

# Services Board renters could see big increase to rent

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ESPANOLA—Some families within the Manitoulin-Sudbury District Services Board (DSB) catchment area could see an increase to their rent soon. The DSB is looking at realigning the market rent values of its social housing units to coincide with rental rates that are more in line with household income limits as set by the Housing Services Act (HSA).

Donna Moroso, director of integrated social services, explained that the HSA sets household income limits for those applying to rent-geared-to-income units. These income limits are based on a bedroom size and increase accordingly for a larger household. Of the DSB's 323 units, 186 are kept for high needs families, meaning they have a salary of less than \$37,500.

Ms. Moroso suggested to the board that by increasing the market rents to a level that is more in line with the household income limits, 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," she added.

On Manitoulin, the maximum value for non rent-geared-to-income tenants for all DSB-owned properties in 2014 was \$562 while in 2015 it is \$571. For those utilizing the rent-geared-to-income subsidy, the cost is based on 30 percent of the renter's gross income.

Based on current values, the DSB could be collecting up to \$940 dollars for those at the top income level of \$37,500.

There are currently 35 tenants within the DSB portfolio who pay the current market rent and could be affected by the change and experience a significant monthly rental increase.

It was suggested to the board that tenants who currently pay full market value are given the opportunity to provide income information to determine their eligibility to receive rent-geared-to-income. “Any tenant not wishing to participate in this option will be given notice to the new market rent value,” Ms. Moroso stated. “Tenants will be given three months’ notice if their rent is being increased from the previous market rent to the new market rent amount.”

Espanola DSB member Stewart Meikleham called the move “immoral.”

“You’re going to go to a family and say your rent was \$550 and now it’s \$940?” he asked.

“Yes, we are,” DSB CAO Fern Dominelli responded, explaining that rent is based on 30 percent of a gross income (utilities are included).

“It’s got nothing to do with what’s included, it kind of seems immoral,” Mr. Meikleham reiterated.

Mr. Dominelli explained that there are a dozen tenants who would be affected at the extreme level who are paying the least amount when they earn over \$37,500.

“This is the board’s decision,” Mr. Dominelli said. “Right now, we’re losing on every single property we have. When the end of mortgages happen, this sets us up to be more in line with household income limits.”

One board member questioned a phased-in approach, rather than hitting tenants with an increase all at once.

“These people do not require a subsidy and in essence don’t need it,” Mr. Dominelli said, noting there are 400 people on the waiting list who could use the accommodations and need the subsidy. He explained that in Sudbury, the municipality removed people from its social housing units who were paying full market rate, opening up those spaces for those who need it.

“So you’re acknowledging that Sudbury recognized a loss?” Mr. Meikleham questioned the CAO. “This is all fine and dandy on paper, but you have a family that is used to paying \$550 and who is going to have to pay another \$400. I’m very uncomfortable with that. That is not fair.”

Mr. Dominelli reiterated that rent is based on 30 percent of a person’s income.

“We are here as a board to help people in need—this flies in the face of that,” Mr. Meikleham responded.

Espanola Mayor Ron Piche said those making “that kind of money” should see an increase in rent.

“There are a whole bunch of factors at play here,” said Northeast Town Al MacNevin. “For the long term, we don’t want to be in the position of paying for social housing to people who can afford market rent. We’re talking about people who should be out of social housing and paying market value in their community,” adding that he would support a phased-in approach. “To get hit over the head with a \$400 increase, I know it’s not easy.”

The board decided to defer the resolution while staff prepares a new report based on a phased-in approach.-