

Housing Services Policy		Content Updated: 2024-11-11
Social Housing Administration		Housing Services
Divestment of Residential Property		
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Divestment of Residential Property Policy

POLICY STATEMENT	Under the <i>Housing Services Act 2011</i> , 367/11 s. 32, tenants or co-op members in receipt of rent-geared-to-income (RGI) assistance cannot own residential property that is suitable for year-round occupancy and continue to be eligible for RGI assistance.
PURPOSE	To identify legislative requirements when households (applicants or tenants/members) own property or have an interest in a residential property suitable for year-round occupancy impacts eligibility for RGI assistance.
SCOPE	This policy is applicable to all households who reside with a Housing Provider who must adhere to the <i>Housing Services Act, 2011 (HSA)</i> and Housing Providers who have an Agreement with the City of Hamilton to administer rent supplements subject to the HSA.
DEFINITIONS	
<i>Divest</i>	In relation to a legal or beneficial interest in a freehold or leasehold estate in property, means to complete the transfer of the interest in the property or to terminate the lease of the property.
<i>Homeowner</i>	Any member of a household, which is receiving RGI assistance, who has a legal or beneficial interest in a freehold or leasehold estate in residential property located in or outside Ontario that is suitable fo year-round occupancy.
<i>Housing Provider</i>	a Non-Profit or Co-operative organization that provides social housing
<i>Residential Property</i>	For the purpose of this policy means: <ul style="list-style-type: none"> • A property all of which is used for residential purposes and is suitable for year-round occupancy, or • In the case of a property part of which is used for residential purposes and part of which is used for other purposes, any portion that is used for residential purposes.
<i>Service Manager</i>	The City of Hamilton is a Service Manager designated to administer and fund the social housing program in Hamilton.

TERMS & CONDITIONS

The Access to Housing (ATH) Application form for social housing asks if the applicant owns any property in Canada or elsewhere.

If the applicant declares they do own property, ATH staff must follow-up with the applicant to have the Declaration of Intent to Sell Property form completed.

The purpose of the Declaration of Intent to Sell Property form is to advise the applicant of their obligation to sell property, within 180 days of starting to receive RGI assistance and for the applicant(s) to agree to divest the property. Upon receipt the completed and signed form, Access to Housing staff will make a notation in the applicant's file to indicate that the applicant(s) has a legal or beneficial interest in residential property (e.g. homeowner).

All households receiving RGI assistance who own residential property suitable for year-round occupancy **must** sell that property within 180 days of being housed in order to continue to qualify to receive RGI assistance.

In order to remain eligible for RGI assistance, the household (tenant(s) or co-op member(s)) that owns such property must sell or transfer it for fair market value:

- within 180 days of moving into an RGI unit
- within 180 days of acquiring the property if the RGI tenant or co-op member acquired the property after moving into an RGI unit.

Note: where a member(s) of a household has a financial interest in a property that exceeds the allowable asset limit, as per the Housing Services Division Policy Income and Asset Limits, that household is not eligible for RGI assistance nor are they eligible to be on the centralized waiting-list.

Following the divestment of property, the proceeds of the sale are considered an asset and will be subject to the terms and conditions identified in the Housing Services Division Policy Income and Asset Limits.

Applicant with ownership at the Time of Accepting Offer of Housing

When a household accepts a housing offer, the Housing Provider must notify the household in writing regarding the requirement to divest their interest in the property within 180 days of being housed.

Tenant/member Acquires Interest in Property while in Receipt of RGI

If a household receiving RGI acquires an interest in property which is habitable year-round, the household must divest himself or herself of the owned property within 180 days of acquisition. A RGI tenant may not hold a lease on another property and remain eligible for RGI assistance.

Extension to divestment of residential property

The Housing Provider may extend the period of time to sell or transfer the property if there are reasonable grounds for doing so. The extension may be given one or more times.

Victims of Family Violence

If a household receiving RGI declares being a victim of family violence or a safety issue and the interest in the property is jointly owned with the abusing individual, the housing provider may extend the time for the divestment as the housing provider deems appropriate. Such households include those that:

- applied for the SPP category and were deemed eligible
- were included in the SPP category when they began to receive RGI assistance
- have an interest in a property that is held by both a member of the household and the abuser or trafficker

The RGI household must be notified of the requirement to divest and of any extension.

Proof of Sale or Transfer of Property

The RGI household must provide proof of the sale or transfer of the property (e.g. a copy of the final report of sale issued by the solicitor acting on behalf of the homeowner on the sale transaction).

Refusal to Divest Property

Where a RGI household refuses to sell residential property within the required time and does not qualify for an extension, the household should be given a 90-day Notice that the household ceases to be eligible to continue receiving RGI assistance.

All decisions regarding the eligibility of households who do not meet the requirement to divest their interest in the property within 180 days of being housed (without an extension from the Housing Provider) are subject to Review as per the Social Housing Review System Policy.

COMPLIANCE

As outlined in the Terms and Conditions section, this Divestment of Residential Property policy complies with the *Housing Services Act, 2011, O.Reg 367/11, s. 32*.

Access to Housing staff, Housing Providers and City staff in the Rent Supplement Program must follow this policy.

Approval

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ACCESS TO HOUSING (ATH) – Divestment of Residential Property

Declaration of Intent to Sell Property Form

All applicants who are on the Access to Housing waiting list and own a property **must** sell the property or transfer the property within 180 days of moving into a rent-geared-to-income (RGI) unit in order to continue to qualify to receive RGI assistance.

<i>To be completed by Applicant(s)</i>	
I/We hereby acknowledge that I/we own or have a financial interest in a residential property suitable for year-round occupancy.	
The address of the property is:	
_____	Street
_____	City
_____	Country
I/We agree to divest my/our interest in the property within 180 days of moving into a rent-geared-to-income unit. I/We understand that failure to do so may result in the loss of my rent subsidy. I/We agree to report the divestment to the Housing Provider in writing with legal documents to verify the sale or transfer of the property. If I/We need longer than 180 days to sell or transfer the property, I/We will ask the Housing Provider for a time-extension.	
Applicant Name (print):	
Applicant Signature:	Date:
Co-Applicant Name (print):	
Co-Applicant Signature:	Date: