide a subsidy to make up the difference between the TRC and the operating cost for that unit.

BC Housing will adjust the subsidy payment as residents move in and out, or experience a change in TRC (as outlined in your operating agreement). Housing providers need to advise BC Housing whenever you calculate a TRC to ensure we pay the correct subsidy for the unit.

Section 43 of the [Residential Tenancy Act](#) governing rent increases does not apply when calculating a TRC. Consequently, if a resident's income or household composition changes, the TRC may increase beyond the annual limit prescribed by the [Residential Tenancy Branch](#) for traditional market tenancies. While all residents should be given as much notice as possible of any rent increase, 90 days' notice is not required for rent increases among residents paying RGI.

Required Forms

1) Non-Profit and Co-op Housing Providers

Application for Rent Subsidy (Rent Form) – Gathers relevant information from RGI households on family composition and total household income and assets. This information is used to determine eligibility for a rent subsidy and to calculate the TRC.

Notification of Tenancy/Membership Change (Change Form) – Summarizes the reasons why Rent Forms are being submitted, provides the date any units are being vacated, and includes the effective date for each change.

BC Housing sends these forms to housing providers each year with the Annual Review package. If additional forms are required, please contact the [Rent Calculation Help Desk](#).

Online Rent Calculation

Housing providers using online rent calculation can download pre-populated Rent Forms, eliminating the need for the **Notification of Tenancy/Membership Change** form. See [Chapter 3 – Online Rent Calculation](#) for more information.

2) BC Housing

Directly Managed Developments

Declaration of Income and Assets (Rent Form) - Gathers the same information as the **Application for Rent Subsidy** form.

Private Market Rent Supplements

Application for Rent Subsidy Form (Rent Form).

Rent Form

For the purpose of rent calculation, Rent Form refers to both the Application for Rent Subsidy and the Declaration of Income and Assets.

BC Housing is committed to ensuring all residents can access our forms. For example, visually impaired residents can receive an electronic version of the form to use with a screen-reading program. Please contact the [Rent Calculation Help Desk](#) if someone requires an electronic form.

When to Calculate Tenant Rent Contributions

Housing providers have to calculate a TRC in each of the following situations:

1) New Residents – Calculate the TRC and submit the Rent Form to BC Housing each time a new household moves into a subsidized unit.

2) Transfers – The amount of subsidy is tied to the resident living in a unit. If a resident moves to a different RGI unit, complete and submit a new Rent Form to BC Housing to tie the resident to the new unit and calculate the new subsidy.

3) Change in Income – Residents can apply to have their TRC reduced if they experience a permanent reduction in their income (e.g., in wage or hours worked). It is the resident's responsibility to inform the housing provider if their income has permanently decreased. The recalculated TRC will take effect on the first of the month following when the change occurred or the first of the month following when the resident advised of the change, whichever is later.

Before the TRC can be recalculated, the resident must provide proof of all current income sources and amounts. If proof is not provided at the time that the resident advises of the change of circumstances please explain that a recalculation cannot be completed without proof. It is recommended that the provider provide the resident with a reasonable timeframe in which to produce the proof (a maximum of 30 days is recommended).

If proof is not received within the specified timeframe, the housing provider should notify the applicant, preferably in writing, that the deadline has passed. The letter should clearly outline the information that is outstanding and include an additional period for the information to be received (e.g., 2 weeks or another 30 days). As it is the resident's responsibility to provide information in a timely manner, the letter can advise that if the information is not received before the deadline no retroactive adjustment can be made and any subsequent recalculation of the TRC would be effective the first of the month following when proof is provided. The letter should also include information on who the resident should contact if they have any questions or if they require an extension due to extenuating circumstances.

A retroactive adjustment is not usually made if a resident is late in advising of a decrease in income or has not provided proof of the reduced income in a timely manner. However, exceptions can be made where there are mitigating circumstances that resulted in the resident being unable to notify or provide the information in a timely manner (e.g., the resident was hospitalized). If a retroactive adjustment is justified, include the reason on the Rent Form.

No minimum decrease is required: an adjustment to the TRC can be made for any permanent reduction in income. However, an adjustment to the TRC is not processed for a temporary decrease in income such as:

- A temporary reduction in hours
- Sick time
- Vacations
- A strike or lock-out during a labour dispute

Strike or lock-out

While no reduction in the TRC should be processed due to a temporary reduction of income during a labour dispute, the housing provider may elect to allow the resident to pay a reduced amount, permitting the household to accumulate arrears. The resident will need to enter into a repayment agreement with the provider to clear the arrears once the labour dispute is over.

A retroactive adjustment is not usually made if a resident is late in providing proof of a decrease in income. However, exceptions can be made in circumstances where the resident was unable to notify the housing provider in a timely manner (e.g., the resident was hospitalized). If a retroactive adjustment is justified, include the reason on the Rent Form.

Required documentation for acceptable proof will vary based on individual circumstances, and may include, but is not limited to:

- Three consecutive pay stubs that indicate a permanent decrease in income
- A letter from the employer stating a permanent reduction in income, including the effective date
- A copy of the **Record of Employment** indicating a job has ended

Increase in Income

If a resident receives an increase in income between Annual Reviews, the TRC is usually not adjusted until the next scheduled review.

4) Change in Household Composition – It is the resident's responsibility to advise you when an occupant moves into or leaves the unit. If someone 19 or older joins or leaves the household, the resident must complete a new Rent Form and submit proof of current income for all household members. If a child under 19 joins or leaves the household, a new Rent Form is not required; unless the change results in a decrease in household income, no TRC adjustment is needed.

5) Short Term Review – Rent calculation reviews are required for shorter periods than usual – three or six months, for example – when:

- A change in income is expected or an income source is temporary in nature (e.g., currently in receipt of Employment Insurance (EI) or Worker's Compensation)

- The resident is unable to provide all required documents (e.g., waiting for confirmation of student status)
- The resident declares no income (the housing provider may elect to set a short-term review if a resident declares very little income)

When a short-term review is due to be completed, the resident has to submit a new Rent Form and provide updated proof of income for all household members to determine if they remain eligible for subsidy. Ideally, the new Rent Form should be completed no more than a month before the short-term review period ends.

6) Annual Review – Once a year, residents who receive rent subsidies must declare their current income and household composition to determine if they remain eligible for subsidy.

Non-profit and co-op housing developments: The Annual Review takes place at the same time for all RGI residents in the development, typically on the anniversary of the initial occupancy of the development.

Housing developments managed by BC Housing: The Annual Review typically occurs on the anniversary of the resident's move-in date.

When processing an Annual Review, compare proof of income and assets to the previous year's application. This may reveal discrepancies—for example, missed income from Canada Pension Plan (CPP), asset disposal, a significant increase in assets—or other trends such as seasonal EI income.

Exceptions to Annual Review Requirements

Residents are not required to complete the Annual Review under the following circumstances:

New Residents — Residents who move into an RGI unit within three months of the Annual Review date. In this situation, include a photocopy of the original Rent Form and a notation with the Annual Review package.

Automatic Rent Calculations — BC Housing may set the TRC automatically for the coming year for residents with predictable incomes.

BC Housing will advise you if any residents in the development qualify for an automatic rent calculation for the coming year and the amount of their TRCs.

You are responsible for advising the resident of the TRC amount for the upcoming period and the effective date. Use this opportunity to have the resident verify their income source(s) and household composition have not changed.

If a resident with an automatic rent calculation has a change in income or household composition, they must complete a new Rent Form and provide proof of all income and assets.

Review Process

Housing Provider Responsibilities

1) Prepare the Rent Forms

Enter the name of the primary resident, unit number, building address, and BC Housing file number (block number or project reference number). See [Appendix G](#) for a sample Rent Form showing which sections to complete.

Online Rent Calculation

Users can download and print Rent Forms pre-populated with the resident's name and address. See [Chapter 3 – Online Rent Calculation](#) for more information.

2) Distribute Rent Forms to Residents

Send the Rent Form to each resident to complete. Some providers schedule times for residents to come to their office if they need help completing the Rent Form.

3) Review the Rent Form

When a resident returns the Rent Form, verify that:

- All sections of the Rent Form are complete (see [Appendix G](#) for a sample)
- The family composition is accurate to the best of your knowledge
- Proof of income and assets has been provided for each household member age 19 or older
- Proof of full time enrollment in school has been provided for a household member age 19 or older who wishes to be considered a dependent for the rent calculation (see [Proof of Student Status](#) for more information)
- Each household member 19 or older has signed the form

If any information is incomplete or missing, return the form to the resident to complete before calculating the TRC.

Cross reference information provided on the Rent Form with the income sources, assets, and household composition declared on the previous Rent Form to check for reasonableness:

- Are all income sources declared on the previous Rent Form declared on the current form?
- Has the resident been receiving EI benefits for an unusual period of time? If so, this might signify seasonal or fluctuating employment.

Note and consider any significant changes when calculating the new TRC.

4) Calculate the Tenant Rent Contribution

See [Chapter 2 – Calculating Tenant Rent Contribution](#).

5) Complete the Forms

Rent Form – Complete the remaining sections of the Rent Form and sign the form verifying that proof of income and assets is on file. Refer to [Appendix G](#) for guidance.

Change Form – Complete a Change Form any time a resident moves in or out, transfers to a new unit, or has a change in income or family composition.

Important note: If the staff responsible for performing rent calculation lives in a subsidized unit, they cannot sign the Rent Form verifying their own income and assets. Another authorized staff or board member must review and sign the Rent Form; if no other staff or board member can do this task, submit the Rent Form to BC Housing along with proof of income and assets and an explanation of the situation.

6) Notify Resident of the Tenant Rent Contribution

Send a copy of the Rent Form to the resident, advising them of the new TRC and effective date.

7) Submit Rent Calculation to BC Housing

Forward two copies of each Rent Form to BC Housing, attached to the Change Form.

Online Rent Calculation

Users enter the information from the Rent Form directly into the system. See [Chapter 3 – Online Rent Calculation](#) for more information.

8) File the Rent Forms and Supporting Documents

Place a copy of the Rent Form in the resident's file with proof of income, assets and any other supporting documentation. (Refer to the [Administration Guide](#) for information on storing and maintaining records.)

Provincial Housing Program (HOMES BC) Developments and Index Linked Mortgage (ILM) Co-ops

In Provincial Housing Program (HOMES BC) developments, if an RGI resident's income increases enough to make them ineligible for a subsidy, the household can remain in the unit provided the designation is changed to non-RGI. This will change the overall number of RGI versus non-RGI units in the development. You can restore the overall mixture of unit types when the next non-RGI unit becomes vacant, by converting it to an RGI unit and renting it to a household requiring subsidy.

The ability to transfer households and their subsidy from one unit to another in ILM co-ops gives flexibility in selecting new members. For example, a household receiving a rent subsidy may wish to move into a different unit once it becomes available. If you permit the move, the subsidy can be transferred to the new unit along with the household. In other cases where a household may no longer require a subsidy, you can transfer the subsidy designation to a vacant market unit or to an existing market member who requires subsidy.

When calculating TRCs, ensure you advise BC Housing of any changes to subsidy or unit designation by submitting the required form ([Homes BC Change of Unit Designation](#) or [ILM Co-op Request to Transfer Subsidy Designation](#)). Online rent calculation users will advise BC Housing of these changes directly through the system.

Housing providers are responsible for ensuring the overall mixture of unit types satisfies the requirements of your operating agreement. See the [Program Guide](#) for more information on the transfer of PHP unit designations and ILM co-op subsidy transfers.

Resident Responsibilities

1) Complete the Rent Form

The resident completes the Rent Form, declaring income and assets for all household members age 19 years and older. All household members 19 years or older sign and date the form. Refer to the [Rent Form in Appendix G](#) for guidance. Residents should contact their housing provider for help completing the form.

2) Submit the Rent Form and Supporting Documentation

Residents in non-profit or co-op housing submit the completed Rent Form and supporting documentation to their housing provider.

Residents in BC Housing directly managed buildings, or receiving a private-market rent supplement, submit the completed Rent Form and supporting documentation directly to BC Housing. Proof of income and assets for all household members 19 years of age or older must be included with the form.

BC Housing Responsibilities

1) Send the Annual Review Package

BC Housing sends an Annual Review package to housing providers, directly managed residents, and residents receiving private market rent supplements three-and-a-half months before the Annual Review date.

Non-profit and co-op housing providers – BC Housing sends a supply of blank Rent Forms and a list of all residents along with the Annual Review package. The list identifies residents who are eligible for an automatic rent calculation.

Online Rent Calculation

Users are notified electronically that a rent review is due, and can print Rent Forms pre-populated with the resident's name and address.

BC Housing conducts random checks of data entered into this system.

See [Chapter 3 – Online Rent Calculation](#) for more information.

BC Housing directly managed residents and private-market rent supplements – BC Housing sends a blank Rent Form to each resident.

2) Review Submitted Rent Calculations

BC Housing reviews rent calculation information for completeness and:

- Returns incomplete Rent Forms for completion before processing them
- Enters completed Rent Forms into the system
- Sends confirmation of the approved TRC to the housing provider or resident

3) Notify the Housing Provider of any Changes to the TRC

If BC Housing needs to change a TRC calculated by a housing provider, we will return one copy of the Rent Form showing the changes:

- Revisions resulting in a decrease to a TRC will be processed for the effective date on the Rent Form.

For example, in September BC Housing revises a rent calculation with an effective date of August 1st, resulting in a decrease to the TRC. Because the revision results in a lower TRC, the adjustment is retroactive to August 1st.

➤ Revisions resulting in an increase to a TRC will come into effect on the latter of the:

- Effective date on the Rent Form, or
- First of the month following the revision, provided the resident receives at least two weeks' notice

For example, in September BC Housing revises a rent calculation with an effective date of August 1st, resulting in an increase to the TRC:

- If the revision is made between September 1st and 15th, the revised TRC will come in to effect on October 1st
- If the revision is made between September 16th and 30th, the revised TRC will come in to effect on November 1st

This process gives the provider time to notify the resident of the revision without creating undue hardship by putting them into arrears.