

## **Toronto Rent Bank and Eviction Prevention in the Community Programs - Update**

**Date:** March 11, 2021

**To:** Economic and Community Development Committee

**From:** General Manager, Shelter, Support and Housing Administration

**Wards:** All

### **SUMMARY**

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Since the start of the pandemic, the City has made significant commitments to expand supports for households at risk of eviction to prevent people from becoming homeless due to eviction. This includes recent enhancements to the Eviction Prevention in the Community and Toronto Rent Bank programs, as outlined in the [Toronto Rent Bank and Eviction Prevention in the Community Programs – Update](#), a report that was adopted with amendments at the Economic and Community Development Committee meeting on December 7, 2020.

As a follow up, staff have been requested to report back to the Economic and Community Development Committee on accelerating ongoing work to improve the effectiveness of the Toronto Rent Bank and Eviction Prevention in the Community programs and to further expand both programs including additional outreach to communities disproportionately affected by COVID-19.

This report provides updates on Toronto Rent Bank and Eviction Prevention in the Community programs, including additional program changes to increase access and uptake. Changes include piloting the Toronto Rent Bank program as a grant program instead of a loan program until March 31, 2022 and an additional \$3 million investment of COVID-19 emergency funds into the Toronto Rent Bank program. No additional funds are required for the Eviction Prevention in the Community Program at this time; however, staff will continue to monitor service levels and assess options for in-year investment if needed.

In the context of COVID-19, many renter households in Toronto are facing economic uncertainty, and over time these impacts are compounding, especially for people in low-income households. According to a [Canada Mortgage and Housing Corporation Rental Market Report 2021](#), there are approximately 35,000 households in arrears in Toronto. While the eviction moratorium in place during the provincial stay-at-home order provided some short-term relief, if the underlying causes of housing instability for tenants and loss of rental income for landlords are not addressed, these moratoriums may result in a surge of eviction enforcements after the moratoriums are lifted.

Eviction prevention programs are an important way to help low-income households to maintain their housing and to reduce pressure on the shelter system. Toronto's eviction prevention programs are designed to address immediate, short-term, and unanticipated issues that prevent people from becoming homeless by eviction. In the context of the COVID-19 pandemic, the needs of tenants facing ongoing economic uncertainty due to the pandemic have grown beyond the mandate and scope of the City's current eviction prevention programs.

While Toronto's eviction prevention programs are committed to improving access for low-income and vulnerable households, there is also the urgent need for immediate assistance from other orders of government to address the urgent scale of housing instability exacerbated by the ongoing economic uncertainty of the pandemic. This includes addressing the immediate backlog of arrears from during the pandemic by implementing a residential emergency rental assistance program similar to those created for commercial tenants. Government coordination will also be necessary to address the deepening housing unaffordability challenges that renters are facing.

This report requests the provincial government provide urgent renter assistance by establishing a provincially funded and delivered temporary rental assistance program that supports tenants to avoid evictions due to arrears and pay the rent during the pandemic, consistent with existing Council requests in the [Housing and People Action Plan](#) to support economic recovery. Furthermore, the report reiterates the request to federal and provincial governments to expedite the Canada-Ontario Housing Benefit to provide an immediate allocation of 1,000 new benefits for Toronto, as aligned with the City of Toronto's [24-Month Housing Plan](#).

## **RECOMMENDATIONS**

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The General Manager, Shelter, Support and Housing Administration recommends that:

1. City Council reiterate the request to the Provincial Government from the Housing and People Action Plan to provide urgent renter assistance through time-limited measures, including:
  - a. Establishing a provincially-funded and provincially-delivered temporary assistance program that supports tenants to pay the rent during the economic recovery; and
  - b. Implementing measures to minimize the number of court ordered evictions due to rental arrears during the pandemic.
2. City Council urgently reiterate the request that the Federal and Provincial Governments expedite 1,000 additional new portable (and flexible) Canada-Ontario Housing Benefits to help households secure housing available for rent in Toronto and across the region.

## FINANCIAL IMPACT

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There are no additional financial impacts resulting from the recommendations in this report.

Funding for the Toronto Rent Bank and the Eviction Prevention in the Community programs is included in the Approved 2021 Operating Budget for Shelter, Support and Housing Administration.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

## DECISION HISTORY

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At its meeting on December 7, 2020, the Economic and Community Development Committee requested the General Manager, Shelter, Support and Housing Administration, to report back in the first quarter of 2021, as part of the ongoing evaluation and redesign work on the Toronto Rent Bank and the Eviction Prevention in the Community programs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC18.8>

At its meeting on October 27 and 28, 2020, City Council adopted item EC16.1 that recognized the importance of preventing people from becoming homeless and requested the General Manager, Shelter, Support and Housing Administration, and the Executive Director, Housing Secretariat, to accelerate ongoing work toward the expansion of the Toronto Rent Bank Program and the Eviction Prevention in the Community Program and bring recommendations to City Council as soon as possible.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC16.1>

At its meeting on October 20, 2020, the Planning and Housing Committee directed the General Manager, Shelter, Support and Housing Administration, to review and update, as required, current City of Toronto web content related to the Rent Bank program, the Eviction Prevention in the Community (EPIC) program and the Tenant Defence Fund and Tenant Hotline programs, and include information on how tenants can access each program.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH17.6>

At its meeting on September 30, October 1 and 2, 2020, City Council requested the General Manager, Shelter, Support and Housing Administration to report back to the Planning and Housing Committee on the feasibility of expanding the Toronto Rent Bank program and the Eviction Prevention in the Community Program to introduce non-repayable grants to residents who cannot afford a temporary loan; and, expand the eligibility criteria of the Toronto Rent Bank and the Eviction Prevention in the Community program to capture more low-income residents and families.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PH16.5>

## COMMENTS

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### **Toronto Rent Bank Program**

The Toronto Rent Bank (Rent Bank) provides interest-free loans to low-income households in Toronto who are experiencing rental arrears or require help with a rental deposit in order to prevent homelessness. The Rent Bank is delivered by a community not-for-profit partner, Neighbourhood Information Post (NIP), which works collaboratively with seven local access centre partners across the city to coordinate and administer the program. Both the local access centres and NIP engage in outreach activities to promote the Rent Bank program.

In response to the COVID-19 pandemic, SSHA made an additional \$2.00 million investment to the Rent Bank in April 2020, along with program enhancements to support low-income households to remain housed. Program changes included:

- Increasing the maximum allowable loan from \$3,500 to \$4,000 for up to 3 months of rental arrear loans;
- Automatically deferring all loan repayments for up to a period of 12 months;
- Eliminating the eligibility requirement that households demonstrate a steady income on a go-forward basis;
- Moving from original copies to electronic document verification;
- Redirecting all households in receipt of social assistance to the Housing Stabilization Fund; and
- Establishing a Toronto Employment and Support Services (TESS)-run Rent Bank pre-screening call centre at 416-397-RENT (7368).

### *Rent Bank 2021 Budget and Fund Balance*

The 2021 approved budget includes a planned allocation of \$1.44 million to the Rent Bank Fund. In addition, SSHA has committed an additional \$3.00 million in emergency funds to the Rent Bank in order to keep up with rising service demand and the operational impact of the COVID-19 pandemic.

As of January 31, 2021 the Rent Bank Fund had \$1.55 million in available funding. When added to the 2021 allocations SSHA will pay to the fund, the total available funding for the Rent Bank Fund will be \$6.00 million.

### *Rent Bank Service Levels*

In 2020, NIP granted 1,060 rental arrear loans and 90 rental deposit loans – up 34% from 2019 where 762 rental arrear loans and 99 rental deposit loans were granted. In 2020, the total value of all loans granted equaled \$3.53 million – up 66% from 2019, where the total value of loans granted equaled \$2.13 million.

The number and value of loans granted steadily increased in each financial quarter of 2020 (see Table 1 below).

*Table 1: Increase in Rent Bank Loans Granted in 2020 by Financial Quarter*

<b>Financial Quarter</b>	<b>Number of Loans Grants #</b>	<b>Increase from Last Quarter %</b>	<b>Value of Loans Granted \$</b>	<b>Increase from Last Quarter %</b>
2020 – Q1	201	n/a	\$549,000	n/a
2020 – Q2	244	21%	\$747,000	36%
2020 – Q3	281	15%	\$879,000	18%
2020 – Q4	424	50%	\$1,353,000	54%
<b>Totals</b>	<b>1,150</b>	<b>n/a</b>	<b>\$3,528,000</b>	<b>n/a</b>

It is anticipated that the \$6.00 million in funding for the Rent Bank in 2021 will be sufficient to support current levels of demand. If the Rent Bank grants the same number of loans in 2021 as it did 2020, at the average payable amount of \$3,090, it would cost the program \$3.66 million. If the Rent Bank program sustains its Q4 2020 service levels throughout the 2021 year, it would cost the program \$5.24 million. Staff will continue to monitor service levels and assess options for in-year investment if needed.

*Changing Eligibility Requirements – Household Income Eligibility*

The Rent Bank program targets low-income households by referencing a set range of household income eligibility thresholds based on household size. If a household does not fit into the eligibility threshold, Rent Bank workers have discretion to consider applicants with income up to an additional \$15,000. In an effort to further reduce barriers to access the program, this additional income level will be incorporated into the official eligibility criteria for the program. The Rent Bank Steering Committee, made up of staff from NIP and the seven local access centre partners, support this recommendation.

Effective March 2021, the Rent Bank will increase the household income eligibility criteria by \$15,000 in each household composition category (see Table 2 below). The revised household income eligibility will better reflect the income levels of Rent Bank applicants and make the program more accessible to both low and moderate income households who may be facing economic uncertainty and housing instability.

*Table 2: Household Income Eligibility – Pre- and Post-March 2021*

<b>Number in Household</b>	<b>Pre-March 2021 Top Level Financial Range</b>	<b>Post-March 2021 REVISED Top Level Financial Range</b>
<b>1</b>	\$ 31,500	\$46,500
<b>2</b>	\$ 37,000	\$52,000
<b>3</b>	\$ 43,000	\$58,000
<b>4</b>	\$ 51,500	\$66,500
<b>5</b>	\$ 63,500	\$78,500
<b>6</b>	\$ 69,531	\$84,531
<b>7</b>	\$ 76,366	\$91,366

### *Piloting a Grant Program Model*

Historically, the Rent Bank program has provided qualifying households with an interest-free loan for rental arrears or rent deposits.

Given that the COVID-19 pandemic has negatively impacted many Torontonians' income levels and, in turn, their ability to pay their rent, the Rent Bank program will be piloted as a grant program instead of a loan program for a period of one year, until March 31, 2022. This would mean the elimination of all loan repayment requirements for Rent Bank clients for at least the duration of the pilot. Changes are targeted to take effect in April 2021.

Currently, loan repayments fund Rent Bank programmatic costs for coordination and administration, and are also reinvested in the fund in order to provide more rental arrears and rent deposit loans to clients in any given year.

As of January 31, 2021 the outstanding balance of active unpaid Rent Bank loans is \$7.69 million. In 2020, NIP collected \$827,454 in loan repayments – down 22% from 2019 where NIP collected \$1,054,232 in loan repayments. The \$3.00 million investment of emergency COVID-19 funding is anticipated to offset the 2021 financial impact of moving from a loan to grant program model.

Changing the Rent Bank program model from a loan to a grant would allow NIP to repurpose resources dedicated to loan repayment towards other program activities such as outreach, advocacy, intakes, and approvals, thereby increasing their capacity to serve more households. It should be noted that a non-repayable grant model may increase demand for the Rent Bank, placing additional pressures on the Rent Bank Fund, as well as review of the TESS-run pre-screening call centre, in order to ensure there is adequate capacity to meet the demand for service.

A one-year pilot of a grant program will allow staff to evaluate the impact of any increased demand for service, program administration changes for the NIP and the seven local access centre partners, as well as make plans to mitigate any forecasted financial impact. Future potential financial impacts will need to be considered through the City's annual budget process.

### **Eviction Prevention in the Community Program**

The Eviction Prevention in the Community (EPIC) program assists vulnerable households facing imminent risk of eviction by offering intensive wrap-around case management services. The program helps prevent loss of housing by assisting households to keep their existing housing unit, and avert homelessness by assisting to secure new housing when eviction cannot be prevented.

Since EPIC launched as a pilot in 2017, it has experienced considerable success in client outcomes, having assisted 980 households to remain housed (see Table 3 below).

Table 3. 2017-2020 Successful Housing Outcomes

Year	Households with Successful Housing Outcomes
2017	95
2018	256
2019	322
2020	307
<b>TOTAL</b>	<b>980</b>

With a total approved budget of \$1.99 million for 2020, EPIC had forecasted 750 households could be served in 2020. As a result of the COVID-19 pandemic, referrals to the EPIC program in 2020 were lower than originally anticipated from the two main referral sources, the Landlord and Tenant Board (LTB) and the City's Central Intake. Factors further contributing to the lower number of referrals included the Provincial moratorium on evictions, the closure of the LTB from March to August 2020 and subsequent backlog of cases. Notwithstanding, EPIC assisted 307 households to remain housed in 2020.

*EPIC 2021 Budget*

In 2021, the total approved budget for the EPIC program is \$2.030 million. Although the two eviction moratoriums contributed to lower referrals in the first quarter of 2021, it is projected that EPIC will support 500 households to remain housed in 2021. No additional funds are required for the EPIC program at this time. Staff will continue to monitor service levels and assess options for in-year investment if needed. Allocating City resources to prevent evictions and divert households from accessing emergency shelter has proven to be a cost effective and efficient method of addressing homelessness. EPIC helps the City to offset pressure in the emergency shelter system, with EPIC's annual budget being the equivalent of sheltering 100 people for 90 days. In contrast, evictions add service strain to the shelter, emergency services, and legal systems and can be economically devastating for households.

*Options for Increased Access*

As demand for eviction prevention and shelter diversion increases, EPIC is a key service to assist vulnerable households in Toronto to remain housed and avoid homelessness. At this time, EPIC is focused on improving access to the program while maintaining current eligibility requirements, which focuses on prioritizing assisting low-income households whose vulnerability is compounded by significant and acute housing insecurity. EPIC has undertaken actions to increase access to the program, and will continue to implement the actions as described below.

1. Expanding Designated Referral Sources

In January 2021, building upon existing landlord relationships, EPIC contacted a global investment group whose ownership portfolio includes several multi-residential properties across Toronto. At the beginning of February 2021, EPIC launched a pilot with four property management companies, specifically targeting properties located in marginalized communities. Strong partnerships with landlords will result in higher rates

of upstream interventions leading to more positive housing outcomes, reduced legal costs, and recovery of lost revenue for housing providers. At this time, EPIC is on track to receive more than 300 referrals from private market housing providers.

## 2. Increased Service Coordination and Outreach

At the beginning of March 2021, EPIC and the Toronto Rent Bank will formally launch a service agreement which will enhance eviction prevention service coordination between both programs. This collaboration will aim to reduce barriers and strengthen service coordination for clients to achieve housing stability. Emphasis will be placed on supporting client groups who are not eligible for Rent Bank assistance (e.g., clients who had previously received assistance or those who are not eligible for Ontario Works housing stabilization benefits).

In parallel, EPIC will continue to conduct outreach to 'first point of contact' tenant support community agencies such as community legal clinics, advocacy centres and financial aid programs. Building new relationships with community agencies will present opportunities for early intervention and service collaboration while strengthening resiliency in the sector and resulting in higher rates of positive housing outcomes.

### *Program Evaluation*

SSHA will undertake a third party evaluation of the EPIC program in 2021. Work has commenced to identify the scope and key objectives of the evaluation. The evaluation will review service delivery models best suited to scale up the EPIC program, including building capacity across service sectors, strengthening housing security for at-risk Toronto residents, and exploring alternate funding sources such as social impact investing.

### **Need for Immediate Housing Stability Support for Existing Renters**

On January 14, 2021, the Provincial Government issued a second state of emergency, accompanied by a [Regulation on Residential Evictions](#) which limited enforcement of evictions during the state of emergency. Under this Regulation, the Landlord and Tenant Board was permitted to hold hearings and issue eviction orders for residential tenancies, but enforcement of eviction orders was paused. The regular process for residential eviction enforcement resumed when the order was lifted in Toronto on March 8, 2021.

In the coming weeks, it is expected that there will be an increase in the number of households facing imminent eviction. In situations where a LTB order has already been issued, it may be too late in the eviction process to save the tenancy. The focus in these cases will shift from eviction prevention to homelessness prevention and shelter diversion, to help households to secure new housing to avoid homelessness, through programs like EPIC. If housing cannot be secured for these households, demand for emergency shelter services may continue to increase.



According to a [Canada Mortgage and Housing Corporation Rental Market Report 2021](#), there are approximately 35,000 households in arrears in Toronto. For some households, the pandemic has resulted in loss of income and accumulation of insurmountable arrears. Large amounts of arrears can be overwhelming for a household to manage and have a much higher likelihood of leading to an eviction.

These large amount of arrears are beyond the scope and funding available through the EPIC and Rent Bank programs, which are designed as short-term eviction prevention programs to address immediate needs to stabilize housing and prevent homelessness. As a result, there is a significant group of households that will not be served by either program.

There is an urgent need for other orders of government to provide immediate assistance to maintain housing stability for households in Toronto and reduce pressure on the shelter system. This includes the need for the Provincial government to provide urgent renter assistance by establishing a provincially-funded and provincially-delivered temporary assistance program that supports tenants to pay the rent during the economic recovery. This request is consistent with the existing Council direction in the [Housing and People Action Plan](#).

To address longer term housing stability, there is also the need for the federal and provincial governments to expedite the Canada-Ontario Housing Benefit to provide an immediate allocation of 1,000 new benefits for Toronto. This is aligned with the City of Toronto's [24-Month Housing Plan](#).

While nationally, there has been an emergency rental assistance program for commercial tenants, there has not been a similar program available either federally or in Ontario to address the housing instability of residential tenants as a result of the pandemic. Other jurisdictions have demonstrated innovation and urgency in tackling the issues of housing instability and eviction prevention. An example of a provincial temporary rental supplement is the [British Columbia Temporary Rental Supplement \(BC-TRS\) program](#). Established at the start of the pandemic, this program provided tenants and landlords in BC with temporary support towards rent payments from April to August 2020. The supplement was available for up to three months for renters with low-and-moderate income who lost income as a result of COVID-19. Individuals and couples with no dependents were eligible for \$300 per month while family households were eligible for \$500 per month.<sup>1</sup> Through this program, more than 87,000 households received the rental supplement, and more than 370,000 rent payments were made directly to landlords of eligible households.<sup>2</sup>

A similar program in Ontario would have the potential to have positive impacts as a prevention initiative to assist low-income households in Toronto and reduce potential future pressures to the emergency shelter system.

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<sup>1</sup> Landlord BC. (n.d.). *The BC Temporary Rental Supplement: Top 5 Questions*. <https://landlordbc.ca/the-bc-temporary-rental-supplement-top-5-questions/>

<sup>2</sup> BC Housing. (n.d.). *Housing Sector Updates – COVID-19*. <https://www.bchousing.org/COVID-19>

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## **SIGNATURE**

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