

# DSB Woods Lane apartments to be converted to affordable rents system

By *expositor* on December 6, 2013

ESPANOLA—The Woods Lane property-apartments in Gore Bay will be converted from rent-geared-to-income (RGI) to affordable rents system as of January 1, 2014. However, tenants currently living in the apartments will not be affected.

“We passed our affordable housing policy at our meeting this week,” said Fern Dominelli, CAO of the Manitoulin-Sudbury District Services Board (DSB) after a DSB board meeting last week. “We are going to an affordable rents policy as of January 1. Right now there are two units in the apartment building that are vacant, and as existing tenants in the building move out, new tenants will be paying affordable rent, instead of the current RGI. Affordable housing rents are 80 percent of the average market rent for a community, so for instance if the average market rent is \$660, we would be charging \$400 for rent,” he said. “But we haven’t set the rates for Gore Bay or any of our housing properties yet.”

Mr. Dominelli explained, “the town of Gore Bay currently has three housing properties. One senior non-profit, and two DSB operated RGI properties so there are other housing options. And the current waiting list has 35 applicants, of which 30 are seniors.”

By going to the affordable rents system, it would bring in more revenue to the DSB, which is currently losing revenues on these type of rental properties, instead of being revenue neutral. Mr. Dominelli said for Woods Lane, the RGI net loss is at \$12,048 while the estimated revenues based on affordable rents is for a net gain of \$18,910. Within the entire DSB area, 280 units RGI units have to be provided. The RGI will now be replaced with the affordable rents system, when tenants move out of their apartments.

“The mortgage for these buildings expire as of January 2015, and there is no federal funding going to be provide (to DSB) for these housing units,” said Mr. Dominelli. The Woods Lane mortgage will be one of the first DSB housing units mortgages to expire.

This comes after the board had received a report from Donna Moroso, director of integrated social services, and Rhonda McGauley, housing program supervisor. Board members were informed that RGI buildings are not revenue neutral, and typically result in an annual deficit. When the end of operating agreements (EOA) occurs and mortgages are concluded, the Manitoulin-Sudbury DSB needs to review how it can effectively meet the needs in its communities, while limiting the financial liability.

As operating agreements end, the Manitoulin-Sudbury DSB needs to review the current housing stock and determine how best to maintain and operate its properties. The current RGI model by no means creates a positive revenue stream, the report indicates.

The report points out that the Woods Lane 2012 RGI saw an income of \$26,162, and with operating costs, maintenance costs and capital costs, add up to a total expense of \$38,210, with a net loss of \$12,048. However, based on affordable rents net gain rent revenues would be \$57,120 with total expenses at \$38,210, so there would be a net gain of \$18,910.

“None of the current tenants (at Woods Lane) will be affected,” said Mr. Dominelli.

Tom Sasvari