

SOP No.:	HP005
SOP Name:	Maximum Household Assets
Effective Date:	June 01, 2023 (Community Housing Waiting List Eligibility) July 01, 2023 (Existing RGI tenants)
Revision Date:	February 2026
Related SOP, Management Directive, Council Policy, Forms	Housing Services Act, 2011 (HSA) Ontario Regulation 367/11 s.35 HP 101 – Declaration of Assets Form HP 102 – Investment Verification Form

Housing Provider Standard Operating Procedure

General Introduction

These procedures will be developed in conjunction with applicable legislation, Council Policies and Management Directives and considered the guideline to be followed by all **Housing Providers and Landlords which the City of Kawartha Lakes has the responsibility to administer in its role as Service Manager.**

Authority

This procedure and its resulting processes have been developed as a result of a decision and commitment by all **Housing Providers and Landlords** in order to function more effectively as a Team. In the event a specific procedure references applicable legislation or existing Council Policy or Management Directive, those authorities shall supercede divisional influence.

Scope of Application

All regular processes followed by **Housing Providers and Landlords** will be developed into a Standard Operating Procedure (SOP).

Operational Compliance

All **Housing Providers and Landlords** shall be responsible to identify, record (where applicable) and comply with Standard Operating Procedures for all regular work processes. All **Housing Providers and Landlords** shall be responsible to comply with

the Council Policy or Management Directive and related **Housing Provider** Standard Operating Procedures and Guidelines.

Procedure Amendments

This procedure will be periodically reviewed and updated; updates will be carried out by the **Program Supervisor, Housing and Homelessness Services** in consultation with **Manager of Housing** and **Housing Providers and Landlords**. Any operational situations that cannot be adequately addressed using the prescribed SOP shall be immediately brought to the attention of the **Director, Human Services**.

Administration

This process is to explain the procedures for **Household Asset Limit** and applies to all community housing units.

Operating Procedure Steps

Intent

To outline eligibility requirements with respect to asset limits for rent-geared-to-income (RGI) housing as required under the *Housing Services Act, 2011* (HSA).

The asset limit in the City of Kawartha Lakes and the County of Haliburton for RGI is \$75,000 (per household). This applies to everyone (new applicants, eligible waitlist applicants, current tenants and new tenants applying for, or receiving RGI assistance). Asset Limits will come into effect on June 1, 2023 for those applying to the Community Housing Waiting List and on July 1, 2023 for RGI tenants.

All investments/accounts/assets must be declared for each household member, including assets that are jointly owned with others outside of your household.

Investment/accounts/assets may include but are not limited to: chequing/savings accounts, RRSP, TFSA, GIC, Annuity, LIRA, LIF, overseas or foreign investments, cash value of a life insurance policy, trust account, or any other income source or asset held by a member of the household.

A recently printed "Banking Profile" from all of your Financial Institutions that shows the value of all of your accounts and investments, or alternatively the Declaration of Assets Form (HP101). Note: the Declaration of Assets Form must be completed and signed by a representative from the financial institution where the income-sources / assets / investments are held. Submit separate forms for investments, Investment Verification Form (HP102) held at different institutions (where applicable).

Background

The City of Kawartha Lakes is required under the HSA to establish a local rule that sets asset limits for a household to determine eligibility for current and prospective tenants applying for rent-g geared-to-income (RGI) assistance. This is referred to as asset limits.

Asset Limits restricts households with high incomes and/or assets from qualifying for subsidized housing in the City of Kawartha Lakes and the County of Haliburton. The asset limits help ensure that available housing subsidies are targeted to those with the greatest need.

Asset Limit

Assets are valuable items owned by a household. For the purpose of this directive, assets include cash, vehicles, properties and investments. Included and Excluded Assets are defined below.

An asset is reduced by the amount of verified debt owing against it (e.g. vehicle loans, liens and mortgages).

Locked-in investments (registered investments) that are not cashable by the household, are not included as assets. Example: Locked-in Retirement Account (LIRA), Locked-in Retirement Income Fund (LRIF), Restricted Life Income Fund (RLIF), Locked-in Income Fund (LIF), Life Income Fund (LIF). When/if the household draws on these investments, the amount withdrawn will be considered household income.

Households are required to divest themselves of any interest in a property that is suitable for year-round occupancy as according to the HSA. The proceeds from the divestment do not count as income for the purposes of calculating subsidy but will be counted toward the asset limit. Households do not need to divest properties that are not suited for year-round occupancy (e.g. non-winterized cottage, motorized home, etc.), but their equity in the property will count toward the asset limit.

Households where all members are part of a social assistance benefit unit (OW, ODSP) are exempt from the asset limit.

Included Assets

- Bank accounts (savings accounts and chequing accounts, Tax-Free Savings Accounts (cash), overseas or foreign accounts, etc.)
- Investments (stocks and bonds, annuities, stocks, shares, bonds, term deposits, Guaranteed Investment Certificates (GICs), mutual funds, overseas or foreign investments, Tax-Free Savings Accounts (investments), etc.)
- Real estate equity anywhere in the world (such as a house, condominium, cottage, vacant land, commercial properties, etc., that households own on their

own, that they own with others, that they rent out, that they have a right to occupy, or that they have any other legal or beneficial interest in). The value of the property as determined by the current MPAC assessment, minus the amount of any mortgage(s) owing and any balance owing on any loans/lines of credit secured against the property). The treatment of jointly owned assets are discussed below in the section: Calculating the Value of Joint Assets.

- Mortgages or loans receivables which the household has lent to someone
- Non-income producing equity stake or share in a business

Excluded Assets

Under O.Reg 367/11, Section 32.5, certain assets are required to be excluded, these include:

- The value of the interest in one motor vehicle that is not used primarily for the operation of a business by a member of the household above 16 years of age. See "Other Excluded Assets" for information on additional personal vehicles.
- The value of tools of a trade that are essential to the work of a member of the household as an employee.
- The value of assets that are necessary to the operation of a business that the member operates or has an interest in, subject to:
 - The value of assets of a member of the household, up to a maximum of \$20,000 for that member; and
 - The value of assets necessary to the operation of a business, up to a maximum of \$20,000 for that business.
- The value of a prepaid funeral.
- The cash surrender value of a life insurance policy, up to \$100,000.
- The proceeds of a loan taken against a life insurance policy that will be used for disability-related items or services.
- A payment received under the Ministry of Community and Social Services Act for the successful participation by a person in a program of activities approved by the administrator that will assist the person with the following:
 - The successful completion of a high school diploma.
 - The development of employment-related skills.
 - The further development of the person's parenting skills.
- A Registered Education Savings Plan (RESP) for a child of a member of the household.
- The value of clothing, jewelry and other personal effects of a member of the household.
- The value of the furnishings in the accommodation used by the household, including decorative or artistic items, but not including anything used primarily for the operation of a business.

- The value of the beneficial interest in a trust of a member of the household who has a disability, if the capital of the trust was derived from an inheritance, or from the proceeds of a life insurance policy, up to \$100,000.
- The value of funds held in a Registered Disability Savings Plan (RDSP), if the beneficiary of the plan is a member of the household.
- The value of funds held in an account of a member of the household in conjunction with an initiative under which the service manager, or an entity approved by the service manager, commits to contribute funds towards the member's savings goal.
 - For example: a scholarship program for post-secondary education.
- The value of funds held by a member of the household in a Registered Retirement Savings Plan (RRSP) as defined in section 146 of the *Income Tax Act* or in a Registered Retirement Income Fund (RRIF), as defined in section 146.3 of that Act.
- Exclude the total value of any household members settlement in regards to the Robinson Huron Treaty, Robinson Superior Treaty Annuities litigation payments and First Nations Child and Family Services, Jordan's Principle and Trout Class Settlement monies from the total value of a household's assets.

Other Excluded Assets

The list of excluded assets may be updated from time to time. Housing providers must consult with the Service Manager if a tenant or member identifies an asset type that is not listed.

Other Assets excluded from the Asset Limit in the City of Kawartha Lakes and the County of Haliburton include:

- Additional household vehicles (i.e. car, truck, van, motorcycle) are exempt for every additional adult household applicant. For example, two household members over 16 years of age, can have up to two personal vehicles exempt. If there were a third vehicle for a two member household, 16 years of age or older, the third vehicle would be included as an asset. The household vehicle exemption does not refer to recreational vehicles (i.e. boat, snowmobile, all-terrain vehicle, recreational vehicle).
- Funds held in trust that are not accessible to the applicant or tenant, under the terms of the trust.
 - Locked-in investments that are not cashable by the applicant/tenant/member. Examples include:
 - Locked-in Retirement Accounts (LIRA)
 - Locked-in Income Fund (LIF)
 - Restricted Life Income Fund (RLIF),

- Locked-in Retirement Income Fund (LRIF)
- Note: Income from excluded assets may still count toward the household's income (e.g. income from a RRIF).

Exceptions to the Established Limits

Social Assistance Recipients

- Households where all members are a part of the same benefit unit are exempt from the Asset Limit Directive.

Special Priority Applicants

In certain circumstances Special Priority applicants may be exempt from the Asset Limit Policy.

- When assets to which the Special Priority applicant may have rights are solely in the name of the abuser (e.g. a matrimonial home). The Special Priority applicant must verify the ownership of the asset, within reason.
- When assets that are jointly owned with the abuser are being divided through the separation and divorce process and the amount that will be awarded to the Special Priority applicant is unknown. The Special Priority applicant must provide verification that a court proceeding is underway.
 - In these circumstances, the value of the asset(s) will not be included in the Special Priority applicant's assets until the sale of property and/or division of matrimonial assets is completed.
 - Once the separation process is complete, the value of the asset will no longer be exempt. The Special Priority applicant must be advised that they could lose their eligibility for subsidy and be required to pay market rent if the division of matrimonial assets results in being over the limit.

The full asset (100%) is attributed to the applicant/tenant/member where circumstances above are not applicable (i.e. assets that are only in the name of the Special Priority applicant or that are joint with someone other than the abuser).

Calculating the Value of Joint Assets

"Joint assets" are assets where two or more people have ownership rights. In the case of joint bank accounts, all account holders can deposit, withdraw or deal with the funds in the account no matter who puts the money in the account, and all account holders are responsible for the money in the account. Joint owners are often married or common-law spouses or an older person and their adult child(ren).

For the purpose of determining whether a household's assets are within the asset limit, if an asset is jointly owned with someone outside of the household, half of the value of the asset will be counted toward the asset limit.

Some household members may have joint ownership of an asset such as a bank account to allow them to manage another person's finances. In this situation, the household member must provide documentation, such as a Power of Attorney or trust account documents, to confirm that the asset does not legally belong to them. A letter or informal agreement provided by the joint account holder is not sufficient.

Application

This directive will apply to all applicants currently on the centralized waitlist and current households in receipt of an RGI subsidy.

- All approved applicants with assets that are over the Maximum Asset Limit will no longer be eligible to remain on the centralized waitlist.
- All current households with assets that are over the Maximum Asset Limit will no longer be eligible for RGI assistance from the housing provider.

Waitlist applicants may have their income and assets reviewed at time of application, during annual reviews and at time of offer. The Service Manager will be responsible for monitoring income and assets of applicants on the waitlist until time of offer, which will then be completed by the Housing Provider.

If the household has assets that are over the Maximum Asset Limit and are no longer eligible for RGI assistance, the housing provider must serve the household ninety (90) days' notice of its' loss of RGI eligibility and a notice of increase to market rent for the unit. The household must be advised of its' right to a review of the decision. If within that 90 day notice period, the household is able to demonstrate that assets have been divested of, or transferred into an excluded asset, the decision will be reconsidered. If existing tenants have switched from RGI to Market due to the introduction of the Maximum Asset Limit come back under the asset limit within 24 months from the date when it was determined that they were over the asset limit, they can transition back to RGI at the time of review. If tenants are not able to come back within the Maximum Asset Limit within 24 months they would need to come back to the top of the community housing waiting list before being offered RGI.

Assets of existing tenants are reviewed by the Housing Provider prior to making a formal offer of housing and during annual review cycles. In certain circumstances assets are to be verified during in-year reviews – specifically when a household member is being added, or when a member of a household is no longer in receipt of social assistance or is being removed from the social assistance benefit unit.

Verification of Assets

Assets will be verified during the annual review.

At time of verification of assets (prior to being offered a unit for waitlist applicants and during annual reviews and applicable in-year reviews for existing tenants) the information provided by the household must reflect a full and current disclosure of all assets. Applicants to the waitlist can be asked to self-declare the total value of their assets when submitting an application. However, Human Services staff are permitted to request that the Declaration of Assets form and Investment Verification form be completed prior to an applicant joining the community housing waiting list, during any annual review cycle or as the applicant gets closer to the top of the waiting list.

Households must submit all information for both included and excluded assets owned by all members of the household (including occupants) over the age of 16. Documentation must show both the ownership and the value of the asset. Information submitted must be current (e.g. a bank statement for the current month, a letter obtained from the bank within the same month, or the most recently received mortgage statement for a property (seasonal dwelling)).

Households must submit this information using the Declaration of Assets Form and the Investment Verification Form, signed and stamped by a bank official/representative in addition to any property mortgage statements and MPAC assessments, or other appropriate assessment of valuation to determine value.

Households are responsible to declare any assets identified in the Declaration of Assets Form and Investment Verification Form that they own / co-own and provide the appropriate verification documents for each asset. The Housing Provider is responsible for identifying what assets are included and which are excluded when determining eligibility.

Households are responsible for any costs required to receive the necessary documents from any financial institution or other agency to determine eligibility to the community housing waiting list and RGI assistance.

The Service Manager may request further verification documents during the application process.

Documentation is not required for personal belongings (e.g. clothing, jewelry and furniture), personal motor vehicles, and tools of a trade (e.g. electrician's tools, hairstylists' tools).

Insert Process Map (if applicable)

Proposed Date of Review:

December 1, 2024

Revision History:

Revision	Date	Description of changes	Requested By
R1	December 2017	MEMO 2002-05 was revoked and replaced with SOP HP005	Service Manager
R2	December 2017	Rent geared to income and RGI have been replaced with "financial assistance"	Service Manager
R3	May 2018	Housing Provider has been replaced with Housing Providers and Landlords.	Service Manager
R4	September 2020	Logo COKL updated	Service Manager
R5	December 2020	Logo COKL updated. Font updated. Replaced financially assisted with community housing.	Service Manager
R6	May 2023	Procedure updated in accordance with the new provincial regulations mandating a household asset limit.	Housing Services
R7	February 2025	Addition under Exclusions: <ul style="list-style-type: none"> exclude the total value of any household members' Robinson Huron Treaty Settlement monies from the total value of a household's assets, 	Housing Services
R8	February 2026	Addition under Exclusions: <ul style="list-style-type: none"> exclude the total value of any household members' Robinson Huron Treaty Settlement, Robinson Superior Treaty Annuities litigation payments, First Nations Child and Family Services, Jordan's Principle and Trout Class Settlement monies from the total value of a household's assets, 	