

# Building Community Support for a Rent Collection Policy

## *Some Approaches To Consider*



## WHAT IS A RENT COLLECTION POLICY?

A rent collection policy is a plan for how a First Nation community will collect rent payments or housing charges from tenants.

## WHY DO RENT COLLECTION POLICIES SOMETIMES FAIL?

Rent collection policies can fail for any number of the following reasons:

- Lack of support from political leadership.
- Lack of resources available to the administration to help with policy change.
- Fear of community backlash.
- An unclear or unenforceable rental collections policy.

All the above challenges can be addressed by:

- Developing clear and enforceable community rental payment and collections policies;
- Preparing an implementation plan on how to transition to collecting rent;
- Having a strong communications strategy to address community concerns; and
- Properly allocating resources in the first nation's budget.



## HOW DO YOU BUILD COMMUNITY SUPPORT?

### **Step One: Identify those who will be impacted.**

It is important to identify all the different groups in the community who will directly be impacted by a rental collection policy. These include:

- Chief and Council
- Band administration (all relevant departments, including the finance department)
- Housing committee

- Community membership
- Occupants
- Housing applicants

Some people in the community will be a part of more than one group. Members of Chief and Council, for example, may also be occupants, or some community members may also work in administration and even be occupants themselves. It is always important to understand that one person may wear multiple hats. Therefore, you may be communicating to individuals who have several different roles.

### **Step Two: Recruit a team of champions**

You will need a team to help persuade the entire community to address the issue, so that this becomes more than just a “housing” issue. The team may be drawn from Chief and Council; administration, including the finance department; the housing committee; or other community members.

Next, you will need to determine whether the current rent collection policy and procedures are adequate, and also assess if there is even a need to have a policy and procedures in the first place.

#### ***Ask the team to review other options***

You may want to explore other options besides a rent collection policy, which can include:

- Paying for housing out of own source revenues;
- Absorbing the debt; or
- Initiating revenue-generating initiatives to pay for housing.

Gather information that provides the benefits and the challenges for each option.

#### ***Prepare the team to move forward***

Afterwards, if you have determined that a rent collection policy is needed, the team will have to explain to the community why it is needed and tell them about their responsibilities relating to the policy. The team would also be responsible for publicly endorsing the policy after the decision has been made to accept the policy. It may be helpful to:

- Anticipate the types of questions they may receive in the community;
- Prepare a set of possible answers and key messages to allow them to address community concerns; and
- Prepare them for their role in the implementation process.

### **Step Three: Communicate the need to implement the rent collection policy**

Once the community has decided to implement the rent collection policy, it is critically important that everyone:

- Understand how the current housing situation is impacting the membership; and
- Believe a change would be in members’ best interest.

***Informing community members on the full range of housing costs***

Possible information worth presenting to community members includes:

- Current cost of housing—both construction and operating costs
- How housing costs are currently absorbed—are housing expenditures being financed by other departments (education, infrastructure, etc.)?
- Financial projections for the future (1 to 5 years)
- Details on the housing surplus or deficit and why it exists
- Projections for population growth and how this may impact housing needs
- Current financial resources

Reiterate that housing is a community asset and therefore the responsibility of *all* members.

***Communication methods:***

- Informal consultations: Share your ideas, ask questions, and discuss the benefits with leadership.
- Champions: These are the champions that you recruited earlier in the process. They can address community members’ concerns, as well as publicly support the rent collection policy.
- Use of social media: If you have a Facebook or Twitter page for your community, you can post information related to the rent collection policy there. Be aware that Facebook and Twitter are two-way communication platforms, and criticisms will be visible to any user who visits your pages. However, the use of these platforms is also an opportunity to engage in dialogue with community members.
- Newsletters: Post information about the need for a rent collection policy in any community newsletters or newspapers.
- Town hall meetings: This is the most preferred method of communicating plans for a rent collection policy to a community. In this setting, you can inform a large number of community members of the benefits of having such a policy, while also answering any questions or concerns that community members may have.

**Step Four: Involve the community in key decisions**

Members can help by discussing the policy and procedures and offering suggestions for consequences and incentives. Involving the community will help to confirm their support for change and their level of tolerance for enforcing consequences.

For potential incentives, you could:

- Sponsor housing awards;
- Send out thank you letters;
- Offer to advance tenants to rent-to-own; or
- Offer a letter of reference for accounts in good financial standing.

As consequences for non-payment, you could:

- Register bad debts with the courts (for example, register a judgment);
- Use a collection agency;
- Report debt to a credit bureau;
- Restrict non-essential services (for example, daycare, wood lot, economic development); and
- Evict offending tenants.

By following these four steps, you can be on your way to building the support needed to implement a successful rent collection policy in your community.

**For more information about this and other housing management topics, be sure to contact your CMHC Specialist.**

### CONTACT INFORMATION

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