

COVID-19 GO FORWARD PLANNING: IMPACTS OF REDUCED RENT REVENUES AND VACANCY LOSSES

Thank you to all of our housing partners who, during these extraordinary times, implemented changes to business processes to help slow the spread of COVID-19 and protect applicants, tenants, housing partners and staff.

As we move forward, we need to do an analysis of the impact that COVID-19 has had on rent revenues and any resulting changes to subsidy requirements. This will allow us to plan and forecast, not only for the rest of this current fiscal year, but also for the next fiscal year.

Over the past few months, BC Housing provided guidance on:

- Simplified rent adjustment processes for households with COVID-19 related income loss
- Postponement of New Tenant Sign Ups and Transfers

Rent reductions due to income loss and delays in renting vacant units have a direct impact on rent revenues and the corresponding subsidy needed.

What does this mean to me?

In order to update subsidy forecasts to include the impact of COVID-19, we need your help to make sure that all buildings where tenancies and rent contributions are tracked by BC Housing are updated in the system to reflect rent adjustments completed and units that were vacant.

We ask that all updates, including move outs, move ins, rent adjustments and Annual Reviews for periods prior to August 2020, are submitted/entered no later than September 15, 2020:

Online Rent Calculation: *Please make sure all tenancy changes (move outs and move ins), rent adjustments and scheduled Annual Reviews are entered into the Housing Connections database.*

Paper Rent Calculation: *Please submit completed Notification of Tenancy Change form(s) and corresponding Application for Rent Subsidy forms providing effective dates and TRC amounts to BC Housing as per normal processes.*

What about physical distancing?

Please continue to practice physical distancing and all precautions as recommended by the BC Centre for Disease Control and local health authorities. Residents and housing providers are not required to meet in person and signatures can be accepted without being witnessed by housing providers.

Won't BC Housing get this information at Financial Review?

We are in a unique situation and need your cooperation to ensure that any significant changes in rent revenue and vacancy losses are identified as soon as possible.

This will allow us to update subsidy forecasts and develop a go forward plan to minimize the chances of discovering underfunded budget pressures when completing financial reviews that could potentially impact BC Housing and housing providers in the months and years to come.

COVID-19: Expiring Short-Term Reviews

In the face of the COVID-19 pandemic, BC Housing simplified the rent calculation process. One thing introduced was the ability to accept verbal declarations of decreased income from residents and to implement short-term rent adjustments based on these declarations.

Many of these adjustments have or are now expiring and efforts should be made to move closer to standard rent calculation practices. Residents should now be completing an Application for Rent Subsidy and providing proof of income and assets as outlined in the [Rent Calculation Guide](#).

***Exception:** If, at the expiry of a short-term COVID-19 rent adjustment, a resident has returned to their previous income level, a verbal declaration can be accepted and their Tenant Rent Contribution (TRC) can be returned to its previous amount. This amount would continue until the next scheduled Annual Review.*

As per normal rent calculation rules, if a resident’s income increases partway through a rent period or rent adjustment, no adjustment or action is required until the expiration of that rent period when a new Application for Rent Subsidy would be required.

Annual Reviews

Steps should be taken to complete all scheduled Annual Reviews and get proof of income to calculate the appropriate TRC. The table below outlines the review effective date, the original due date and the adjusted due date. By playing catch-up over the next three months we will be back on schedule before the end of the year.

Review Effective Date	Original Due Date	Extended Due date (*if not already completed)
April 2020	February 2, 2020	August 28, 2020
May 2020	March 2, 2020	August 28, 2020
June 2020	April 2, 2020	September 15, 2020
July 2020	May 2, 2020	September 15, 2020
August 2020	June 2, 2020	September 15, 2020
September 2020	July 2, 2020	September 15, 2020
October 2020	August 2, 2020	September 30, 2020
November 2020	September 2, 2020	September 30, 2020
December 2020	October 2, 2020	October 15, 2020
January 2021	November 2, 2020	November 2, 2020

Note: For both short-term rent adjustments and Annual Reviews, residents and housing providers are not required to meet in person. Residents can drop off completed paperwork and signatures can be accepted without being witnessed by housing providers. If the resident needs assistance to complete the form, providers may wish to complete the application for them over the phone and then forward the completed form to the resident who can then sign and return with income proof.

What if a resident has not completed their 2019 Income Tax Return?

In response to the pandemic, the Canada Revenue Agency (CRA) extended the filing date for the 2019 tax year to June 1, 2020 in order to ensure accurate federal and provincial benefit payments. In addition, recognizing the difficult circumstances faced by Canadians, the CRA will not charge late-filing penalties if a return is filed late as long as it is filed by September 30, 2020.

As most calculations can be completed based on the provision of proof of current income, this should not delay the completion of annual reviews. If your organization requires that residents provide a tax return with their annual declaration you may wish to consider either temporarily waiving the requirement for this year, accepting copies of T-slips, or completing a short term adjustment (expiring at the end of October 2020) based on current income or 2018 income. This should provide the resident with adequate time to complete their taxes.

Please note, seniors in receipt of the Guaranteed Income Supplement (GIS) who missed the June 1st deadline may experience a disruption in GIS payments. Please advise these seniors that once their taxes have been filed, missed GIS payments will be made retroactively. In the meantime, it is recommended that you use the Old Age Security and GIS payment from June 2020 plus any other incomes to complete the calculation.

What if a resident has rent arrears?

If a household has accumulated rent arrears, it is recommended that you enter into a written repayment agreement that outlines the repayment terms for the outstanding arrears.

You may develop your own repayment plan or you may elect to utilize the [Rent Deferral Agreement Template](#) developed by BC Non-Profit Housing Association. BC Housing is currently developing guidelines and more information will be provided in the near future and posted here www.bchousing.org/COVID-19.

Reporting

When completing the Financial Statement and/or Financial Statement Framework include on the Rent Revenue line:

- All rent collected (for both subsidized rent-geared-to-income and market tenants); and
- Value of outstanding rent arrears for any units where the rent has not been paid in full and the tenant is still in the unit; and
- Total funds received from the BC-Temporary Rental Supplement program, if applicable (market and lower end of market tenancies); and
- Enter, on a separate line on your Financial Statement Framework, any Extraordinary Payments you might have received from BC Housing for “lost rent” throughout the Fiscal Year

More questions?

If you have any questions, require an extension, or would like to discuss further, please contact your Non-Profit Portfolio Manager.

Specific requests for assistance with online rent calculation or completion of rent forms can also be directed to the Rent Calculation Help Desk at 604-439-4167, 1-866-465-6873 ex. 4167, or rentdesk@bchousing.org.