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The Regional Municipality of Durham Information Report

From: Commissioner of Social Services
Report: #2026-INFO-018
Date: April 2, 2026

Subject:

Conversion of Tenancies to Rent Geared to Income – Maximum Shelter Portion (RGI-MSP) – Impact on Tenants

Recommendation:

Receive for information

Report:

1. Purpose

- 1.1 To provide an overview of upcoming changes to the Region of Durham (Region) calculation for rent-geared-to-income (RGI), scheduled to take effect beginning in Spring 2026, including the planned pilot within Housing Durham and subsequent broader sector rollout.
- 1.2 To explain the new RGI-Maximum Shelter Portion (RGI-MSP) calculation, which applies the full provincial social assistance shelter benefit before Regional funding, replacing the previous approach where tenants often paid significantly less than the maximum shelter amount.
- 1.3 To confirm that the updated calculation will be implemented through routine tenant annual reviews or upon unit turnover.
- 1.4 To support Regional Councillors by providing key messages and an attached Q&A to assist in responding to inquiries related to this transition.

2. Background

- 2.1 When the Housing Services Act (HSA) was updated to permit an alternative calculation to the legislated RGI calculation, the Region developed the Durham Rent Supplement (DRS) calculation.

- 2.2 This calculation is currently used in the Region's rent supplement programs and at select community housing sites, as part of a broader objective to modernize RGI subsidy administration across all programs.
- 2.3 Over time, the DRS calculation has proven administratively complex. To better support housing providers and align with sector best practices, the Region is introducing the RGI-MSP model. This approach streamlines subsidy calculations by applying the full provincial social assistance shelter benefit (Ontario Works and Ontario Disability Support Program) before Regional funding, creating a simpler and more consistent formula.
- 2.4 The RGI-MSP model will be implemented first within the Housing Durham portfolio as Phase One of a Region-wide transition. This phased approach will allow the Region to refine processes and tools prior to expanding the model to all community housing providers in Phase Two, supporting operational efficiency and consistent application of subsidy rules across the sector.

3. Overview of the Transition

- 3.1 A phased approach will guide the implementation of the RGI-MSP model to support a smooth transition for staff, tenants, and the broader sector.
- 3.2 Phase One: Housing Durham Implementation - Existing Housing Durham tenancies will transition to the new RGI-MSP at their annual review or when a new tenant moves in. Housing Durham is well-positioned for early adoption due to its established expertise in RGI administration and strong working relationships with social assistance program staff.
- 3.3 Phase Two: Sector-Wide Rollout - Following Housing Durham's transition, the RGI-MSP model will be expanded to all community housing providers through the End of Mortgage process and the execution of VII.1 Agreements.
- 3.4 This two-step approach enables the Region to evaluate lessons learned, adjust implementation supports, and ensure readiness across the sector.
- 3.5 This phased structure balances modernization with stability, supporting consistent subsidy administration while minimizing impacts on tenants and providers.

4. Impact on Tenants

- 4.1 The transition to RGI-MSP is expected to have minimal impact on tenants. Key tenant-focused considerations include:
 - a. Affordability is preserved. Under RGI-MSP, rent may increase, but social assistance benefits are adjusted accordingly so tenants continue to receive the same total monthly income after all shelter expenses are paid. The calculation is designed to minimize the risk of shelter costs exceeding the amount issued through social assistance.

- b. No immediate rent changes for current tenants. The transition occurs only at annual review or unit turnover, preventing sudden widespread rent adjustments.
 - c. Administrative burden on tenants is minimal. Tenants continue to complete the same annual review process. The only change is that tenants with additional utility costs will be asked to provide utility bills.
- 4.2 Overall, the RGI-MSP approach will improve clarity and consistency while maintaining tenant affordability and minimizing disruption.

5. Relationship to Strategic Plan

5.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region's 2025-2035 Strategic Plan:

- a. Connected and Vibrant Communities
 - C2. Enable a full range of housing options, including housing that is affordable and close to transit.
- b. Strong Relationships
 - S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

6. Conclusion

6.1 The transition to RGI-MSP for the Region of Durham supports a simplified, consistent, and modernized approach to rental subsidy administration. The phased adoption strategy safeguards tenants, ensures affordability, and enables staff to refine the calculation before broader rollout across the community housing sector.

7. Attachments

7.1 Attachment #1: Frequently Asked Questions about RGI-MSP

Respectfully submitted,

Original signed by

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Commissioner of Social Services

Frequently Asked Questions (FAQ)

Rental subsidies will now be calculated differently than the current RGI model. This new model is called RGI MSP (Maximum Shelter Portion).

Starting at your next annual review, we will use a new way to calculate your rent called RGI Maximum Shelter Portion (RGI-MSP) under Ontario's Housing Services Act.

This does not change your lease or your rights—only how your rent is calculated.

You will need to sign a lease update so that you are aware of how your rent is being calculated.

How Will Your Rent Be Set?

If you receive social assistance, your rent will be based on the maximum shelter amount in your social assistance monthly benefit.

If you do not receive social assistance, your rent doesn't change and will continue to be based on 30% of your household's adjusted family net income.

What Stays the Same?

Your lease and tenant rights do not change.

If you receive social assistance even though your rent may go up, your social assistance will also increase to cover the change. This means you won't have to pay any extra out of pocket.

You still need to report income and household changes when they occur

Why is this changing?

This change allows us to use a different program under provincial rules to keep your rent affordable and meet housing assistance requirements.

Do I need to sign a new lease?

No. Your original lease stays the same. This addendum only changes how your rent is calculated.

Will my rent go up or down?

Your rent will be based on your income or the shelter allowance for social assistance. It may change slightly, but the goal is to keep your housing affordable.

Does this affect my rights as a tenant?

No. Your tenancy rights and responsibilities remain the same.

Do I still need to report changes in income or household members?

Yes. We need this information to calculate your rent correctly under the new method.

What if someone in my household receives OW or ODSP shelter benefit?

Under RGI MSP, your rent cannot exceed your household's maximum OW/ODSP shelter allowance total.

This protects households receiving social assistance.