

Town requests meeting with dsb official on increase in market rental rates

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GORE BAY—Gore Bay council is requesting a meeting with an official with the Manitoulin-Sudbury District Services Board (DSB) to discuss its concerns with the DSB approving a plan to increase its market rental rates.

“On the issue of social housing and market rents do we know what exactly is happening?” asked councillor Jack Clark, at a council meeting last week.

“The Millsite apartments board has not met since the decision was made by the DSB board,” said Mayor Ron Lane. “Prior to that we met a couple of times to present our recommendations (on the Millsite) rent-and market rental rates and we contacted Espanola.” He pointed out “Espanola has the same concerns we have and a joint submission was made to the DSB board. Notwithstanding, the DSB board approved the increase.”

Mr. Lane told council what it means is that the impact on Millsite apartment renters is that they will see the rent for a one bedroom apartment increase from \$645 to \$940 per month (45.7 percent increase) and 43 percent or \$1,025 per month for a two bedroom apartment.

“They’ve (DSB) said they are allowing existing tenants two years for this increase, but the first increase will be on June 1 (2016), and the second July 1, 2017 at which point they will be paying the full increased price,” said Mr. Lane. “Those who are new tenants as of January 1, 2016 pay the full price right off the start.”

“Are they not following the rental housing area act regulations?” asked councillor Kevin Woestenenk.

“The rents have been increased based on cost of living, but this is drastic,” stated Mr. Lane. “I was certainly not happy when I heard of the decision made by the board. This is totally wrong, first of all existing tenants will have to decide pay the large rent increase or move out. And the average age of the residents at the Mill Site is 85. Do they need this added stress, and these increases are going to discourage people from living and moving to. There are a number of reasons why this (DSB) decision is totally wrong.”

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.”

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 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.

“I would like to suggest inviting Mr. Dominelli to a meeting to discuss this issue and our concerns,” said Mr. Lane.

“And I think we should be contacting the Ministry of Municipal Affairs and Housing on this,” said Mr. Woestenenk.

“Obviously the DSB can raise rents where they manage housing units, said Mr. Lane. “This is not only an issue for the tenants, but for town the directly; it impacts our economy and in keeping and attracting people to live here. It is an important issue.”

Council agreed with Mr. Lane’s recommendation and will be inviting Fern Dominelli, CAO of the MSDSB board to meet with council.