

Toronto Seniors Housing Corporation

Board of Directors Meeting

Topic: OCHE Update – October 2 to December 31, 2022

Item #10 B

Date: April 27, 2023

Report: BD: April 27, 2023. #10b

To: Board of Directors

From: Melanie Martin

Date: April 27, 2023

Purpose:

To provide the Toronto Seniors Housing Corporation (“TSHC”) Board of Directors with the Office of the Commissioner of Housing Equity’s (“OCHE”) Update for the period of October 2 to December 31, 2022.

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 October 2 to December 31, 2022, and focuses on the work metrics as outlined in the TCHC Board-approved 2022 OCHE Work Plan.

This report is the second OCHE Report to be reviewed by the TSHC Board of Directors. Data for this period has been compared to the first part of 2022 (January 1 to May 30, 2022) and to the last half of 2021 (July 1 to December 31, 2021) as well as the last reporting period which covered June 1 to October 1, 2022. The OCHE will report quarterly going forward and the next report will cover the first Quarter of 2023.

Melanie Martin

Interim Commissioner of Housing Equity

List of Attachments:

None

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. For reference, please find the theme based audit categories described in Appendix 1.

1.1 REFERRALS BY REGION

The following chart shows the number of referrals to the OCHE. In 2022, the OCHE received 110 referrals. These numbers represent all Stage 1 referrals.

Region	July 1 – Dec 31, 2021	Jan 1 - May 30, 2022	June 1 – Oct 1, 2022	Oct 2 – Dec 31, 2022
OU O (NW)	52	22	5	7
OU N (SE)	38	8	13	4
OU Q (SW)	16	11	11	6
OU P (NE)	5	9	4	10
Seniors Housing Unit total	111	50	33	27

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 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*

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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 the old ACP.

	July 1 – Dec 31, 2021	Jan 1 -May 30, 2022	June 1– October 1 2022	Oct 2 – Dec 31, 2022
Average Arrears at Time of First N4	\$1,519.00	\$1,339	\$1,508.00* *Old ACP: \$1,834 *New ACP:\$1,247	\$3,624.45* *Old ACP: \$6,868.44 ¹ *New ACP: \$1,378.62
Average Arrears at Time of Referral	\$2,642.06	\$2,154	\$3,580.00* *Old ACP: \$5506 * New ACP:\$2039	\$6,795.43* *Old ACP: \$12,369.80 ² *New ACP: \$2,507.46
Average Month Of Referral to OCHE After Arrears Started Accumulating	12 Months	12 Months	21 Months* *Old ACP: 41 *New ACP: 7	16 Months* *Old ACP 27 months *New ACP 7 months

******* 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

¹ It should be noted that 1 filed received under the Old ACP had arrears totaling \$20,345.00 at the time of the first N4 and came to the OCHE with a total of \$23,397.00 arrears owing.

² Three files under the Old ACP had arrears totaling more than \$20,000.00 in arrears.

under the new ACP for auditing purposes. 16 months represents the average of all files referred to OCHE during this time period (October 2, to December 31, 2022). Under the Old ACP, the average month of arrears at the time of referral to OCHE was 27 months. Under the New ACP, the average month of arrears at the time of referral to OCHE was 7 months.

There were 10 files that fell under the old ACP and 13 files that fell under the new ACP.

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.

	July 1 – Dec 31 2021	Jan 1 - May 30, 2022	June 1 – October 1, 2022	Oct 2 – Dec 31, 2022
Number of recommendation reports	31	62	28	23
Number of Recommendations	75	137	61	56

2.1. Administrative Delays and Inefficient Use of Resources

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	October 2 – December 31, 2022
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines	29% (9/31)	72% (45/62)	71% (20/28)	65% (15/23)
Make direct contact with the tenant in the first month of arrears	45% (9/31)	48% (30/62)	28% (8/28)	30% (7/23)
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)	26% (6/23)
After finding an error in the Notice to Terminate the Tenancy, issue a new one within the Arrears Collection Process timelines				16% (4/23)

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.

2.2 Non-Compliance with Policies and Procedures

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

Commissioner’s Recommendations related to Non-Compliance with Policies and Procedures Recommendations	Total Number of Reports recommendations were made
Pursuant to the Arrears Collection Process, ensure Local Repayment Agreements are in written format	4% (1 ³ /23)
Pursuant to the Residential Tenancies Act, 2006, serve the Notice to Terminate the Tenancy to the tenant	4% (1/23)
Pursuant to the Housing Services Act, 2011, issue a reminder letter before the Loss of Subsidy takes effect according to the prescribed timelines	8% (2/23)
Pursuant to the Housing Services Act, 2011, make direct contact before and after issuing the Notice of Decision regarding Loss of Subsidy	8% (2/23)

As the above chart indicates of the 23 files reviewed by the OCHE there were not significant findings in this category. In two instances, the Reminder Letter was not sent to tenants before the loss of subsidy took effect, and there was no documented attempt to reach the household to remind them of their pending loss of subsidy. These are important steps as they could potentially avoid a loss of subsidy which has an impact on the overall arrears.

³ The arrears began to accumulate in 2019- at which time TSHC did not have carriage of the file.

2.3 Unreliable Internal Information

This category includes issues related to documentation—missing information, notes recorded late, no indication of follow through for staff or the tenant included in the notes. Of the files the OCHE received, there were no findings in this category.

2.4 Quality of Services

This category covers the need for assisting tenants to stabilize their tenancies through additional supports. These may include: engaging external stakeholders such as caseworkers, family members, interpreters, income tax clinics, as well as internal supports such as Senior Services Coordinators.

Commissioner’s Recommendations Regarding Quality of Service	July 1 – Dec 31 2021	Jan-May 2022	June to October 2022	Oct 2 – Dec 23 2022
Reach out to tenants’ caseworkers or families should they get into arrears of rent	32% (10/31)	27% (17/62)	25% (7/28)	25% (6/23)

In 6/23 instances, the ERO identified a support person that the TSHC may contact should issues arise with the tenancy in the future.

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 with the aim to ensure the life of the agreement is prolonged. Despite our best effort, some tenants will still breach their agreements.

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. 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 received.

Breach Files	July 1 – Dec 31 2021	Jan 1- May 30, 2022	June 1 to October 1, 2022	October 2 to December 31, 2022
Total Breach Referrals	8	12	2	8
No Exceptional Circumstances	3	10	1	7 ⁴
Breach Reports issued	5	2	1	1
Average month of referral to OCHE after breach	10.3 months	2.08 months	2.63 months	11.4 months
Average month of actual breach (first, second, third etc.)	4.46 months	19 months	3 months	1.18 months

From our small sample size of 8 files, the average length of time the files were referred to the OCHE was 11.4 months; however, the breach itself occurred in the first or second month of the agreement. This gap is not ideal as it could lead to arrears accumulating further.

⁴ Of the 7 breaches that were sent back to TSHC, 2 were due to the ERO unable to reach the tenant through door knocks and phone calls, 1 had fully paid off their arrears and had a credit with TSHC, 1 had their rent increase by \$50.00 and were unaware of this change for their repayment, and 2 had breached a second time.

During this period of time, the OCHE conducted a tenant survey of all tenants who breached their OCHE brokered agreement. The purpose of this survey was to determine what may have prevented the breach. We will continue to collect this data throughout 2023. As of this date, there is not enough data to report on.

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 elected 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	Oct 2 – Dec 31, 2022
Engagement Rate	87%(27/31)	87% (54/62)	86% (24/28)	96% (22/23)
Avoided the need for eviction	93%(25/27)	87% (47/54)	88% (21/24)	90% (20/23)

4.1 ARREARS MANAGED

In the current period, the OCHE recovered \$114,385.00 mainly by managing arrears through Repayment Agreements. In this period, one payment \$3,902.00 was received from a tenant directly.

	July 1 – Dec 31, 2021	Jan 1, – May 30, 2022	June 1– Oct 1, 2022	Oct 2 – Dec 23, 2022
Ontario Works/Ontario Disability Support Program’s Housing Stabilization Fund	\$1,427.00	\$0.00	\$159.00	\$556.00
OCHE Brokered Repayment Agreements	\$43,488.00	\$88,163.68	\$81,143.00	\$109,927.00
Direct Payments received from Tenant/Tenants’ Family				\$3,902.00

Conclusion:

This report provided an analysis of the referrals received from TSHC between October 2, 2022 and December 31, 2022 and included a discussion related to the case management of files. Our next report will cover the first Quarter of 2023. The OCHE will continue to use the same theme-based audit categories when reporting to the Board.

Next Steps:

The OCHE is working with TSHC management to create and implement a monthly auditing tool that will identify issues by Region. In this way, TSHC will have up to date statistics and can address them quickly and directly. This Auditing Tool, yet to

be named, will help Regions better implement the Commissioner's recommendations in real time.

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"

Melanie Martin
Interim Commissioner of Housing Equity

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Appendix 1

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.