

DATE OF MEETING SEPTEMBER 11, 2023  
AUTHORED BY CHRISTY WOOD, SOCIAL PLANNER  
SUBJECT RENT SUPPLEMENT PROGRAM REVIEW

## **OVERVIEW**

### **Purpose of Report**

To provide Council with a review of rent supplements provided in Nanaimo, including City funded initiatives, and to recommend expanding City contributions to rent supplement programs in Nanaimo.

### **Recommendation**

That Council direct \$150,000 from the Online Accommodation Platform fund to be used to support rent supplement programs in Nanaimo, targeting key areas of housing need identified in the *Housing Needs Report*, as attached to the Governance and Priorities Committee Agenda dated 2023-JUN-12, and that the funds be distributed to service agencies through a Request for Proposal or Expression of Interest process.

## **BACKGROUND**

Rent supplements bridge the gap between what an individual or family can afford to pay and the actual cost of housing, thus creating an affordable unit in the private market. Rent supplements can be provided on an ongoing basis, or as a one-time payment depending on the income and needs of the household. Rent supplements play an important role in the prevention of homelessness, enable stable housing in market rental units, and help to reduce the impacts of poverty for individuals and families.

## **DISCUSSION**

### *Review of Rent Supplements Provided in Nanaimo*

Below is a summary of the Connective Society Housing First Rent Supplement Program, which has received funds from the City of Nanaimo, as well as a summary of other rent supplement programs in Nanaimo.

### **Connective Society – Housing First Program**

The Connective Society Housing First Program (HFP) targets individuals who rate high on the Vulnerability Assessment Tool<sup>1</sup> (VAT) scale and are experiencing chronic or episodic

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<sup>1</sup> The Vulnerability Assessment Tool (VAT) is a structured way of measuring a person's vulnerability to continued instability in homelessness. Service providers use the VAT to identify individuals who would

homelessness. The HFP supports eligible individuals in finding, securing, and maintaining housing that is best suited to their needs. The HFP is a housing focused support program that offers a range of individualized services to create housing stability. Funds are used in the HFP to provide rent supplements, staff support, emergency assistance, housing repairs, and supplies.

Since 2015, the HFP has served 65 individuals experiencing homelessness in Nanaimo and provided over 6,000 hours of direct services and supports to create and maintain housing stability for the hardest to house individuals. 60 individuals have received ongoing or one-time rent supplements to bridge affordability gaps and 30 of these individuals are still participating in the HFP. The contributions made by the City since 2016 to Connective Society have supported an average of 18 individuals annually with ongoing rent supplements.

Since 2016, the City provided three grants, totaling \$125,000, to the Nanaimo Region John Howard Society, now known as Connective Society, to fund rent supplements through the HFP. These funds were provided from the Housing Legacy Reserve fund. The Federal Government of Canada, through the Reaching Home Program, also provides funds designated for Nanaimo to the Connective Society's HFP. Federal funds are used towards staff wages, transportation, workshops on life skills or tenant rights and responsibilities, substance use and mental health supports, rent supplements, and other program costs. City funds are only used towards rent supplements.

<b>Year</b>	<b>Funds provided by the City of Nanaimo to Connective Society Housing First Program</b>
<b>2016</b>	\$45,000
<b>2018</b>	\$45,000
<b>2021</b>	\$35,000
<b>Total</b>	<b>\$125,000</b>

The HFP received an additional \$190,189 in funding from the Federal Reaching Home Program to deliver the program from 2023-APR-01 to 2024-MAR-31. These funds will cover staff wages, rent supplement capital, and other program costs. Connective Society is requesting \$45,000 from the City for rent supplement capital to help provide supports over the next two years for participants in the HFP. Connective Society applies a 15% administration fee to the total overall HFP budget. This administration fee provides human resources and accounting support. To ensure an equitable process, Staff recommend that Connective Society apply for the requested funds through the City's Request for Proposal (RFP) or Expression of Interest (EOI) process.

### **Other Rent Supplement Programs in Nanaimo**

In addition to the Connective Society HFP, there are a variety of other rent supplement programs provided in Nanaimo, with different eligibility criteria. An overview of rent supplement programs delivered by service agencies can be found in Attachment A. Most rent supplement payments provided to households average \$300 per month, however, amounts can be higher depending on the specific program or household need. Rent supplements can be provided one time or on a monthly basis, depending on the demand and funds available. In addition, certain populations may be prioritized through rent supplement programs depending on the service agency's mandate and the funder's requirements. For 2023, there are an estimated 264 rent supplement payments

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benefit most from high-impact interventions such as supportive housing or ongoing intensive case management services.

available through service agencies for households in Nanaimo. These rent supplements are provided to service agencies for distribution by various funders with the majority of supplements being provided by BC Housing.

As mentioned, BC Housing provides rent supplements within the city and distributes these supplements through service agencies (as identified in Attachment A) or to individuals and families directly. In 2022, BC Housing reported that 1,221 rent supplements were provided to individuals, families, and support service agencies in Nanaimo. The table below defines each rent supplement type and total provided by BC Housing.

<b>Rent Supplement Type (Source - BC Housing)</b>	<b>Total Rent Supplements (2022)*</b>
<i>Canada – BC Housing Benefit</i> – supports priority groups <sup>2</sup> with rent costs, either as a one-time payment or on an ongoing basis until funding allocation is exhausted for the fiscal year.	58
<i>Homeless Rent Supplements</i> – are provided through BC Housing’s Homeless Prevention Program. In addition to providing rent supplements, they provide operating funds for support service agencies to provide wrap-around support services to help keep individuals housed.	113
<i>Rent Assist Families</i> – provides monthly assistance to help low-income households with their rent payments.	223
<i>Rent Assist Seniors (SAFER)</i> – provides monthly cash payments to subsidize rent for BC residents over the age of 60.	827
<b>Total</b>	<b>1,221</b>

\*Rent supplement payments are provided monthly to households, either as a one-time payment or as a monthly payment.

### *Expanding City Contributions to Rent Supplement Programs*

The *Health and Housing Action Plan* (2021) estimates that at least 6,000 housed people in Nanaimo are at risk of homelessness. These individuals and families are living in core housing need and most have annual incomes of \$30,000 or less. Need is increasing among specific populations that face the greatest barriers to accessing stable housing. These populations are identified in the recent *Housing Needs Report* (2023) as renters with low or moderate incomes, individuals with special needs, seniors, families, youth, Indigenous People, and people experiencing homelessness. Attachment B provides an overview of the key areas of housing need identified in the *Housing Needs Report*.

*City Plan: Nanaimo Reimagined* and the *Affordable Housing Strategy* (2018) supports the use of tax revenues from short-term rental accommodation to increase access to low-income and special-needs housing. The *Affordable Housing Strategy* also recommends increasing the availability of rent supplements as one of the ways the City can continue to support low-income and special needs housing. The Strategy suggests a target of adding 100-120 new rent supplements for low-income individuals and families to access market housing. In addition, the *Health and Housing Action Plan* identifies the need to target new rent supports in Nanaimo through rent bank and rent supplement programs. |

<sup>2</sup> Priority Groups include people experiencing or at risk of homelessness, women and children experiencing or at risk of domestic violence, Indigenous Peoples, people with disabilities, people with mental health and addiction challenges, veterans, racialized populations, youth leaving care, large families requiring four or more bedrooms, and people with disabilities.

In 2018, the Province of British Columbia extended the Municipal and Regional District Tax (MRDT) applied to hotels, motels, and resorts to include an Online Accommodation Platform (OAP). The MRDT includes up to 3% tax on the purchase of accommodation within select regions on behalf of municipalities, regional districts, or eligible entities. The City distributes MRDT funds through a service agreement with the Nanaimo Hospitality Association (NHA) except for the portion collected through OAP from online accommodation providers or short-term rental platforms. Additionally, the Province expanded the option for municipalities to use OAP funds towards affordable housing initiatives.

The Provincial Guidelines for OAP funds state that the City has the flexibility to define, identify, and fund, affordable housing initiatives that they deem appropriate to meet local needs, with the following criteria for the use of OAP funds:

- Acquiring, constructing, maintaining, or renovating, housing or shelter;
- Acquiring or improving land used for, or intended to be used for, housing or shelter;
- Supporting the acquisition, construction, maintenance, renovation, or retention of housing or shelter, or the acquisition or improvement of land intended to be used for housing or shelter;
- Supporting housing, rental, or shelter programs; or
- Paying expenses related to the administration or disposal of housing, shelter, or land acquired with money paid out of MRDT revenues.

In 2021, Council directed that \$90,603 from the OAP funds be allocated to implement Nanaimo's first rent bank pilot project. OAP funds can also be used to provide rent supplements. Since 2019, the City has received an average of \$170,000 annually in OAP funds. To date, the City has \$693,355 in OAP funds for affordable housing initiatives.

Staff recommend that \$150,000 of the OAP funds be used to expand supports to the City's rent supplement programs to:

- Increase the number of rent supplements available;
- Expand the scope of criteria to include key areas of housing need as identified in the *Housing Needs Report*; and,
- Increase the flexibility of rent supplements to allow for use with other types of financial assistance or government subsidies.<sup>3</sup>

These funds can provide approximately 300 to 500 additional rent supplement payments averaging between \$300 and \$500. Funds can be distributed to community partners through existing City frameworks such as a Request for Proposal or Expression of Interest process. Successful applicants will be asked to enter into a service agreement with the City to distribute the rent supplement payments between fall 2023 and fall 2024.

## **OPTIONS**

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<sup>3</sup> For example, individuals receiving disability assistance are often not eligible for many rent supplement programs because they are already receiving financial assistance. A single person on disability assistance receives \$1,483.50 monthly to cover living expenses including any housing costs.

1. That Council direct \$150,000 from the Online Accommodation Platform fund to be used to support rent supplement programs in Nanaimo, targeting key areas of housing need identified in the *Housing Needs Report 2023*, and that the funds be distributed to service agencies through a Request for Proposal or Expression of Interest process.
  - The advantages of this option: The provision of rent supplements supports objectives in *City Plan: Nanaimo Reimagined*, the *Affordable Housing Strategy*, and the *Health and Housing Action Plan*. Distributing funds through a Request for Proposal or Expression of Interest process will provide broader access to the rent supplement funds and ensure that the target populations identified as most vulnerable in the *Housing Needs Report (2023)* are offered financial assistance. Providing rent supplements can prevent homelessness and keep vulnerable populations housed.
  - The disadvantages of this option: \$150,000 of the OAP funds used for rent supplements would not be available for other affordable housing initiatives.
  - Financial Implications: \$693,355 is currently available in the City's OAP fund for affordable housing initiatives. The 2022-2027 Financial Plan will be amended to include the rent supplement program.
  
2. That Council direct \$150,000 from the Online Accommodation Platform funds to be used to support rent supplement programs in Nanaimo, by providing \$45,000 to the Connective Society for the Housing First Program, and \$105,000 be distributed to support service agencies through a Request for Proposal or Expression of Interest process targeting population groups identified in the *Housing Needs Report*.
  - The advantages of this option: Connective Society can continue to support current clients of the Housing First Program and add additional participants. Other service providers would also have access to the OAP funds for rent supplements through the request for proposal or expression of interest process. The provision of rent supplements supports objectives in *City Plan: Nanaimo Reimagined*, the *Affordable Housing Strategy*, and the *Health and Housing Action Plan*.
  - The disadvantages of this option: \$150,000 of the OAP funds used for rent supplements would not be available for other affordable housing initiatives. The process for awarding funds may not have its broadest reach by directing a portion of funds to one agency.
  - Financial Implications: \$693,355 is currently available in the City's OAP fund for affordable housing initiatives. The 2022-2027 Financial Plan will be amended to include the rent supplement program.
  
3. That Council provide alternate direction.

### **SUMMARY POINTS**

- Rent supplements play an important role in preventing homelessness, and enable low-income populations to remain housed in private market rentals.
- Since 2016, the City of Nanaimo has provided three grants totaling \$125,000 to the Nanaimo Region John Howard Society, now known as Connective Society, to support their Housing First rent supplement program.
- The *Housing Needs Report (2023)* highlights the key areas of housing need including renters with low or moderate incomes, individuals with special needs, seniors, families, youth, Indigenous People, and people experiencing homelessness.
- Staff are recommending that \$150,000 of Online Accommodation Platform funds be used to support rent supplements for key areas of housing need as identified in the *Housing Needs Report (2023)* and that the funds be distributed through a Request for Proposal or Expression of Interest process.

### **ATTACHMENTS:**

ATTACHMENT A: Rent Supplement Programs in Nanaimo

ATTACHMENT B: Key Areas of Housing Need (Housing Needs Report 2023) |

#### **Submitted by:**

Lisa Brinkman  
Manager, Community Planning |

#### **Concurrence by:**

Laura Mercer  
Director, Finance

Bill Corsan  
Director, Corporate & Business Development

Dale Lindsay  
General Manager, Development Services /  
Deputy CAO |