

Toronto Seniors Housing Corporation

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Quality and Tenant Engagement Committee Meeting

Topic: OCHE Update – April 1 to September 30, 2023

Item #8

Date:

Report: QTEC: Nov. 22, 2023, item #8

To: Quality and Tenant Engagement Committee

From: Interim Commissioner of Housing Equity

Date:

Purpose:

To provide the QTE and the Board of Directors with the Office of the Commissioner of Housing Equity's ("OCHE") update for the period of April 1 to September 30, 2023.

Recommendation:

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

Reason for Recommendation:

This Report highlights the OCHE's case management, audit, and policy work through the period of April 1 to September 30, 2023, and focuses on the work metrics as outlined in the TCHC Board-approved 2023 OCHE Work Plan.

This report is the third OCHE Report to be reviewed by the Toronto Seniors Housing Corporation ("TSHC") QTE Committee. Data for these two reporting periods has been compared to the first part of the year from January 1 to March 31, 2023.

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Introduction:

This report contains a summary of the referrals received and the findings which were obtained through the audit of individual files. Unlike past reports, which were presented quarterly, this Report includes two quarters of results. It was suggested that the OCHE reporting frequency be reconsidered to provide the most efficient and effective presentation of information to the QTE Committee and TSHC Board of Directors. It should be noted that the OCHE reports bi-annually to TCHC, and this may also be preferable to the TSHC.

This report differs from past OCHE reports in that it breaks down the arrears into categories which differentiate a sub-set of arrears, which are significantly larger than they should be due to issues arising from the COVID-19 pandemic. By capturing this data separately from newer arrears files, the OCHE will be able to make better recommendations to TCHC and the TSHC.

In addition, this report includes the recommendations that were made to TCHC in the OCHE Bi-Annual Report (January 1 to June 30, 2023) and were accepted by the Board at the October 26, TCHC Board of Directors meeting. These may impact TSHC, given they use the same HOMES system as TCHC and may be facing similar issues arising from the COVID-19 pandemic. These include a review of large arrears balances which accumulated during the pandemic, and the need for the OCHE to gain access to the HoMES system to simplify the referral process between the OCHE and both corporations. Please see Appendix 1 at the end of the report for full details of the recommendations that were accepted by TCHC and the Board of Directors.

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1.0 REFERRALS BY REGION

The following chart shows the number of referrals to the OCHE. These numbers represent all referrals. In this period, twenty-four files were returned to TSHC without an OCHE intervention.

Region	January 1 – March 31, 2023	April 1 – June 30, 2023	July 1 – September 30, 2023
OU O (NW)	6	3	7
OU N (SE)	23	19	11
OU Q (SW)	7	24	21
OU P (NE)	24	7	15
Seniors Housing Unit Total	60	53 ¹	54 ²

1.1 ARREARS AT THE TIME OF REFERRAL

Beginning this reporting period, the OCHE organized the size of arrears at the time of referral into sub-categories.

The purpose for capturing the data in this way is to show how the arrears total for the organization grew significantly during the COVID-19 pandemic due to the moratorium on

¹ 12 files were returned in total: 5 files were paid in full; 5 files were returned because the Tenant was working effectively with the SSC; 1 file was returned due to suspected abandonment of the unit and 1 file was referred to the OCHE in error.

² 12 files were returned in total: 5 files were paid in full; 3 files were returned because the Tenant was working effectively with the SSC, 2 files were returned due to insufficient attempts to contact/work with the tenant; 1 files were referred to OCHE in error; 1 file where an LRA was not offered to the Tenant in advance of the referral to OCHE.

Toronto Seniors Housing Corporation

evictions, the changes to the RGI Review Manual (July 2021) and the rent freeze which ended January 1, 2022. Additionally, TCHC switched data bases from HMS to HoMES in July 2021. Combined, these factors increased the arrears total across both organizations, temporarily impacting the tracking of arrears files.

Annual Reviews began being processed again beginning in January 2022 resulting in retro-active charges being applied to accounts, and Orders to Evict, issued by the LTB prior to the pandemic expiring.

From April to September 2023 the OCHE assigned 83 cases to EROs to address the arrears. These represent a total of \$248,707.10 in arrears owing. Of these, there were four cases where the arrears exceeded \$10,000.00, and two of those files had arrears over \$20,000.00. Together these four files represent more than \$82,000.00 in arrears of rent.

Arrears owing at time of referral	Total of arrears	Number of Households
\$20k and over	\$58,611.00	2 ³
\$10k – \$19.9k	\$23,478.00	2
\$5k – \$9.9k	\$28,727.20	4
\$2k – \$4.9k	\$91,692.85	31
\$186.00 – \$1.9k	\$46,198.05	44

ARREARS AT TIME OF REFERRAL - OLD ACP vs. NEW ACP:

The OCHE captures data related to the amount of arrears at the time of referral, and the number of months the tenant has been in arrears of rent prior to the OCHE referral. The Arrears Collection Process (“ACP”) was designed with an aim to identify tenants who are in arrears early, to attempt to resolve those arrears within the first and second month, and if

³ In both cases, the majority of the arrears were a result of retroactive rent charges applied to each account as follows: \$33,746.00 and \$21,948.00.

Toronto Seniors Housing Corporation

unsuccessful, to refer the file to the OCHE before the arrears grow significantly. The OCHE referral represents one last attempt to resolve the arrears with the tenant or, if the OCHE is unable to resolve the arrears, to make the recommendation that an *Application to evict a tenant for non-payment of rent and to collect rent the tenant owes* (“L1 Application”) be made at the Landlord and Tenant Board.

The following chart presents the arrears at the time of referral to the OCHE and demonstrates the variance between the new and old ACP.⁴

	January 1 – March 31, 2023	April 1– June 30, 2023	July 1 – September 30, 2022
Average Arrears at Time of First N4	\$1,432.38 <i>Old ACP: \$2,312.22</i> <i>New ACP: \$1,149.57</i>	\$1,859.72 <i>Old ACP: \$2,967.50</i> <i>New ACP: \$1,776.64</i>	\$2,746.18 <i>Old ACP: \$4,413.70</i> <i>New ACP: \$2,485.63</i>
Average Arrears at Time of Referral	\$2,353.36 <i>Old ACP: \$3,755.50</i> <i>New ACP: \$1,852.60</i>	\$3,045.53 <i>Old ACP: \$5,389.50</i> <i>New ACP: \$2,866.85</i>	\$3,355.27 <i>Old ACP: \$5,053.00</i> <i>New ACP: \$3,090.00</i>
Average Month Of Referral to OCHE After Arrears Started Accumulating	11.7 Months <i>Old ACP: 23.4 months</i> <i>New ACP: 7.53 months</i>	10.9 Months <i>Old ACP: 25 months</i> <i>New ACP: 9.85 months</i>	11.47 Months <i>Old ACP: 34 months</i> <i>New ACP: 8.5 months</i>

2.0 ARREARS COLLECTION PROCESS COMPLIANCE

While working with individual tenants to avoid eviction and identify underlying issues, the OCHE conducts an audit to ensure compliance with the Arrears Collection Process, Eviction

⁴ Arrears which began to accumulate prior to June 28, 2021 fell under the old ACP for auditing purposes. Arrears which began to accumulate after this date fell under the new ACP for auditing purposes.

Toronto Seniors Housing Corporation

Prevention Policy and applicable legislation. At the conclusion of this work, the Commissioner issues a report containing recommendations to TSHC and the Tenant.

From April 1 to September 30, 2023, the OCHE issued a total of 80 reports with a total of 11 unique recommendations. It should be noted that in 28% (22/80) of cases, the ACP was followed perfectly. The following chart shows the number of reports issued and the number of recommendations made.

	January 1 – March 31, 2023	April 1 – June 30, 2023	July 1 – September 30, 2023
Number of Recommendation Reports	38	43	37
Number of Recommendations	78	75	46

Of the 11 of unique recommendations made to TSHC, only 3 were significant. These are described in the chart below:

Commissioner’s Recommendations regarding Administrative Delays and Inefficient Use of Resources	January 1 – March 31, 2023	April 1 – June 30, 2023	July 1 – September 30, 2023
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines	58% (22/38)	58% (25/43)	46% (17/37)
Make direct contact with the tenant in the first month of arrears	53% (20/38)	60% (26/43)	43% (16/37)
Send the Notice to Terminate the Tenancy once /do not send multiple Notices to Terminate the Tenancy	13% (5/38)	12% (5/43)	14% (5/37)

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In reviewing the findings under this category, the most significant is related to the service of the N4. The Commissioner made the recommendation to serve the N4 according to the ACP in 46% (17/37) of cases during Q3 which has improved from the previous reporting period of Q2 by 20.6%. There has been a consistent improvement over the past three periods in this area.

3.0 OCHE CASE MANAGEMENT HIGHLIGHTS

The OCHE captures data related to the EROs’ engagement rate. The engagement rate is determined based on the number of tenants who elect to work with the Early Resolution Officer (“ERO”). The chart below demonstrates the number of tenants willing to work with an ERO and the number of those tenants who were able to avoid a referral to the Landlord Tenant Board (“LTB”) as a result of that work.

	Jan 1 – Mar 31, 2023	Apr 1 - Jun 30, 2023	Jul 1 – Sep 30, 2023
Engagement Rate	97% (37/38)	100% (43/43)	97% (36/37)
Avoided the need for eviction	89% (33/37)	88% (38/43)	94% (34/36)

4.0 ARREARS MANAGED BY THE OCHE

In this reporting period, the OCHE issued 80 reports, which accounted for \$283,890.08 in arrears .

(a) Total arrears directly paid to TCHC totaled \$42,914.46 as follows:

- Direct payments totaled \$22,287.46 from the following sources:
 - o \$19,413.46 directly from tenants/tenants’ families
 - o \$2,874.00 in payments directly from Ontario Works / Ontario Disability Support Program; and Housing Stabilization Fund (HSF)
- Resolving Losses of Subsidy: \$14,246.00
- Completing Annual or an ‘In Year’ Reviews: \$6,381.00

Toronto Seniors Housing Corporation

- (b) Arrears managed through Local Repayment Agreements
- \$228,205.62 in arrears were managed through Local Repayment Agreements and will be paid back to TCHC over time (see section 4.1) and have not yet been collected in full.
- (c) Arrears approved to be forwarded to the Landlord and Tenant Board
- \$12,770.00 in arrears were not resolved by the OCHE and it was instead recommended that TCHC file an L1 Application at the LTB, where the Tenant would have an opportunity to enter into a Mediated Agreement.

4.1 ARREARS MANAGED THROUGH LOCAL REPAYMENT AGREEMENTS

In this period, the OCHE brokered a total of 59 LRAs representing \$228,205.62 of arrears. The success of these LRAs relies on tenants making the payments every month for the life of the agreement. However, as stated, by considering tenants' income and expenses when brokering LRAs, the repayment amounts are in the range of \$100 to \$175 per month.

With repayment amounts being in the low range described above, recouping the debt will take longer for tenants with large arrears balances. Tenants will breach their LRAs when adversity happens and unless these are caught quickly, the arrears balance will continue to grow.

Beginning in this reporting period, the OCHE organized the size of the arrears at the time of signing the LRAs into categories.

Toronto Seniors Housing Corporation

Below is a summary of the LRAs brokered by OCHE based on these categories:

Arrears owing	Total of arrears	Number of Cases	Average repayment amount	Average length of LRA (months)
\$20k and over	\$33,796.00	1	\$175.00	194 ⁵
\$10k – \$19.9k	\$37,572.51	3	\$140.00	88
\$5k – \$9.9k	\$55,883.50	8	\$120.00	60
\$2k – \$4.9k	\$76,076.00	23	\$92.00	39
\$186.00 – \$1.9k	\$24,877.61	24	\$98.00	14
TOTAL:	\$228,205.62	59	\$102.00	37

5.0 BREACHED OCHE BROKERED LOCAL REPAYMENT AGREEMENTS

When the ERO works with a tenant to negotiate a Local Repayment Agreement (LRA) to address the arrears of rent, they first discuss financial literacy with the tenant and complete a budgeting tool, however some tenants will still breach their agreements. When a tenant breaches an OCHE brokered LRA, it is expected that staff will reach out to the tenant after the first missed payment, and then re-refer the file to the OCHE.

When the OCHE receives a Breach File, the Early Resolution Officers are tasked with determining whether exceptional circumstances existed warranting a new Repayment Agreement. If there are no exceptional circumstances, the OCHE will report back to TSHC and recommend that they may proceed to file an L1 Application at the LTB.

⁵ This LRA is 16 years long.

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The following chart describes the breach referrals received:

Breach Files	January 1 – March 31, 2023	April 1 - June 30, 2023	July 1 - September 30, 2023
Total Breach Referrals	20	18	13
No Exceptional Circumstances	13	9	6
Breach Reports issued	6	8 ⁶	5 ⁷
Average month of referral to OCHE after breach	10.14 months	17.12 months	7 months
Average month of actual breach	3.16 months	5.62 months	5.75 months

From our sample size of 19 files, the average length of time it took for files to be referred to the OCHE was twelve months; however, the breach itself occurred in the fifth month of the agreement. This gap is not ideal as it could lead to arrears accumulating further.

6.0 NEW PROPOSED REPORTING STRUCTURE

As described in the introduction to this report, the OCHE reports bi-annually through the Tenant Services Committee (TSC) to the Board of Directors at TCHC. It is recommended that TSHC adopt a similar reporting structure to decrease the number of reports to the QTE and provide more meaningful data that contains greater numbers.

It is being recommended that the OCHE provide a final quarterly report for 2023 which will cover the period of October 1 to December 31, 2023. Then in 2024 move to providing two Bi-

⁶ At the time of writing, there is 1 file being worked on which will be closed in a future reporting period.

⁷ At the time of writing, there were 3 files being worked on which will be closed in a future reporting period.

Toronto Seniors Housing Corporation

Annual Reports, covering January 1 to June 30, 2024 and July 1 to December 31, 2024 respectively.

CONCLUSION:

This report provided an analysis of the referrals received from TSHC between April 1 and September 30, 2023 and includes a discussion related to the case management of files.

In presenting our findings in this new format and including the systemic recommendations that are being adopted by TCHC we hope that the Board will find this information useful and that it will ensure streamlined service from OCHE to TSHC staff and tenants.

IMPLICATIONS AND RISKS:

The OCHE provides the Board with oversight of TSHC'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 TSHC'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 TSHC.

SIGNATURE:

"Melanie Martin"

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Toronto Seniors Housing Corporation

APPENDIX #1

SUMMARY OF RECOMMENDATIONS MADE TO TCHC AS PART OF THE OCHE BI-ANNUAL REPORT (JAN 1 -JUNE 30, 2023)

OCHE RECOMMANTATION	TCHC RESPONSE	EXPECTED COMPLETION DATE
<p>Recommendation 1:</p> <p>TCHC to embed the Stage 1 Checklist into HoMES and to provide OCHE access to it so as, to eliminate the extra time needed to send referrals to the OCHE and for the OCHE to review and send back.</p>	<p>Work is underway to incorporate the Stage 1 (N4) Checklist into HoMES. As a result of collaborative work between TCHC and OCHE, the Checklist has been revised, and Operations staff are working with OCHE, ITS and YARDI to implement the required changes in HoMES as quickly as possible. Testing, to be conducted with TCHC and OCHE SMEs, with support from ITS, is expected to take place in November.</p>	<p>January 2024</p>
<p>Recommendation 2:</p> <p>In collaboration with the OCHE, City Partners and TCHC, develop a time specific methodology for both tracking and enforcing arrears management for files which fall under strict criteria. Consideration should be given to the management of files where</p>	<p>Management is in final stages of recruitment for a Manager of Tenancy Management - Centralized Services. This new role and their team will be accountable for:</p> <ul style="list-style-type: none"> - developing tracking methodology and oversight process - tracking of high dollar value arrears files - providing support to regional Tenancy Management teams to ensure these files are being addressed according to the process. 	<p>December 2023</p>

Toronto Seniors Housing Corporation

<p>the arrears exceed \$10,000.00. By keeping track of these files separately from newer arrears files, TCHC will be able to accurately determine the success of the ACP. This tracking needs to be in place before the roll-out of the new ACP.</p>	<p>Anticipated start date for the new role is mid-October</p>	
<p>Recommendations 3:</p> <p><i>ACP Recommendations</i></p> <ul style="list-style-type: none"> a. TCHC should update the ACP to require N4 to be served in the second month of arrears (one month plus a \$1.00 of arrears owing). b. Modify HoMES to ensure timely creation of N4s and reduce the number that need to be created manually. 	<p>A revised ACP is in development with expected implementation beginning in Q1 2024.</p> <ul style="list-style-type: none"> a) On implementation of the new ACP, TCHC will begin serving the N4 once a household is at least one month behind on paying their rent. b) As part of the work to revise the ACP, a cleanup process will be undertaken to address complexity within some of the arrears files, which will in turn result in a decrease in the number of manual N4s required. Additionally, the Operations team is working with ITS to implement reporting that will provide specific information about issues with N4s. 	<p>Q1 2024</p>

Toronto Seniors Housing Corporation

<p>c. Ensure finance processes rent payments early so that they are all posted before N4s are issued to tenants.</p> <p>d. OCHE to issue monthly ACP compliance reports to TCHC by Region, for more up to date monitoring of OCHE recommendations and schedule monthly meetings with TCHC to review trends and compliance.</p> <p>e. Create a new Key Performance Indicator (“KPI”) for the Regions</p>	<p>This information will inform future Management actions to address any HoMES changes that are needed, in conjunction with any required staff training and process changes.</p> <p>c) Throughout the revision and implementation phase of the ACP, Operations, Finance and ITS will be working together to reduce pain points within the rent processing workflow and to ensure that rent payments are processed and available for staff review within HoMES as early in the month as possible.</p> <p>d) TCHC’s regional team will actively participate in the monthly ACP compliance meetings.</p> <p>e) The Operations centralized teams (Performance and Quality, and Operational Planning and Program Services), are working with the Regional Tenancy</p>	
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<p>which monitors and evaluates ACP Compliance regionally.</p>	<p>Management teams to develop new KPIs associated with the implementation of the revised ACP. One of the KPIs will relate to overall compliance levels with the ACP.</p>	
<p>Recommendation 4: TCHC to re-establish the <i>Memorandum of Understanding</i> between Ontario Works and TCHC and endeavor to improve the process of information sharing and communication between them where a mutual interest in stabilizing tenancies exists. Specifically, TCHC management to reach out to OW management to clarify the need for OW Caseworkers to cooperate in the resolution of arrears for their clients, and to apply to the Housing Stabilization Fund to assist tenants address their arrears balances.</p>	<p>The relationship management role for overall engagement between TCHC and Toronto Employment and Social Services has been consolidated to the Operations Planning and Program Services (OPPS) team, with relationship management with local TESS offices being situated with Regional Tenancy Management teams. Given this clarity, the Director OPPS will engage with TESS leadership, with support from the Housing Secretariat, to review and re-establish the MOU. The discussion will include development of roles and expectations for local teams at TCHC and TESS.</p>	<p>Q1 2024</p>

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<p>Recommendation 5:</p> <ul style="list-style-type: none"> a. TCHC to track LRAs over \$10,000.00 separately so as to accurately report on the organizations total arrears balance with an understanding that recovering this debt in total is improbable. b. Ensure TCHC staff are empowered to broker longer repayment agreements that consider the Tenants income and expenses to prevent breaches wherever possible. c. Modify HoMES to allow Pre-Authorized Payments (PAP) to also withdraw arrears repayments by month; and to withdraw the rent on a flexible schedule. For example, seniors receive 	<ul style="list-style-type: none"> a) Tracking of Local Repayment Agreements over \$10,000 will be included in the work outlined against Recommendation 2. b) Guidance and parameters giving Regional Tenancy Management staff the ability to enter into longer repayment agreements will be included in the work to revise and update the ACP outlined in Recommendation 3 c) The cost and feasibility of modifications to HoMES to allow PAPs to be set up for repayment agreements, and to allow for PAP withdrawals on a flexible schedule are unknown at this time. Staff have begun the work to explore the feasibility of the changes and will include OCHE in the discussions and decision-making. 	<ul style="list-style-type: none"> a) As per Rec 2 b) As per Rec 3 c) feasibility assessment to be completed Jan 2024
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<p>their pensions on the 27th of the month—this should be the day the PAP withdraws the rent. This is particularly important as other bill collectors are able to withdraw funds on a flexible schedule resulting in returned PAPs due to Non-Sufficient Funds. For tenants who are employed and paid bi-weekly, the PAP should be flexible enough that two payments per month can be withdrawn to coincide with their employment schedule.</p>		
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