



## **OCHE Bi-Annual Update – July to December 2021**

Item 7A

February 9, 2022

Tenant Services Committee

**Report: TSC:2022-05**

**To:** Tenant Services Committee (“TSC”)

**From:** Commissioner of Housing Equity

**Date:** December 30, 2021

### **PURPOSE:**

To provide the TSC and the Board of Directors with the Office of the Commissioner of Housing Equity’s (“OCHE”) Bi-Annual Update for the period of July 1, 2021, to December 31, 2021.

### **RECOMMENDATIONS:**

It is recommended that the Tenant Services Committee review and receive this Report for information and forward it to the Board for information.

### **REASONS FOR RECOMMENDATIONS:**

The Bi-Annual Update highlights the OCHE’s case management, audit, and policy work through the period of July 1, 2021, to December 31, 2021.

## 1.0 OCHE CASE MANAGEMENT HIGHLIGHTS

Between July 1, 2021, and December 31, 2021, 200 Households were referred to the OCHE to address arrears, stabilize the tenancies, and be audited for compliance with the TCHC Eviction Prevention Policy and Arrears Collection Process. These referrals included:

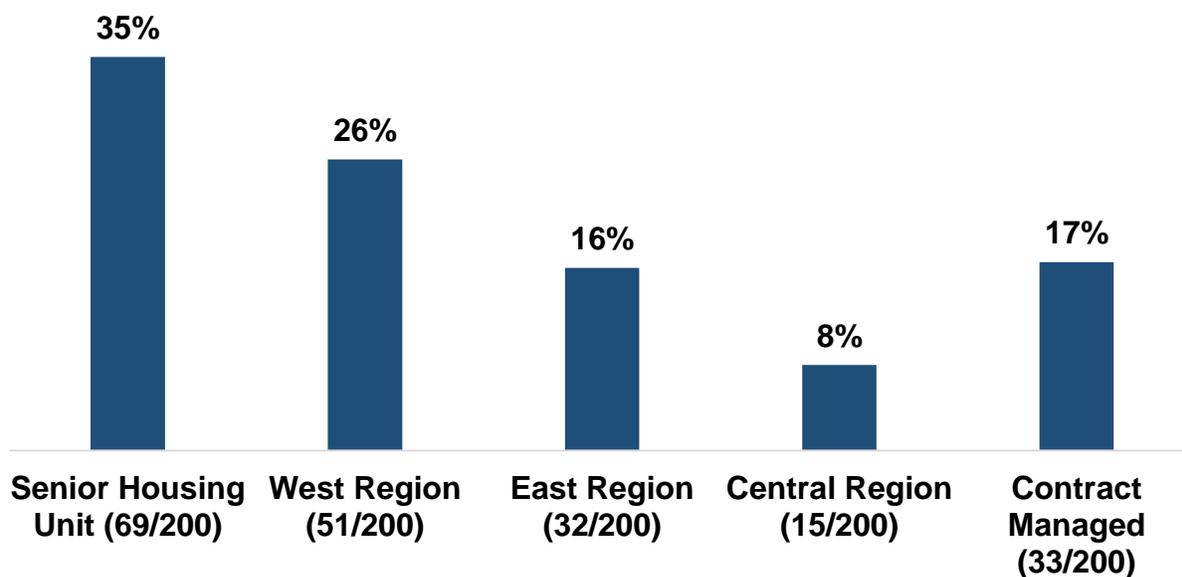
- 116 Senior Households
- 84 Other Households

Referrals to the OCHE during this period decreased 19% compared to July 1, 2020, to December 30, 2020, when the OCHE received 246 referrals for arrears.

During this period of time, the OCHE issued a total of 116 Reports and Recommendations after working with tenants. The OCHE successfully engaged with 87% (101/116) of these tenants and resolved the need for eviction for 88% (89/101) of the tenants they engaged with. This is comparable to the same period in 2020, where OCHE engaged with 94% (217/230) of tenants and avoided eviction for 79% (171/217) of these tenants.

## 1.1 REFERRALS BY REGION

The following chart shows the number of referrals to the OCHE by region:



## 1.2 ARREARS MANAGED

In this period, the OCHE recovered \$312,904.00 by managing arrears:

- \$77,021 direct payments, which included:
  - \$41,204 directly from tenants.
  - \$30,014 Ontario Works /Ontario Disability Support Program Housing Stabilization Fund
  - \$5,803 in payments directly from Ontario Works / Ontario Disability Support Program
- \$261,998 in OCHE brokered repayment agreements between TCHC and Tenants.
- \$19,131 by resolving Loss of Subsidies.

The following chart compares the arrears at the time of referral to the OCHE in the second half of 2021 to the same period in 2020:

	2020 (Q3/Q4)	2021 (Q3/Q4)
<b>Average Arrears at Time of First N4</b>	\$2,334	\$2,558.72
<b>Average Arrears at Time of Referral</b>	\$6,687	\$4,644
<b>Average Month Of Referral to OCHE After Arrears Started Accumulating</b>	21 Months	17 Months

## 2.0 COMMISSIONER'S SYSTEMIC RECOMMENDATIONS AS REPORTED THROUGH CASE-SPECIFIC AUDIT REPORTS

While working with individual tenants to avoid eviction and identify underlying issues, the OCHE also conducts an audit to ensure TCHC's compliance with the Arrears Collection Process, Eviction Prevention Policy and applicable legislation. At the conclusion of this work, the Commissioner issues a report containing tenant-specific and systemic recommendations to TCHC. From July 1, 2021, to December 30, 2021, the OCHE issued a total of 116 reports with a total of 370 Recommendations.

The recommendations, which are systemic in nature, follow the theme based audit categories which emerged through the analysis conducted for the OCHE's Systemic Recommendations Report. The continued review

using the same theme based audit categories allows for a comparison of improvements over time. The theme based audit categories are summarized in the chart below.

<b>THEME-BASED SYSTEMIC AUDIT RECOMMENDATIONS</b>	
<b>1. ADMINISTRATIVE DELAYS AND INEFFICIENT USE OF RESOURCES</b>	Administrative delays and inefficient use of resources create unnecessary costs to the organization, in particular: added time in which arrears are allowed to accumulate, reduced customer service levels, and inhibited workflows.
<b>2. NON-COMPLIANCE WITH POLICIES AND PROCEDURES</b>	Failure to comply with internal policies and procedures, specifically those related to the Eviction Prevention Policy, Arrears Collection Process, Loss of Subsidy Process and applicable legislation ( <i>Residential Tenancies Act, 2006, Housing Services Act, 2011</i> ) presents a liability to the organization and inequitable service to tenants.
<b>3. UNRELIABLE INTERNAL INFORMATION</b>	TCHC has guidelines for recording information using internal databases, such as HMS, EasyTrac, and HoMES. Not following these guidelines can lead to inaccurate and unreliable information, interrupted workflows, and reduced trust in TCHC staff.
<b>4. QUALITY OF SERVICE</b>	Quality of service is vital for relationship building with tenants, fostering positive living environments, and ultimately keeping tenants housed.

## 2.1. Administrative Delays and Inefficient Use of Resources

The Arrears Collection Process was developed to assist staff with ensuring all tenants remain up to date with their rental accounts and, if tenants require assistance to do so, intervention is provided early. Failure to adhere to the timelines of the Arrears Collection Process results in increased arrears balances, evictions, and inequity among tenants. In these instances, TCHC also risks loss of revenue and an increase in uncollectible arrears.

The chart below outlines the Commissioner's recommendations related to administrative delays and inefficient use of resources:

<b>Commissioner's Recommendations regarding Administrative Delays and Inefficient Use of Resources</b>	<b>Total Number of Reports Recommendations were Made</b>
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines	63% (73/116)
Refer to the OCHE according to the Arrears Collection Process timeline	58% (67/116)
Make direct contact with the tenant in the first month of arrears	43% (51/116)
Send the Eviction Prevention Policy Letter 1 once in the first month of arrears / Do not send multiple letters	41% (47/116)
Send the Notice to Terminate the Tenancy once /do not send multiple Notices to Terminate the Tenancy	9% (11/116)
After finding an error in the Notice to Terminate the Tenancy, issue a new one within the Arrears Collection Process timelines	9% (11/116)
Follow the Arrears Collection Process timelines in regard to Community Service Coordinator involvement	3% (4/116)

## 2.2 Non-Compliance with Policies and Procedures

The policies and procedures outlined in the Eviction Prevention Policy, Arrears Collection Process, Loss of Subsidy Process and applicable legislation (*Residential Tenancies Act, 2006, Housing Services Act, 2011*) ensure a fair and transparent process for tenants facing eviction due to arrears of rent. Failure to comply with internal policies and procedures can result in undue evictions, reduced transparency, and a lack of trust in the process. In these instances, TCHC risks damaging its relationship with tenants and its reputation.

The chart below outlines the Commissioner's recommendations related to non-compliance with policies and procedures:

<b>Commissioner's Recommendations related to Non-Compliance with Policies and Procedures Recommendations</b>	<b>Total Number of Reports recommendations were made</b>
Pursuant to the Eviction Prevention Policy, do not send Eviction Prevention Policy Letter 3 to Vulnerable or Senior tenants	15% (17/116)
Pursuant to the Arrears Collection Process, ensure Local Repayment Agreements are in written format	3% (4/116)
Pursuant to the Arrears Collection Process, ensure direct contact is made with the tenant	3% (4/116)
Pursuant to the Arrears Collection Policy, ensure the Eviction Prevention Policy Letter 1 is sent to the tenant	3% (3/116)
Pursuant to the Residential Tenancies Act, 2006, serve the Notice to Terminate the Tenancy to the tenant	2% (2/116)
Pursuant to the Housing Services Act, 2011, issue a reminder letter before the Loss of Subsidy takes effect according to the prescribed timelines	1% (1/116)
Pursuant to the Housing Services Act, 2011, make direct contact before and after issuing the Notice of Decision regarding Loss of Subsidy	1% (1/116)

### 2.3. Unreliable Internal Information

Unreliable internal information stems from non-compliance with TCHC documentation standards, leading to inaccurate record-keeping, invalid legal notices, and preventing proper workflow between staff and business units. In addition, unreliable internal information makes it more difficult for staff to engage with tenants to address arrears and effectively sustain tenancies. While the overall number of recommendations regarding this issue may seem low, they reflect 11% (13/116) of the audited files. Of note, the new HoMES system went live June 28, 2021. Since that time, there have been issues with documentation and information not being properly transferred from HMS to HoMES.

The chart below outlines the Commissioner's recommendations related to unreliable internal information:

<b>Commissioner's Recommendations related to Unreliable Internal Information</b>	<b>Total Number of Reports recommendations were made</b>
Ensure tenant records are accurate and timely (HMS, EasyTrac and HoMES)	7% (8/116)
Ensure HMS Legal codes are accurate and are entered into the database (HMS and HoMES)	4% (5/116)

### 2.4. Quality of Services

TCHC is a diverse community with over 110,000 tenants and 220 dialects spoken. This population includes seniors and people with vulnerabilities, including low-income families. Within such a large community, it is to be expected that there are a number of tenants who require additional services and supports in order to maintain their tenancies. It is necessary for TCHC to provide these tenants with additional supports in order to sustain their tenancies, relying upon both internal and external supports.

This support may take the form of engaging external stakeholders such as caseworkers, family members, interpreters, income tax clinics, as well as

internal supports such as Community Services Coordinators. Failure to provide these supports affects vulnerable tenants disproportionately, given that they have less resilience than other tenants and likely would face greater challenges should they be evicted. The chart below outlines the Commissioner's recommendations related to quality of service:

<b>Commissioner's Recommendations Regarding Quality of Service</b>	<b>Total Number of Reports recommendations were made</b>
Reach out to tenants' caseworkers or families should they get into arrears of rent	28% (33/116)
Refer tenants to a Community Services Coordinator should they get into arrears of rent or require other supports/referrals	11% (13/116)
Provide flexible and customized supports and accommodations to tenants as required (i.e., interpreters)	6% (7/116)
Create flexible and custom payment schedules based on tenants' budgets and pay schedules	6% (7/116)

### **3.0 Next Steps**

#### **3.1 Mandate Expansion of the OCHE**

The Pre-Eviction Audit Pilot ("the Pilot") ran from May 1, 2021 to December 31, 2021. The Pilot was initiated by TCHC and endorsed by the Toronto Ombudsman to ensure all TCHC policies and procedures were properly adhered to prior to enforcing evictions with the Sheriff. The Pilot required the OCHE to audit TCHC files, which were processed through the Landlord and Tenant Board and had a valid Order to terminate the tenancy due to arrears of rent. The Pilot included all arrears files, not just files with senior or vulnerable persons. The OCHE reviewed a total of 40 files and determined that 28% had significant errors.

The Pilot findings suggest that the identification of vulnerable tenants prior to referral to the LTB did not occur in all cases. Had TCHC and the OCHE not conducted the Pilot, these vulnerable tenants would have been evicted.

As a result, TCHC requested that the OCHE consider reviewing all tenant files when there are arrears of rent in advance of TCHC filing an *Application to Evict a Tenant for Non-Payment of Rent and to Collect Rent a Tenant Owes* (“L1”) at the LTB. The Commissioner agreed that this would address the challenge of detecting hidden vulnerabilities and ensure that all TCHC tenants facing eviction for arrears of rent would be provided the same level of protection and assistance to stabilize their tenancies.

On December 9, 2021, the TCHC board approved an expansion of the OCHE mandate effective January 1, 2022. The expansion of the OCHE’s mandate changed its jurisdiction from working with only Senior and Vulnerable tenants to working with all TCHC tenants facing eviction for rental arrears, including families. This change in mandate should result in a reduction of overall number of evictions and further housing stability for tenants. This change will also increase efficiencies within TCHC as there will be only one Arrears Collection Process for all tenants. Additionally, by avoiding the filing of L1s at the LTB, TCHC will reduce expenses associated with preparing for and attending LTB Hearings.

#### **IMPLICATIONS AND RISKS:**

The OCHE provides the Board with oversight of TCHC’s operations related to evictions due to arrears of rent and ensures that tenants avoid eviction where possible. The OCHE reports regularly on its activities and TCHC’s performance in the areas within OCHE’s jurisdiction. This regular reporting by the OCHE ensures the Board is aware of the OCHE’s activities taken on its behalf and that they continue to align with the goals of the Board and TCHC.

#### **SIGNATURE:**

*“Cynthia Summers”*

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