

DSB boosting rental for social housing units

News Local

by Alicia McCutcheon - Sep 30, 2015



ESPANOLA—The chair of the Gore Bay Non-Profit Housing Corporation is upset the Manitoulin-Sudbury District Services Board (DSB) has decided to go ahead with its plan to raise its market rental rate over the next 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 easily 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 in 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), two-bedroom, \$717 to \$1,025; Little Current Place, one-bedroom, \$553 to \$940 (maximum), two-bedroom, \$610 to \$1,025; 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 a 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 continues.

“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.”

“Historically,” Mr. Hunt explained, “social housing is just a little shy of the market rent, the low end of market rent.”

If the DSB moves ahead, it would mean that social housing is now competing with the private sector, “but you’re subsidized, they’re not. Over time, affordable housing would become the private sector.”

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

Mr. Hunt again implored the DSB to be cautious. “Let’s do this methodically and with a panel of experts to determine a market rate for the area.”

Following the staff report on market rates, CAO Fern Dominelli explained to the board that by upping the market rent “this will generate additional 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.

“We have this huge waiting list of people who need to get into rent-geared-to-income housing,” Northeast Town Mayor Al MacNevin said. “Household income limit—at least it’s a starting point. The problem with Ray’s report is when I see the ads in my community, rents are in the range of \$600 to \$700 month plus utilities. Hydro and heating have gone up incredibly fast. These non-profits don’t seem to jive with what I’m seeing in the real world.”

Mayor MacNevin said he supported option three: increase to new market rent values over a two-year period (with the provision of six months’ notice the tenants rent would be increased by 50 percent per year until the rent has reached the new market rent rate).

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.

Ron Lane, chair of the Gore Bay Non-Profit Housing Corporation and also the community’s mayor,

“Our main concern was that they don’t raise the rent for the current tenants—we don’t want to lose those tenants,” he told The Expositor. “The market rent is too high for the area. I think it’s very unfortunate that they didn’t accept the submission.”

Mr. Lane said he was pleased to hear Mr. Baker voted against the motion.

“It’s all about seniors,” he added. “The average age in our building (Millsite) is 85. For the people getting subsidized rent, it’s not a big deal, but for those paying market rent, it will be.”

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