

Hi Sharon,

Further to our conversation here is a breakdown of the designated municipal status requirements. Note that the four criteria below are reviewed and decided upon by the CRA. Prior to us seeking this designation from the CRA we would need to meet the RGI guidelines that are administered by another act. As you will see below, all of the supporting documentation will need to be provided to the CRA for their determination.

BMAHC can request to be designated as a municipality in respect of its supplies of RGI housing. The CRA may designate BMAHC to be a municipality in respect of activities specified in the designation that involve the making of exempt supplies of long-term residential accommodation to tenants. BMAHC must provide this accommodation on a RGI basis within a program to provide housing to low to moderate-income households. BMAHC must also receive funding from a government or municipality to assist it in providing this accommodation. Once designated as a municipality, BMAHC is able to claim the municipal PSB rebate for GST/HST paid or payable on its purchases or on expenses incurred to provide the RGI housing.

BMAHC can be designated as a municipality if it meets all of the four eligibility criteria listed below:

1. BMAHC is a charity, a cooperative housing corporation, a non-profit organization or a public institution;
 2. BMAHC will supply long-term residential accommodation within a program to provide housing to low to moderate-income households;
 3. More than 10% of the housing units in a particular housing project are provided on a RGI basis; and
 4. BMAHC will receive funding from a government or municipality to assist it in providing the accommodation within a program to provide housing to low to moderate-income households.
- The first criteria would be fairly simple – we would just provide the incorporating documents.
 - For the second criteria we would need a copy of a dated and signed financial and/or operating agreement that demonstrates that BMAHC is providing long-term residential accommodation within a program to provide housing to low to moderate-income households
 - For the third criteria we would need documents indicating the number of RGI units for which BMAHC receives funding from a government or municipality relative to the total number of units in the project for the current year such as: annual reports or returns filed with the funding body, written policies, guidelines and operating manuals that apply to the eligibility of tenants for housing in the project.
 - For the fourth criteria we would need signed and dated copies of funding agreements with a government or municipality in respect of BMAHC's supplies of RGI housing, including all schedules and appendices. Acceptable types of funding include on-going subsidies that make up the difference between the BMAHC's costs to operate the housing units and the RGI paid by the tenants to BMAHC, and capital funding.

I took a look at Toronto Community Housing Corporation (TCHC) and they seem to be offering accommodation under three categories – 1) RGI housing or subsidized housing, which they provide using a calculation that charges rent based on 30% of gross income and is governed by the Housing Services Act (HSA), 2) market rents and 3) affordable rent, where the household annual income cannot exceed four times the annual rent of the unit you are occupying. It looks like they have a clear distinction between 1 and 3 based on how each program is governed. <https://www.torontohousing.ca/residents/your-tenancy/Pages/Types-of-rent.aspx>

I think the actual process of writing in and applying for municipal status will likely be an easier battle, however, BMAHC will first have to review if their revenue models can be adjusted/molded to fit in to the criteria for RGI. I have included a link below to the specific provisions of the HSA. This is administered at the provincial level. Unfortunately, the interpretation and application of the HSA its outside of my wheel house. You may want to have legal counsel assist with this. <https://www.ontario.ca/laws/regulation/010298>

Once BMAHC has reviewed the RGI model and has adhered to its guidelines, then we can write into the CRA for municipal designation.

Hope this helps.

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