

# RENTSMART GUARANTEE ✓ FUND

## Risk Mitigation Funds to a Tenant Guarantee

Presented at the 2019 National Conference on  
Ending Homelessness

Wednesday November 6, 2019

Session: RPCOH-7 Supporting Housing Access and  
Retention: Research and Practice in Housing  
Stabilization

## Aunt Leah's Place (Friendly Landlord Network)

**Drew Stewart**

**Director of Development**

[dstewart@auntleahs.org](mailto:dstewart@auntleahs.org)

[www.auntleahs.org](http://www.auntleahs.org)

[www.friendlylandlordnetwork.com](http://www.friendlylandlordnetwork.com)



## Rent Smart Education and Support Society

**Andrew HOLETON**

**Director of Operations**

[Andrew@readytorentbc.org](mailto:Andrew@readytorentbc.org)

[www.rentsmarteducation.org](http://www.rentsmarteducation.org)

[www.rentsmartguarantee.org](http://www.rentsmartguarantee.org)



# What is a Landlord Risk Mitigation Fund?

---

- 3<sup>rd</sup> party guarantee for Landlord claims against tenants
- Offsets perceived risk
- Increases housing options
- New tenancies only



## Timeline of Activities

### 2017

- Initial Investigation

### 2018

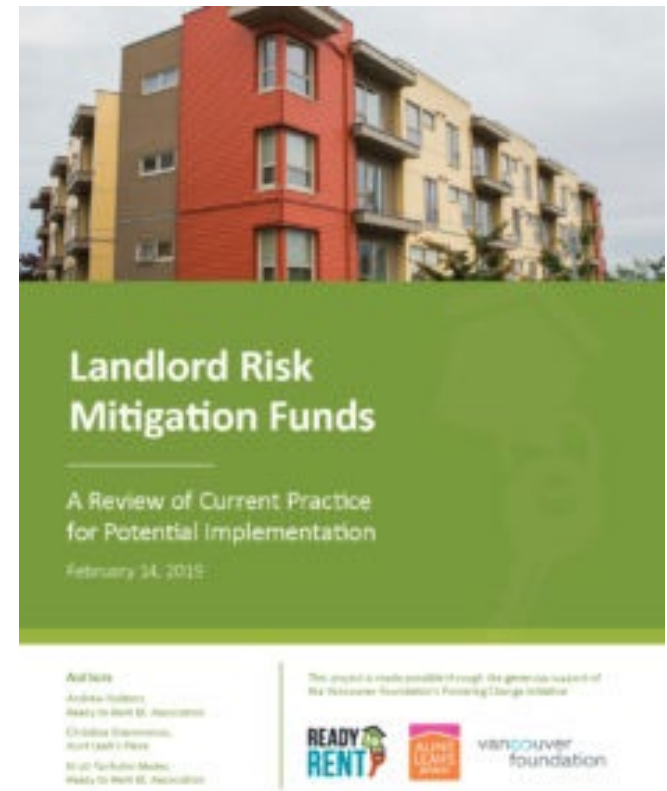
- Research of Existing Practice
- Report/Toolkit & Webinar

### 2019

- Pilot Design; 2 BC Regions, 4 Partners
- (April) Vancity Community Foundation
- (July) Donor Funds, Steering Committee
- (October) Pilot Launch

### 2020

- (Dec) End of Pilot
- Final Report, Evaluation, Analysis
- Next Steps



## Use of Risk Mitigation/Guarantee Funds

### Common Characteristics

- Ongoing connection to **Housing First**
- **Used by existing housing programs**
- Part of broader Landlord Engagement Strategy
- Standardized **application** and **claims** process
- Cover **damages** and **arrears**
- **Ongoing supports to tenants**
- Used in Challenging Rental Markets
- Geared towards **Private Market Landlords**
- Tenants **NOT** required to repay claims
- New tenancies: **Access to Housing**
- **Form Fits Function**



## Use of Risk Mitigation/Guarantee Funds

### Notable Variations

- Mission Demographic
- Size and Scale
- **Amount** of coverage (\$500 to \$10,000+)
- **Length** of coverage
- **Eligible Expenses**
- Frequency of payouts
- Some use in **eviction prevention**
- **Tenant Education**
- **Who** Operates and Administers
- **Where funds Come From**
- Impact: **secondary benefits/goals**



## Canadian Example: Pacifica Housing

### Streets to Homes (S2H) Landlord Liaison

- Works with **private market landlords** and S2H Outreach team
- **Best fit** housing for **300 tenants** under Housing First approach
- “Nurturing and maintaining high quality relationships with landlords”
- “**Rapid and meaningful response with financial consideration**”
- Manages **move in/out, disputes, eviction, negotiation**, education, info, regular and emergency contact
- Manages a **fund to reimburse landlords** for loss caused by S2H tenancies



#### Impact:

- Assist in Landlord **Recruitment**
  - Critical for Landlord **Retention**
- Claims/Payouts (Jan 2018-July 2019):**
- **Total paid out: \$18,500**
  - For **300 clients**, averages: \$1,088/month
  - **Per client: \$3.62/month**
  - Average claim: **\$336**
  - Highest claim: **\$3,250**
  - Lowest claim: \$4.17

# DOES IT WORK?

## Effective but not a stand alone approach

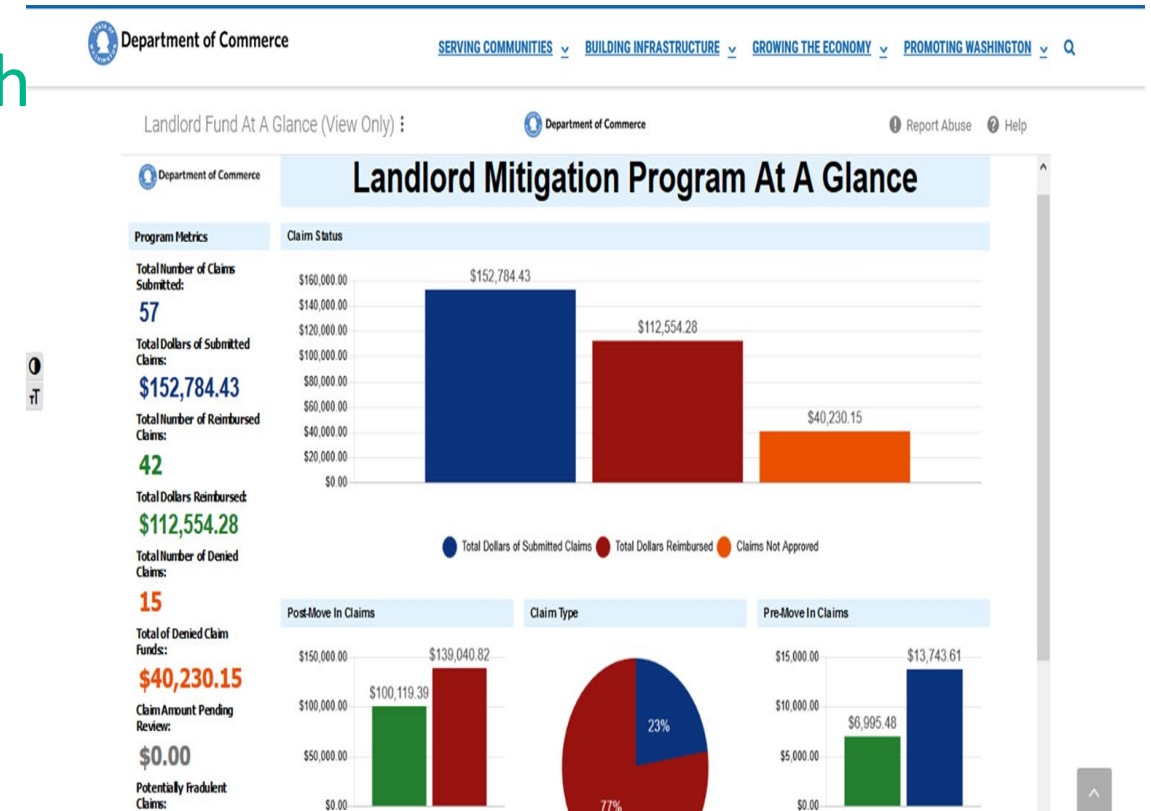
### Claims happen but not often

Research indicates:

- Increased **access to housing**
- **Improved options** for housing
- Fits well within existing housing programs, services, supports, **landlord engagement**
- Can be **effective at large and small scale**

But...

- **Affordability** may still be a barrier
- Very little **outcome, impact, or evaluative data**
- Study indicating landlords felt tenant **supports were equally important**





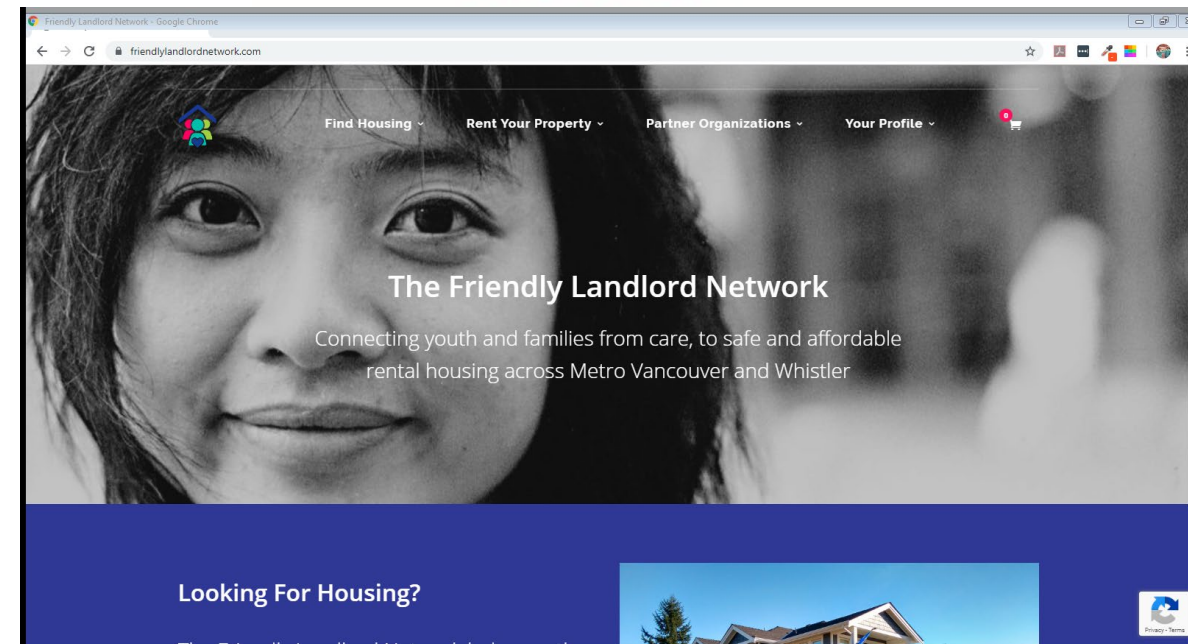
## The RentSmart Guarantee Fund

- **Partners:** Rent Smart, Aunt Leah's Place, Y Young Moms, Y Pandora Youth Apartments, and Pacifica Housing
- McCreary Centre Society Youth Research Academy contracted for **evaluation**
- **45 tenancies**, Lower Mainland & Greater Victoria
- Partners determine who is eligible
- **RentSmart tenant education** is required
- Tenants have **18 months to initiate coverage**
- **12 month** coverage up to **\$5,000 claims**
- **\$30,000 fund for payouts**
- Focus on supporting youth receiving/formerly in care and families



## Aunt Leah's Place: **Friendly Landlord Network**

- **Metro Vancouver** and **Whistler**-wide network of homeowners and property managers who rent suites to youth and families connected to **government care**, along with the support of **21 local community organizations**.
- Support workers perform **monthly in-person check-ins** with their tenants for the **first 6 months** of their tenancy and are available for **on-going support** for both landlords and tenants.
- RSGF will cover up to **15 Aunt Leah's - FLN** tenancies



## RentSmart Guarantee Fund Goals

- Increase housing options and housing stability for foster youth and families.
- Provide incentive to landlords by mitigating perceived financial risk.
- Increase housing education and “best practice” process (inspections, forms, etc.)
- Understand how to efficiently finance the model & improve policies and processes.
  - McCreary Society - Youth Research Academy



## RentSmart Guarantee Fund Goals

- Relieve burden on supportive/transitional housing programs
- Demonstrative Stage: Expand program coverage, knowledge sharing for policy change.
- Central Administration
- Financial Sustainability Model & Access
  - how to remove barriers



## **Financial Model**

- Poor fit with grant funding: potential of unspent funds
- Poor fit with foundations: private market landlords are NOT likely considered qualified recipients
- Donations: possible IF donors are informed prior to giving how funds will be used BUT can come with higher administration costs. CRA consultation needed!
- How to operate without locking up \$\$?

## **Working Outside of Continuum of Care**

- Lack of consistency in post housing supports
- Who does landlord speak to about concerns?
- Limited information for fund manager and processing claims

## **Central Administration**

- Multiple Regions
- Creating systems from scratch
- Parameters/conditions of coverage

Taryn Armstrong,  
Aunt Leah's Place  
E: [Tarmstrong@auntleahs.org](mailto:Tarmstrong@auntleahs.org)

Andrew HOLETON,  
Rent Smart Education and Support  
Society  
E: [Andrew@readytorentbc.org](mailto:Andrew@readytorentbc.org)

# Thank you

## RENTSMART GUARANTEE FUND

Project Partners:



With Support From:

