

REPORT

Climate Action, Planning and Development

To: Mayor Johnstone and Members of Council
Date: May 29, 2023

From: Jackie Teed, Acting Director
Climate Action, Planning and Development
File: 13.2610.01

Item #: 2023-353

Subject: New Westminster Rent Bank Funding Request

RECOMMENDATION

THAT the City continue to fund the administrative costs of the New Westminster Rent Bank, in the amount of \$35,000 per year, for a three-year period between September 1, 2023 and August 31, 2026.

PURPOSE

The purpose of this report is to update Council on the New Westminster Rent Bank, to document the City's funding to date and to recommend continued City funding towards the administrative costs of this program between September 1, 2023 and August 31, 2026.

EXECUTIVE SUMMARY

Since June 2017, the City has assisted with the administrative costs of the New Westminster Rent Bank. This program has been instrumental in keeping residents housed and from falling into homelessness. Based on the most recently available statistics up to December 2022, 579 pre-assessments were reviewed, 184 loans amounting to \$197,395 were issued, and 55 grants amounting to \$50,810 were provided. Between January and December 2022, 107 individuals and families received housing maintenance and support services, including referrals to community-based programming.

This program is a key component of the City's *Homelessness Action Strategy* (July 2022) and is seen as a best practice in preventing homelessness. The program does receive funding from the BC Rent Bank; however, the City's contribution provides

extended hours and enhanced service provision, including referrals. For these reasons, this report recommends continuing to fund its administrative costs in the amount of \$35,000 per year between September 1, 2023 and August 31, 2026.

BACKGROUND

Previous Council Direction

As part of the Report to Council in Regular Meeting on October 17, 2016, Council endorsed the following three staff recommendations:

THAT Council endorse the establishment of a rent bank program in principle.

THAT Council endorse staff continuing to work with community partners on the establishment of a rent bank program.

THAT Council endorse an expenditure of \$60,000 over a three-year period (i.e., \$20,000 per year) to cover the administrative costs associated with operating a rent bank program. The expenditure would be derived from the Affordable Housing Reserve Fund and would be contingent on an endowment being confirmed, a non-profit operator being selected, and a replenishment fund to cover any losses being in place.

As part of the Report to Council in Regular Meeting on December 10, 2018, Council endorsed the following two staff recommendations:

THAT Council increase the City's contribution to the New Westminster Rent Bank Program from \$20,000 to \$35,000 per year in order to support an expanded program scope of work and that this contribution come from the City's Affordable Housing Reserve Fund.

THAT Council direct staff to hold discussions with the Province, through the Ministry of Social Development and Poverty Reduction, to explore new and sustainable funding for the New Westminster Rent Bank Program.

Based on this direction, the Lower Mainland Purpose Society, which operates the program, increased administrative staffing from two to three days per week and offered an expanded suite of housing maintenance and support services, particularly for those individuals and families who do not meet the eligibility criteria for a loan. The City and the Society also advocated to the Province, through the Ministry of Social Development and Poverty Reduction, for new and sustainable funding for the program, which has since been realized through provincial contributions to the BC Rent Bank, which helps to fund the New Westminster Rent Bank and other rent bank programs.

As part of the Report to Council in Regular Meeting on July 13, 2020, Council endorsed the following staff recommendation:

THAT Council continue to fund the administrative costs of the New Westminster Rent Bank Program, in the amount of \$35,000 per year, for a three-year period commencing on September 1, 2020 and concluding on August 31, 2023.

POLICY CONTEXT

One of Council's five 2023-2026 *Strategic Priorities* (May 2023) is 'Homes and Housing Options.' Under this priority, one of the key objectives is: *Focus inter-governmental collaboration on the creation of homes and providing supports to keep people housed.* The New Westminster Rent Bank provides an essential service in keeping residents housed.

For more information on the policy context, please see attachment 1.

ANALYSIS

Program Overview

The New Westminster Rent Bank commenced operations on June 19, 2017 with a mandate to provide low-cost loans to residents who are at risk of eviction and/or disconnection of essential utilities due to a temporary or unexpected financial crisis.

This program now operates five days per week, with the City funding administrative costs for three days through an annual contribution of \$35,000 per year and the Province funding administrative costs for two days. The program currently provides two loan streams: one for individuals and one for families.

As of April 2023, the maximum amount for loans to individuals is \$1,700 and for families is \$2,500. The program also provides \$500 for utility arrears.

Program Application Process

The first point of contact for potential recipients is to self-complete a pre-assessment form. This tool is designed to screen out those who do not meet the program criteria. All potential recipients who complete a pre-assessment form are contacted by the Rent Bank Case Manager. Potential recipients who meet the basic eligibility criteria are invited to complete a full loan application package, often with the assistance of the Manager. All completed applications are submitted to and reviewed by an external Rent Bank Loan Committee.

Successful applicants are issued a cheque to their landlord or utility company within one or two days. Loans, which are interest free but subject to a \$1 administrative fee, are repaid in monthly installments, with the repayment term determined by the amount loaned and the recipient's ability to repay. Repayment terms range from six to 24 months. Monthly repayments are automatically withdrawn from the recipient's bank account or provincial income assistance payment. Recipients are able to request a deferral of their payments without a penalty being levied.

During the past several years, there has also been capital provided through other funding programs (federal and provincial grants) which has allowed the New Westminster Rent Bank to offer grants to clients who find themselves at-risk of eviction and/or disconnection of essential utilities but for whom repaying a loan would not be financially feasible or sustainable. These grants are not required to be paid back by the recipient.

DISCUSSION

BC Rent Bank Support

Since 2019, the BC Rent Bank, through funding from the Province, has been providing funding and support to help sustain and establish rent banks throughout British Columbia. As per the Province's *Belonging in BC: a Collaborative Plan to Prevent and Reduce Homelessness* (2022), the support for BC Rent Bank will be augmented in spring 2023 by an additional \$7.5 million in funding. This support is also mentioned in the Province's *Homes for People Plan* (2023).

For the 2023/24 fiscal year, the BC Rent Bank committed to \$85,360 in funding for the New Westminster Rent Bank.

Although the BC Rent Bank provides support for local rent banks, it does not intend to be the sole funder of rent banks, as per this statement on the BC Rent Bank's website: *BC Rent Bank is a funding partner to support community-based rent banks. Other investors are needed to ensure the long-term financial sustainability of rent banks in local communities. Investors include landlords and housing management companies, various levels of government, foundations with an interest in housing stability, businesses, financial institutions, community organizations and individual donors.*

Municipal Support

Over the past several years (2020 onwards), a total of 12 municipal and regional governments (i.e., Cities of Burnaby, Coquitlam, Colwood, Kamloops, Nanaimo, New Westminster, North Vancouver, Vancouver and Victoria; the Districts of Oak Bay and Sparwood; and the Capital Regional District) have provided various levels and types of funding and in-kind support to rent banks serving their jurisdictions.

Based on the figures received from the New Westminster Rent Bank, from January 1 to December 31, 2022, the program had expenses of \$127,161 and revenue of \$127,731 (a net of \$570). The expenses included program costs (\$42,712), wage costs (\$66,423), facility costs (\$6,284) and other administration costs (\$11,742). The revenue included City funding (\$35,000), BC Rent Bank funding (\$85,804) and other revenue (loan administration fees, etc.) (\$6,928). Without the City's contribution, the program would not have been able to sustain its current operations, such as being able to be open five days a week and connect/refer clients to other community-based programming such as credit counselling, employment support, food security offerings, health care services and housing outreach.

Impact of the New Westminster Rent Bank

Based on the most recently available statistics up to December 2022, 579 pre-assessments were reviewed, 184 loans amounting to \$197,395 were issued, and 55 grants amounting to \$50,810 were provided.

This program assists and refers clients (both those who receive a loan or grant and also those who do not) to community-based programming. Of significance, most clients have other needs in addition to housing insecurity. For example, in the 2021/22 fiscal year, 32% of all pre-assessment applicants had illness or medical issues that contributed to their housing crisis and the 21% had a job loss that contributed to their housing crisis. For these clients, referrals to community-based programming such as credit counselling, employment support, food security offerings, health care services and housing outreach are vital to assisting them to remain housed and from falling into homelessness. Between January and December 2022, this program made 107 such referrals. For more information on rent bank statistics, please see attachment 2.

The *BC Rent Bank Housing Stability Survey* (2021) reported that rent banks have generally been successful at preventing homelessness. Among respondents, “94% indicated that they had maintained or improved their housing situation,” while “61% indicated that they would have faced homelessness had they not received assistance.” For more information on this survey, please see attachment 3.

FINANCIAL IMPLICATIONS

The 2023-2027 Approved Five-Year Financial Plan includes an annual budget of \$35,000 within the 2023 Operating Budget - Planning BU 8430, and ongoing annual funding at \$35,000 for 2024 and 2025. The funding source is the annual draw from the Affordable Housing Reserve Fund and is budgeted within the General Fund budgets. The 2024 and 2025 amounts will be brought forward with the annual budget for Council deliberation and subject to Council approval prior to continuing to fund the program.

OPTIONS

The following options are presented for Council's consideration:

1. That the City continue to fund the administrative costs of the New Westminster Rent Bank, in the amount of \$35,000 per year, for a three-year period between September 1, 2023 and August 31, 2026.
2. That Council provide staff with other direction.

Staff recommend option 1.

ATTACHMENTS

Attachment 1: Policy Context

Attachment 2: New Westminster Rent Bank 2021-2022 Annual Report

Attachment 3: BC Rent Bank 2021 Housing Stability Survey

APPROVALS

This report was prepared by:

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This report was reviewed by:

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This report was approved by:

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