

Gore bay mayor upset with dsb decision to boost rents for social housing units

Tom Sasvari with files from Alicia McCutcheon
The Recorder

GORE BAY—The Mayor of Gore Bay who is also a member of the Millsite apartments board is not happy with a decision made by the Manitoulin-Sudbury District Services Board (DSB) in approving a plan to increase its market rental rates.

“I haven’t received an official confirmation from the board on the decision it made, so my feelings are based on the information I have on it, but I’m not happy with the decision,” stated Ron Lane, on Tuesday.

“One of my concerns is that I think the DSB staff used the wrong rent comparisons, not for northern Ontario but southern Ontario. And secondly the decision will have a significant effect on the current tenants of the Millsite. There is market rents and subsidized rent, and the market rents will now go up over 40 percent over the next two years. I don’t think this is ethically right, when most people’s rent can only go up by the cost of living (two percent), but the residents in Millsite will see their rents go up by over 40 percent in two years.”

At its last meeting in June, prior to a summer break the DSB discussed realigning the maximum market rent value of the social housing units to amounts more in line with the household income limits as set by the Housing Services Act (HSA).

The board learned that the HSA sets household income limits for those applying for rent geared to income units which are defined based on a bedroom size and increase accordingly for a larger household. In the DSB catchment area the household income limit is \$37,500-considered high among service managers in the North.

As the Manitoulin-Sudbury DSB covers an area with a lower than average market value, “persons applying for rent geared to income subsidy are really attaining the market value of rents for the area long before they reach the maximum of the income limit,” a report to the board states.

“It is for this reason and the gap created with inflated household income limits that is a driver for consideration of review of the current market rent structure.”

Staff suggested that by increasing the market rents to a level more in line with the household income limits of \$37,500 it would increase the DSB’s ability to provide rent geared to income subsidy where appropriate “while ensuring that the rents for those who do not require subsidized rents are more in line with the community at large. This would encourage those who do not require assistance to seek out available units in the community.”

In Manitowaning, this would mean a one-bedroom unit, currently at \$571, would jump to \$940 (maximum); Mindemoya, one bedroom \$571 to \$940; Little Current, one bedroom \$571 to \$940; and to Gore Bay, one bedroom, \$571 to \$940, bachelor \$502 to \$805.

The non-profit breakdown is as follows: Gore Bay (Millsite Apartments), one bedroom \$645 to \$940 (maximum); Little Current Place, one bedroom \$571 to \$940 (maximum), two bedroom \$610 to \$1,025.

Ray Hunt, on behalf of the Town of Espanola Non-Profit Housing Corporation and the Gore Bay Non-Profit Housing Corporation, presented a report to the DSB at its September meeting on the establishment of market rents in non-profit housing.

“Using income limits to determine market rent is a fundamentally flawed process in that the housing industry (both nationally and internationally) does not use income as proxy in determining market rent,” he stated in his report. “Instead, professional appraisers study the market to determine market rents (and do not rely on a tenant’s income). As such, ability to pay has no bearing on what a market rent should be set at.”

“Establishing rents at or near \$940 per month in municipal non-profit private non-profit housing will result in an economic eviction of its market tenants and will erode the very fabric that is underscored in the philosophy of non-profit housing (mix of housing types and incomes),” Mr. Hunt said.

“We are asking the DSB to take a more cautionary approach and start at \$650,” he suggested. “The DSB’s \$940 is not based on any market analysis and we would stand out like a sore thumb across the province.”

Espanola Mayor Ron Piche said he and his council agreed with Mr. Hunt. “I don’t think \$940 is appropriate at all.”

Following the staff report on market rates, DSB CAO Fern Dominelli explained to the board that by upping the market rent, “this will generate additional revenues revenues for rent supplement. For someone in say Tehkummah or Killarney where there isn’t anything (social housing units) we could offer them subsidy to keep them in their community.”

It was explained that currently 26 tenants, all of them seniors between the ages of 76 and 85 would be affected and see a rent increase. There are currently 450 people on the waiting list for social housing in the DSB.

Western Manitoulin DSB representative Bill Baker asked for a recorded vote. The Manitoulin representatives voted as follows: in favour Edgar Lovelace, Dawson/Robinson and Al MacNevin Northeast Town and Assiginack; against Bill Baker, Western Manitoulin and Eric Russell, Tehkummah and Central Manitoulin. The motion carried.

“For anyone just coming into the Millsite apartments, they will be told they will pay this amount, and that’s fine, but for those that have lived there several years, to say your rent is going up over 40 percent in two years is not fair. They will have to pay this or move out and find something cheaper,” said Mr. Lane. “We don’t have a lot of private seniors housing in Gore Bay. So for those people that can’t afford their rent are these people now going to have to leave town?”

Mr. Lane pointed out, “it is going to force some seniors to look at housing outside of Gore Bay.” “We had put a proposal forward to the DSB board that was for far less (rent). He pointed out a survey had been conducted on rents in the town and on average they are much less than the DSB is proposing. “They are looking at the \$900 range, and we were looking around \$600 for one room and \$750 for two bedroom,” said Mr. Lane. “I can tell you I’m not happy with the decision made by the DSB board. The average of residents at the Millsite is 85, and now they will the stress of rents going up that much. It is those seniors that I’m really concerned about. This is not fair.”