

**Toronto Seniors Housing Corporation (TSHC)
Quality and Tenant Engagement Committee
OCHE Update – June 1st to October 1st, 2022**

Item# 12

October 26th, 2022

To: Quality and Tenant Engagement Committee

From: Interim Commissioner of Housing Equity

Date: October 26th, 2022

PURPOSE: For information 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 June 1, 2022 to October 1, 2022.

RECOMMENDATION:

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

REASONS FOR RECOMMENDATIONS:

This Report highlights the OCHE’s case management, audit, and policy work through the period of June 1, 2022, to October 1, 2022 and focuses on the work metrics as outlined in the Board-approved 2022 OCHE Work Plan¹.

This report is the first OCHE Report to be reviewed by the Toronto Seniors Housing Corporation (“TSHC”) Board of Directors. This report covers the period of time beginning June 1, 2022 (the inception of the TSCH) and ending October 1, 2022. Data for this period has been compared to the first part of 2022 (January 1

¹ <https://oche.ca/oche-2022-work-plan>

to May 30, 2022) and to the last half of 2021 (July 1 to December 31, 2021). The OCHE ordinarily reports bi-annually and compares data to the previous 6-month period. The OCHE will do so going forward, unless otherwise directed by the Board.

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List of attachments:

Attachment 1: OCHE Report QTE – June to Oct 2022

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Attachment # 1 -
OCHE Report QTE – June
to Oct 2022

OCHE Report QTE – June to Oct 2022

Introduction:

This report contains a summary of the referrals received and the audit findings which were obtained through the audit of individual files. It also discusses the theme-based audit categories the OCHE uses to classify process errors. It should be noted that the OCHE found no significant errors in two of the four theme-based audit categories. The findings from the two categories where recommendations were made are discussed below.

On June 28, 2021, HoMES, the new data management system, went live. This represented a change in the way data was captured and managed. In the period following this change, there was a marked decrease in the number of referrals to the OCHE.

At that time, the Commissioner reached out to senior management at the TSHC to suggest that any files in arrears of rent be forwarded to the OCHE for review and case management even if it was sooner than the Arrears Collection Process prescribed. This served to ensure the OCHE Early Resolution Officers (“EROs”) were able to continue working with tenants, and it also allowed the OCHE to assist the TSHC to bring many files up to date. This is noteworthy as it explains the changes to the flow of referrals in the period between July 1 to December 31, 2021, and it explains the decrease in the number of referrals which followed.

As this large batch of referrals were processed and closed, the rate of referrals to the OCHE slowed to approximately 6-10 files per month.

1.1 REFERRALS BY REGION

The following chart shows the number of referrals to the OCHE by period. These numbers represent all referrals; however, some files were returned due to the following reasons: OCHE had previously recommended an L1 Application that was not filed at the LTB, Tenant in hospital, unit abandoned, Tenant transferred to LTC, Tenant passed away, the Seniors Services Coordinator was actively working on the file; or the arrears were paid in full.

Region	July 1 – Dec 31, 2021	Jan 1 - May 30, 2022	June 1 – Oct 1, 2022
Seniors Housing Unit total	111	50	33
OU O (NW)	52	22	5
OU N (SE)	38	8	13
OU Q (SW)	16	11	11
OU P (NE)	5	9	4

1.2 ARREARS AT THE TIME OF REFERRAL

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 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 unsuccessful, to refer to 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 difference between the new and old ACP.

	July 1 – Dec 31, 2021	Jan 1 – May 30, 2022	June 1 – October 1 2022
Average Arrears at Time of First N4	\$1,519.00	\$1,339	\$1,508.00* *Old ACP: \$1,834 *New ACP:\$1,247
Average Arrears at Time of Referral	\$2,642.06	\$2,154	\$3,580.00* *Old ACP: \$5506 * New ACP:\$2039
Average Month of Referral to OCHE After Arrears Started Accumulating	12 Months	12 Months	21 Months* *Old ACP: 41 *New ACP: 7

** 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. 21 months represents the average of all files referred to OCHE during this time period. Under the Old ACP, the average month of arrears at the time of referral to OCHE is 41 months. But under the New ACP, the average month of arrears at the time of referral to OCHE is 7 months.*

There were 13 files that fell under the old ACP and 15 that fell under the new ACP.

Some referrals came with a relatively low arrears balance owing, while seven (7) files had arrears over \$5,000.00, two (2) files had arrears over \$9,000 and one (1) file had arrears of \$20,950.00² in the current period.

The average month of referral to the OCHE is inflated during this period due to the following: three (3) files were referred where the arrears had accumulated for over two years, six (6) files had arrears which had accumulated for over three years, and one (1) file had arrears which had accumulated over ten years³.

2.0 RECOMMENDATIONS AS REPORTED THROUGH CASE-SPECIFIC AUDIT REPORTS

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 Prevention Policy and applicable legislation. At the conclusion of this work, the OCHE issues a report containing tenant-specific and procedural recommendations.

The following chart shows the number of reports issued and the number of recommendations made. These recommendations have been categorized into theme-based audit categories which were used to present the findings. An explanation of the theme-based audit categories is included below. It is important to note, that these categories have been described with respect to the associated risks; however, there were no significant findings in three of the four categories.

² This Tenant's arrears began in 2018 and with the assistance of the Voluntary Trustee the rent and arrears repayment of \$200/mo are being paid.

³ This Tenant's arrears began in 2012. Between 2012 and 2015 the tenant entered two repayment agreements which were breached. Between 2015 and 2022 no action was taken on the file. When the OCHE received the file in May 2022 the arrears were \$9043.00. As of this date, the Tenant is keeping to a repayment agreement of \$125/mo.

	July 1 – Dec 31 2021	Jan 1 – May 30, 2022	June 1 – October 1, 2022
Number of recommendation reports	31	62	28
Number of Recommendations	75	137	61

The theme based audit categories are summarized in the chart below.

THEME-BASED SYSTEMIC AUDIT RECOMMENDATIONS	
1. ADMINISTRATIVE DELAYS AND INEFFICIENT USE OF RESOURCES	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.
2. NON-COMPLIANCE WITH POLICIES AND PROCEDURES	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.
3. UNRELIABLE INTERNAL INFORMATION	TSHC 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 TSHC staff.
4. QUALITY OF SERVICE	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

This was the one area where issues were found related to administrative delays. Given the discussion earlier in this report related to the flow of files, it is not surprising to find errors in this category.

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

Commissioner’s Recommendations regarding Administrative Delays and Inefficient Use of Resources	July 1 – Dec 31, 2021	Jan 1 – May 30, 2022	June 1 – October 1, 2022
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines	29%(9/31)	72% (45/62)	71% (20/28)
Refer to the OCHE according to the Arrears Collection Process timeline	45%(14/31)	44% (27/62)	36% (10/28)
Make direct contact with the tenant in the first month of arrears	45%(9/31)	48% (30/62)	28% (8/28)
Send the Notice to Terminate the Tenancy once /do not send multiple Notices to Terminate the Tenancy	16%(5/31)	13% (8/62)	21% (6/28)

In reviewing the findings under this category the most significant is related to the service of the N4. The ACP requires the N4 to be served in the first month of arrears and to be accompanied by a letter of explanation to the tenant that

includes an invitation to discuss the missed rent payment with staff. The Commissioner made the recommendation to serve the N4 according to the ACP in 20/28 instances during this period.

2.2 Quality of Services

It is necessary to provide tenants with additional supports in order to sustain their tenancies; relying upon both internal and external supports can make the difference in terms of stabilizing tenancies.

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 Seniors 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 Commissioner found very few errors in this category for this reporting period. On seven occasions, the Commissioner recommended that the Tenants’ caseworker or other support person be contacted should future issues arise with the tenancy.

Commissioner’s Recommendations Regarding Quality of Service	July 1st – Dec 31st 2021	Jan – May 2022	June to October 2022
Reach out to tenants’ caseworkers or families should they get into arrears of rent	32% 10/31	27% (17/62)	25% (7/28)
Provide flexible and customized supports and accommodations to tenants as required (e.g., interpreters)	1% 3 /31	3% (2/62)	>1% (1/28)

3.0 Breached OCHE Brokered Local Repayment Agreements

When the ERO works with a tenant to negotiate a Local Repayment Agreement to address the arrears of rent, they first discuss financial literacy with the tenant and complete a budgeting tool. As an example, a tenant who is caught in a pay-day loan cycle may require assistance opening a new bank account in order to ensure their full pay cheque is secure prior to discussing arrears repayment. Despite the best effort to assist a tenant to become financially stable in advance of brokering a Repayment Agreement, some tenants will breach their agreement.

When a tenant breaches an OCHE brokered Repayment Agreement, it is expected that staff will reach out 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. These circumstances must be different from the set of circumstances at the time the original Repayment Agreement was brokered. If there are no exceptional circumstances, the OCHE will report back to TSHC that they may proceed to file an L1 Application at the LTB.

The following chart describes the breach referrals we have received in 2022.

Breach Files	July 1st – Dec 31st 2021	Jan – May 2022	June to October 2022
Total Breach Referrals	8	12	2
No Exceptional Circumstances	3	10	1
Breach Reports issued	5	2	1
Average month of referral to OCHE after breach	10.3 months	2.08 months	2.63 months
Average month of actual breach (first, second, third etc.)	4.46 months ⁴	19 months	3 months

Based on the breach referrals we received, it is apparent that more breached repayment agreements are being caught early. This is positive as it prevents the accumulation of arrears and ensures files with tenants who are ineligible for a second OCHE brokered Repayment Agreement are referred to the LTB in a timely manner.

⁴ All breached were exceptional circumstances – lost GIS due to CERB

4.0 OCHE CASE MANAGEMENT HIGHLIGHTS

The OCHE captures data related to the EROs’ success rate. The engagement rate is determined based on the number of tenants who elect to work with the ERO. The chart below demonstrates the number of tenants willing to work with the EROs and the number of those tenants who were able to avoid a referral to the LTB as a result of that work.

	July 1 – Dec 31 2021	Jan 1- May 30, 2022	June 1, Oct 1, 2022
Engagement Rate	87%(27/31)	87% (54/62)	86% (24/28)
Avoided the need for eviction	93%(25/27)	87% (47/54)	88% (21/24)

4.1 ARREARS MANAGED

In the current period, the OCHE recovered \$81,143.00 mainly by managing arrears through Repayment Agreements. Fewer senior tenants receive income from Ontario Works, or the Ontario Disability Support Program; however, if they do, they are entitled to funds to assist with arrears through the Housing Stabilization Fund.

	July 1 – Dec 31, 2021	Jan 1, – May 30, 2022	June 1 – Oct 1, 2022
Ontario Works/Ontario Disability Support Program’s Housing Stabilization Fund	\$1,427.00	\$0.00	\$159.00
OCHE Brokered Repayment Agreements	\$43,488.00	\$88,163.68	\$81,143.00

5.0 Next Steps

Going forward, the OCHE will be making changes to our Recommendations Report Template to better serve staff and tenants. This will include a chart-form audit section, a discussion of the intervention made by the ERO, followed by recommendations that can be applied to all tenants in similar sets of circumstances.

We are also looking to understand how long people are usually successful in maintaining a Repayment Agreement and we are interested in finding out from tenants if more support is required with managing rent payments and budgeting. Given the Seniors Services Coordinators will be brokering Repayment Agreements in advance of an OCHE referral, we can gather this information at the time of referral to the OCHE.

Conclusion:

This report provided an analysis of the referrals received from TSHC since June 1, 2022 and included a discussion related to the case management of files. It also included an explanation of what happens when a tenant breaches an OCHE brokered Repayment Agreement. It described the theme-based audit categories that are used to classify the errors the OCHE might find with respect the ACP and other applicable legislation.

Going forward, the OCHE will continue to use these theme-based audit categories when reporting to the Board.

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.

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