

**TO:** PLANNING AND DEVELOPMENT COMMITTEE (PDC)  
**FROM:** GENERAL MANAGER PLANNING AND DEVELOPMENT  
**SUBJECT:** **BURNABY RENT BANK FUNDING REQUEST**  
**PURPOSE:** To request a contribution from the Operating Housing Reserve to support the ongoing administration of the Burnaby Rent Bank.

## RECOMMENDATION

**THAT** a contribution of \$135,000 to the Lower Mainland Purpose Society from the Operating Housing Reserve over a three-year period (\$45,000 per year) to assist with the administrative costs associated with operating the Burnaby Rent Bank program be approved.

## 1.0 POLICY SECTION

The recommendation outlined in this report aligns with the *Mayor's Task Force on Community Housing Final Report* that the City establish a rent bank using Housing Fund monies (Quick Start #4).

## 2.0 BACKGROUND

In the fall of 2019, the City engaged BC Rent Bank and the Lower Mainland Purpose Society (Purpose Society), to create a rent bank in Burnaby. While rent banks may be initiated by a municipality, the Community Charter does not allow municipalities to provide loans to businesses or individuals. Therefore, rent banks must be operated by third parties (e.g., non-profit organizations). The following outlines key milestones in the creation and operation of the Burnaby Rent Bank:

- **April 6, 2020** – Purpose Society starts a temporary rent bank in Burnaby to support low-income renters during COVID-19;
- **April 20, 2020** – Council approves a grant of \$30,000 from the Operating Contingency Fund (matching the \$30,000 contribution of BC Rent Bank) for Purpose Society to operate the temporary Burnaby Rent Bank from April to July 2020;
- **June 17, 2020** – Council approves an extension to the temporary Burnaby Rent Bank to October 31, 2020;
- **December 2, 2020** – BC Rent Bank announces Purpose Society was successful in their funding application for a permanent rent bank in Burnaby;
- **March 8, 2021** – Council approves:

- a contribution of \$40,000 to Purpose Society from the Operating Housing Reserve for the initial opening and operational needs associated with establishing a permanent Burnaby Rent Bank; and
- the contribution of \$105,000 over a three-year period (\$35,000 per year from April 1, 2021, to March 31, 2024) to Purpose Society from the Operating Housing Reserve to assist with the administrative costs associated with operating the Burnaby Rent Bank.

The current funding agreement between the City and Purpose Society expires on March 31, 2024. In order to ensure the Burnaby Rent Bank continues its current operations, Purpose Society is requesting funding from the City for another three years.

## **2.1 Burnaby Rent Bank Overview**

The Burnaby Rent Bank provides low-fee, no-interest, short-term loans to renter households with low to moderate-incomes that live in Burnaby and are at risk of eviction due to a temporary and unexpected financial crisis. Individuals that meet income qualifications (BC Housing's Housing Income Limits) may borrow up to a maximum of \$1,900, and families (two or more people living in a family relationship) may borrow up to \$3,000. When an applicant requires additional financial assistance or if paying back a loan is not financially feasible, the Burnaby Rent Bank is able to provide applicants with a rent subsidy (also called a grant).

Burnaby Rent Bank's operations, loan capital and grant capital is primarily funded by BC Rent Bank. In the 2023/2024 fiscal year BC Rent Bank contributed \$72,959.10 towards Burnaby Rent Bank operations. Loan capital (the funds used to issue loans) is maintained through the repayment of loans and additional funding from BC Rent Bank. In the last three years 69% of all loans have been repaid. In the 2023/2024 fiscal year BC Rent Bank contributed \$14,000 to the Burnaby Rent Bank loan capital fund. Funding for rent subsidies (grants) is provided by the BC Rent Bank through the Government of Canada's Reaching Home Program that seeks to prevent and reduce homelessness across Canada. Purpose Society has received confirmation that they will be receiving funding from BC Rent Bank for operations, loan capital and grants for the 2024-2025 fiscal year; however, the total funding amount will not be approved until January 2024.

## **3.0 GENERAL INFORMATION**

Purpose Society has operated the Burnaby Rent Bank since its inception in April 2020. By supporting tenants to stay in their current homes at stable rental rates, the Burnaby Rent Bank reduces the risk of homelessness for many Burnaby residents.

### **3.1 Impact of the Burnaby Rent Bank**

From April 1, 2020, to March 31, 2023, Burnaby Rent Bank provided 51 loans totalling \$62,805.33 and 34 grants totalling \$38,376 to 115 individuals (see Table 1). While reasons for application vary, the most common reasons included change in living situation (e.g., roommate moves suddenly, relationship breakdown etc.), job loss, reduction in work hours, and illness, injury, or medical crisis. Given the household

eligibility is based on having incomes at or below BC Housing's Housing Income Limits (HILS), all households that received support were low income. Most applicants had incomes well below the HILS rates as 42% of applicants had an income of \$20,000-\$29,000 and 20% of applicants had an income of \$10,000-\$19,000. Most applicants were employed (40%), but other income sources included Employment Insurance (14%), Persons with Disability Assistance (14%) and Income Assistance (12%).

Since 2020 demand for loans and grants from the Burnaby Rent Bank has increased significantly. From 2021 to 2022 there was a 175% increase in pre-assessment forms and a 201% increase in applications. While there was a slight reduction in completed applications in the 2022/2023 fiscal year demand remained high with the Rent Bank receiving 123 applications. Burnaby Rent Bank staff note the decrease in loans provided in 2022-2023 can be attributed to an increase in ineligible applicants whose expenses regularly exceed their income due to rising cost of living. These individuals are deemed ineligible because this is not considered a temporary crisis.

**Table 1: Burnaby Rent Bank Loan and Grant Data (April 1, 2020 – March 31, 2023)**

Fiscal year (April 1 - March 31)	Inquires	Pre-assessment forms received	Applications received	Number of loans provided	Total Loans Provided	Loan repayment rate	Number of grants provided	Total grants provided
2020 - 2021	147	74	53	12	\$16,224	69%	7	\$5400
2021 - 2022	342	204	160	25	\$28,840	65%	14	\$13,452
2022 - 2023	304	199	123	14	\$17,741.33	73%	13	\$19,524
<b>Total</b>	<b>793</b>	<b>477</b>	<b>336</b>	<b>51</b>	<b>\$62,805.33</b>	<b>69%</b>	<b>34</b>	<b>\$38,376</b>

### 3.2 Funding Request

BC Rent Bank funds the majority of Burnaby Rent Bank operating expenses but requires each rent bank to show they have funding from other sources in order to receive this core funding. To date the City has provided the following funds for Burnaby Rent Bank operating expenses:

- \$30,000 for the costs associated with opening and operating the temporary rent bank in Burnaby;
- \$40,000 for the costs associated with the initial opening of a permanent Burnaby Rent Bank; and
- \$105,000 over a three-year period (from April 1, 2021, to March 31, 2024) for ongoing administrative costs associated with operating the Burnaby Rent Bank program.

Starting April 1, 2024, the Purpose Society requests funding in the amount of \$135,000 over a three-year period (\$45,000 per year, ending March 31, 2027). The new funding request is due to the significant increase in demand for Burnaby Rent Bank services since the first funding arrangement was approved in 2021. Purpose Society currently

has enough funds for one full time Burnaby Rent Bank Case Worker position. However, Purpose Society staff have reported that demand over the last six months has spiked, and they are unable to meet the increased need with the current staffing levels. Given the population of Burnaby continues to grow and residents are facing increased financial pressures due to rising cost-of-living Purpose Society staff expect demand to remain high and seek to hire an additional part time staff to support the current full-time case worker.

Establishment of the Burnaby Rent Bank was a key action in the *Mayor's Task Force on Community Housing* and is an important tool in homelessness prevention. Given the success of the Burnaby Rent Bank in its first three years and the important support they provide vulnerable Burnaby Renters, staff recommend that Council approve new funding in the amount of \$45,000 per year over the next three years (\$135,000 total) from the Operating Housing Reserve Fund to support the operating expenses of the Burnaby Rent Bank.

#### **4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT**

Not applicable

#### **5.0 FINANCIAL CONSIDERATIONS**

Staff recommend that funding be provided from the Operating Housing Reserve that was established to fund operating costs of affordable housing initiatives. The 2024 Financial Plan allocates \$35,000 of the Operating Housing Reserve for funding for Burnaby Rent Bank operating costs. If the request for \$45,000 per year is approved staff can submit a request to adjust the Financial Plan.

Respectfully submitted,

Ed Kozak, General Manager Planning and Development

#### **REPORT CONTRIBUTORS**

This report was prepared by Claire Shepansky, Planner 1, and reviewed by Carla Schuk, Planner 3, Doug Spindler, Director Treasury Services, and Lee-Ann Garnett, Deputy General Manager Planning and Development.