

NOTE: The content of this report will be considered by TSC at its meeting of December 5, 2019 and is therefore subject to change.

Toronto Community Housing



Arrears Collection Process Update

Item 4A

December 12, 2019

Board of Directors

Report: TCHC:2019-40

To: Board of Directors (the “Board”)

From: Tenant Services Committee (“TSC”)

Date: December 5, 2019

PURPOSE:

To provide the Committee with an update on ongoing work to streamline the arrears collection process and to respond to action items on the following reports:

- TSC:2019-30R and TSC:2019-35
 - o Management to provide TSC and Board with information regarding TCHC action taken in response to OCHE recommendations.
- TCHC:2019-21
 - o The Board requested TCHC staff and OCHE staff, to report back on:
 - all recommendations, by the OCHE impact management process;
 - status of their implementation;
 - future action taken in order to implement recommendations; and

- to confirm the reasons that a referral to OCHE takes, on average 15 months (if so, the reasons that referrals are occurring at that time).
- TCHC:2019-11
 - Management will bring a report to a future Board meeting on targets, actions, outcomes and strategy to reduce arrears.
- TCHC:2019-28
 - The Board requested Management to report back on the difference between types of arrears (i.e. chronic non-paying tenants vs. tenants who are simply a few days behind in rent vs. tenants who are struggling to pay).

RECOMMENDATIONS:

It is recommended that the Committee receive the report for information

TSC

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REASONS FOR RECOMMENDATIONS:

Commissioner of Housing Equity Recommendations

At the June 27th, 2019 Board meeting and the October 7th, 2019 TSC meeting, Management was asked to provide information on TCHC's response to the Commissioner of Housing Equity's recommendations (Attachment 1). The Commissioner, in her most recent analysis of her recommendations, lists the top three findings with respect to improvements needed to the Arrears Collection Process ("ACP") as follows:

- multiple letters to tenants;
- late service of N4s; and
- late direct contact with the tenant.

Management Response

Management agrees with these findings and is moving ahead on a plan to address them.

A working group has been put in place under the direction of the COO, the Commissioner of Housing Equity and the General Manager, Seniors Housing Unit, and includes senior management staff from Program Services, the Operations Regional Teams, Internal Audit, and the Restructuring Transition Team.

The working group is moving quickly to review the ACP. Staff will focus on streamlining and simplifying the process, and will clarify the timing and process for transitioning files from TCHC to OCHE. Emphasis has been placed on ensuring early intervention in arrears cases, as well as consistent and timely follow-up once arrears have been identified.

All outstanding action items from Board Reports TCHC:2019-21 and TCHC:2019-28 will be addressed through the working group, and progress will be reported to the Board in Q2 2020.

Strategy to Reduce Arrears (action item TCHC:2019-11)

Consistent application of the revised ACP will be essential if arrears rates are to be brought down and for vulnerable tenants and seniors to be supported to discharge their arrears in a timely manner. This will be addressed through both the simplification of the process, making it easier for staff to follow, and through the additional resources and management support that will be in place as part of the transition to the new organizational structure in March of 2020

Timelines and Alignment with HoMES

The work on the ACP is being aligned with the HoMES process review. The revised ACP will be embedded within HoMES when it goes live in 2021. Given the urgent need to get the revised ACP in place, an interim solution whereby the revised process is implemented using existing systems, will be in place in Q1 2020.

Internal Audit Review of Arrears Files

The Internal Audit team completed a review of arrears files in 2019 and will be presenting their findings to BIFAC in January 2020. Once the findings have been accepted by BIFAC, they will be shared with the ACP working group who will develop a plan to address the recommendations in alignment with the response to the Commissioner of Housing Equity's recommendations.

IMPLICATIONS AND RISKS:

If the current arrears collection process is not simplified and the hand-off point with OCHE is not clarified, files will continue to be handed over to OCHE outside of the required timelines, arrears will continue to rise, and vulnerable tenants and seniors will continue to be delayed in receiving the support they need to discharge their arrears.

SIGNATURES:

"Cynthia Summers"

Cynthia Summers
Commissioner of Housing Equity

"Sheila Penny"

Sheila Penny
Chief Operating Officer

ATTACHMENT:

1. OCHE Recommendations to TCHC from April 1, 2014 – July 12, 2019

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