

Social Housing Market Rents

Town of Gore Bay

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CHIEF ADMINISTRATIVE OFFICER



Social Housing Properties

- DSB owns and operates 288 units
- The DSB funds 3 Non-Profit corporations who own and operate another 71 units
- For 2016 the DSB provides Non-Profits with **\$611,817** in annual funding
- 359 Units in total
- 383 people on the waiting list for units

The following 5 options for implementation were provided for the Boards consideration.

1. Grandfather all current market residents (This means the new Market Rent rates would only apply to new tenants)
2. Increase residents to new market values within 1 year (Each tenant will be provided one year's notice before the rent is increased to the new Market Rent rate)
3. Increase to new market rent values over a 3-year period (With the provision of 6 months' notice the tenants rent would be increased by 33% per year until the rent has reached the new Market Rent rate)
4. Increase to new market values by increasing current rent by 50% in year 1; 33% in year 2, and 17% in year 3.
5. New market tenants be charged the New Market Rent rate of \$650 per month, however, existing tenants be limited to a 3% increase each year up to a market rent cap of \$650 per month, or until such time as an appropriate market rent analysis is performed. In this option the new market rent of \$650 would be achieved in all buildings by 2021.

The DSB Board had a difficult decision to make:

- consider the existing tenants
 - or
- consider the 383 applicants on the waiting list
- the Board decision was to select option 3 with a 2 year phase in period instead of a 3 year phase in period
- new market rent tenants be charged the New Market Rent rate effective October 1, 2015 for all DSB owned properties and on January 1, 2016 for all new market rent tenants in Non-Profit Providers owned properties
- existing tenants in DSB owned properties and existing tenants in Non-Profit Providers owned properties be provided a minimum of 6 months' notice prior to any rent increases taking effect due to the new Market Rent Rates.

Social Housing Properties Cont.

- 59 of the existing 359 tenants are considered Market Tenants
- as part of the review each Market tenant was contacted and asked to provide updated financial information
- 35 tenants will qualify for a rent geared to income subsidy and 26 of the 35 will see a rent increase
- 24 will remain as Market Renters at the new rates

The Gore Bay Municipal Non Profit Housing Corporation owns and operates 25 units in the Gore Bay

- According to the Non Profit operating agreement signed with the DSB, this building is contracted to have 20 Rent Geared to Income Units
- DSB provides funding to Gore Bay Non–Profit in the amount of \$145,626 estimated for 2016 and \$142,628 actual in 2015
- At the present time there are 9 Rent Geared to Income Units and 16 tenants who pay Market Rent
- Of the 16 Market Rent tenants 6 will qualify for a rent geared to income subsidy
- 10 will be required to pay the New Market Rent because of their income and/or assets exceed the maximums

The New Market Rent of **\$940** which **includes Heat & Hydro** (1 bedroom) will **Only** affect tenants who:

Have Income in excess of

\$37,500

and/or

Have Assets in excess of

\$100,000

Example:

- Single Senior receiving combined OAS/GIS of \$1,342/month or \$16,113 per year and Assets under \$100,000
- The rent geared to income calculation would have this Single Senior pay \$403 per month plus a utility scale amount of \$37 to cover heat and Hydro for a total of \$440 per month
- Current Market Rent in Gore Bay is \$645 for 1 bedroom and \$717 for 2 bedroom

Example:

- Married Senior Couple receiving combined OAS/GIS of \$2,165/month or \$25,977 per year and Assets under \$100,000
- The rent geared to income calculation would have this Single Senior pay \$649 per month plus a utility scale amount of \$37 to cover heat and Hydro for a total of \$686 per month for 2 bedroom
- Current Market Rent in Gore Bay is \$645 for 1Bedroom and \$717 for 2 bedroom

Summary

- 359 Units in total
- 383 people on the waiting list for units
- New Market Rent of **\$940 Heat and Hydro included**
- Only affects tenants (10 in Gore Bay) with:
 - **Income in excess of \$37,500**
and/or
 - **Assets in excess of \$100,000**

Thank You

Questions?