

Toronto Community Housing



Office of the Commissioner of Housing Equity (“OCHE”) Bi-Annual Update – January to June 2023

Item 11A

October 27, 2023

Board of Directors

Report: TCHC:2023-61

To: Board of Directors (the “Board”)

From: Tenant Services Committee (“TSC”)

Date: October 5, 2023

PURPOSE:

The purpose of this report is to provide the Board of Directors with the Office of the Commissioner of Housing Equity’s (“OCHE”) Bi-Annual Update for the period of January 1 to June 30, 2023.

RECOMMENDATIONS:

It is recommended that the Board of Directors receive this report for information.

TSC:

This report was received by the TSC on October 5, 2023.

REASONS FOR RECOMMENDATIONS:

The Bi-Annual Update highlights the OCHE’s case management, audit, and policy work through the period of January to June, 2023 and focuses on the work metrics as outlined in the Board-approved 2023 OCHE Work Plan.

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:

“Melanie Martin”

Melanie Martin
Interim Commissioner of Housing Equity

ATTACHMENT:

1. Bi-Annual Report – January 1 to June 30, 2023

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GLOSSARY OF TERMS USED IN THE REPORT:

Acronym	Definition
ACP	<p>Arrears Collection Process: The process TCHC follows which outlines the steps that must be followed when processing a file where arrears are owed to TCHC.</p>
ERO	<p>Early Resolution Officer: The front line staff employed at OCHE responsible for case management and auditing of arrears files.</p>
TSC	<p>Tenant Services Coordinator: TCHC frontline staff who provide direct service to tenants by working closely with a wide range of stakeholders to deliver tenancy management services across the social housing portfolio. This includes the collection of rent and issuing legal notices for non-payment of rent.</p>
LRA	<p>Local Repayment Agreement: This is a legal agreement that is used as a tool to manage arrears and offers tenants a way to repay their debt to TCHC on a set payment schedule, as agreed upon by both parties.</p>
Stage 1 Checklist	<p>Stage 1 Checklist: A screening tool used by TCHC and OCHE to ensure files are compliant with the ACP in advance of referral to OCHE.</p>
LTB	<p>The Landlord and Tenant Board (LTB): Established under the <i>Residential Tenancies Act</i> to:</p> <ul style="list-style-type: none"> • resolve disputes between landlords and tenants, and eviction applications from non-profit housing co-operatives, through mediation or adjudication • provide information to landlords and tenants about their rights and responsibilities under the <i>RTA</i> • provide information about LTB's practices and procedures
N4	<p>Notice to End your Tenancy for non-payment of rent: LTB form that is required to be used by landlords (TCHC) when a tenant has not paid the rent on the date it is due. This is the first step in the eviction process.</p>
L1 Application	<p>Application to Evict a Tenant for Non-Payment of Rent and to Collect Rent the Tenant Owes: LTB application that is used by landlords (TCHC) if a tenant owes rent and the landlord wants to:</p> <ul style="list-style-type: none"> • end the tenancy and evict the tenant and

Acronym	Definition
	<ul style="list-style-type: none"> collect the money the tenant owes the landlord up to the move out date.
Order to Evict	If the landlord (TCHC) gives a tenant notice to end the tenancy and the tenant does not move out, the landlord can apply to the LTB for an order to evict the tenant. The tenant has the right to go to a hearing and explain why they should not be evicted or ask for more time to move out.
HMS	Housing Management System: The name of TCHCs old data management system where tenancy related data is stored up until June 28, 2021.
HoMES	The name of TCHCs data management system where all tenancy related data is stored as of June 28, 2021.
PAP	Pre-Authorized Payment: A pre-authorized payment allows the landlord (TCHC) to withdraw money from a tenant's bank accounts when rent payments are due.
HSF	Housing Stabilization Fund: Is a fund that is administered by the City of Toronto intended to prevent homelessness by meeting the emergency housing needs of Toronto residents who receive financial assistance from Ontario Works (OW) and income support from Ontario Disability Support Program (ODSP). This fund can be accessed once per year.
OW	Ontario Works: City of Toronto program that provides basic income to people in financial need who meet the eligibility criteria. Financial Assistance may include money for food, shelter, clothing and other household costs, the cost of prescription medications, and other help with health costs.
ODSP	Ontario Disability Support Program: A program administered by the Province of Ontario that provides income benefits to people in financial and medical need who meet the eligibility criteria. Financial Assistance may include money for food, shelter, clothing and other household costs, the cost of prescription medications, and other help with health costs.

INTRODUCTION – JANUARY 1 TO JUNE 30, 2023

In this report, the OCHE provides systemic recommendations based on the data collected for this time period.

During this period, several changes were implemented that changed the way the OCHE receives and processes files. On February 13, 2023, the Stage 1 Checklist was implemented, which marked the beginning of the OCHE screening files for compliance with the Arrears Collection Process (“ACP”) before accepting a file. This has shifted the responsibility to resolve arrears to the Regions and reserves OCHE referrals for specialized files where the resolution could not be reached in the Regions.

In addition to this change, the OCHE is now conducting Case Conferencing to Tenant Service Coordinators (“TSC”) every two weeks. These sessions support the Regions to resolve files and to build the relationships between the Early Resolution Officers (“ERO”) and the TSCs. Based on the turnout, the questions, and the feedback the OCHE has received, it would appear these sessions are improving relations and opening the door to learning from each other.

The OCHE has also delivered two sets of training to the Regions. First, training on the Stage 1 Checklist and second training on how to resolve files when a tenant is in receipt of social assistance. The latter has proved to present challenges for frontline staff, in that the results achieved by OCHE have not been mirrored in the Regions. The OCHE has encouraged TCHC senior management to address the barriers to success by re-establishing the relationship between Ontario Works and TCHC.

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 the issues arising out of the COVID-19 pandemic. By capturing this data separately from newer arrears files, the OCHE will be able to make better recommendations that are specific to the problem that needs solving.

Finally, this report also includes TCHC’s responses to the OCHE’s recommendations, which are found at the end of this report. In the past, TCHC’s response followed in a future meeting. Including them here will ensure timely problem solving of the findings and recommendations.

1.0 REFERRALS TO THE OCHE

The OCHE received 508 referrals from TCHC between January 1 and June 30, 2023. Of those referrals:

- 115 were sent back (discussed on page 7 of this report)
- 91 were breach files¹
 - Of the breach referrals, 52 files were sent back having found no exceptional circumstances and TCHC was advised to proceed with filing an L1 Application at the LTB.
- 302 were opened as Stage 1 Referrals and assigned to an ERO

The number of files sent back to TCHC increased by 219% compared to the last reporting period (see chart below). This was due to the implementation of the Stage 1 Checklist, which required ACP Compliance in advance of a referral to the OCHE. As such, any file not in ACP compliance was sent back.

The reason for instituting the Stage 1 Checklist was to naturally curb the flow of referrals to the OCHE by ensuring more work is completed in the Regions and to decrease the need for an OCHE intervention on all files in arrears of rent.

The success of the Stage 1 Checklist will be determined by the decreased number of referrals coming to the OCHE. TCHC may also provide success data by reporting how many files that did not come to the OCHE, were set up on pay-direct from Social Assistance and/or the arrears were addressed in full, or in part by the HSF.

	2022 (Q1/Q2)	2022 (Q3/Q4)	2023 (Q1/Q2)
Total files referred to OCHE	753	464	508
Total files sent back to TCHC	90	36	115

¹ A breach referral occurs when a tenant has been assisted by the OCHE and entered into a Local Repayment Agreement (LRA) and the OCHE brokered LRA has been breached.

As noted from the above chart, there was a 33%² decrease in referrals to the OCHE from the same reporting period last year due to the implementation of the Stage 1 Checklist.

Stage 1 Referrals January 1 to June 30, 2023

302 Households were assigned to an ERO to address the arrears to stabilize the tenancy, and to be audited for compliance with the TCHC Eviction Prevention Policy and Arrears Collection Process (ACP). For the purpose of identifying trends, the OCHE categorized the referrals under the senior³, family and vulnerable⁴ banners.

These referrals included:

- 83 Senior Households
- 204 Households from the Family Portfolio
- 15 Vulnerable Households

1.1 REFERRALS SENT BACK TO TCHC

During this period of time, the Stage 1 Checklist was implemented, which changed the way OCHE reviews files from TCHC. Instead of reviewing any file referred to the OCHE and outlining the errors found in the application of the ACP after the EROs worked with the tenants, the OCHE sent back any file where the ACP was not followed properly.

The most common reason to return files to TCHC was the failure to access the Housing Stabilization Fund (HSF), for tenants who were in receipt of social assistance. The expectation is that TCHC submits an application for funds to the HSF and obtains an outcome (approval or denial) in advance of referring the file to the OCHE.

Files were also returned when the tenant was not offered a Local Repayment Agreement (“LRA”) or there was insufficient contact made with

² 753 referred between January 1, 2022 and June 30, 2022 compared to 508 referred between January 1, 2023 and June 30, 2023

³ Seniors are defined as being 59+ years of age

⁴ Vulnerability was determined based on the notes in the TCHC file, self-disclosure to the Early Resolution Officer, or due to the tenant’s source of income being the Ontario Disability Support Program (“ODSP”). The OCHE acknowledges that this method of determining vulnerabilities is not inclusive.

the Tenant by the TSC to determine the cause of the arrears or to attempt to address them.

This has shifted the responsibility to the Regions to resolve arrears files and ensures the OCHE is utilized as an **office of last resort** for files which could not be resolved within the Regions.

115 files were returned to TCHC for the following reasons:

Reasons for sending files back to TCHC	115 files
Non Compliance with the ACP: Did not submit an application to the HSF to address the arrears of rent	27% (31)
Tenant brokered a Local Repayment Agreement with TCHC without OCHE intervention or Tenant actively working with TCHC ⁵	13% (15)
Non Compliance with the ACP: Insufficient contact with the tenant prior to the OCHE referral	10% (11)
TCHC to complete Abandoned Unit process	9% (10)
Arrears were paid in full	7% (8)
TCHC was pursuing eviction for cause	6% (7)
The OCHE previously worked with Tenant and recommended that TCHC proceed with an L1 Application	6% (7)
Non Compliance with the ACP: Local Repayment Agreement not offered	3% (4)
Tenant provided 'move out notice' to TCHC	3% (4)
Tenant passed away	3% (3)
All other reasons	13% (15)

It should be noted that when the OCHE receives a file from TCHC, it is received via email. When the OCHE sends a file back to TCHC, an email to the Tenancy Management Supervisor ("TMS") is sent advising of the error. The TMS are provided an opportunity to disagree with the proposed return, however in many cases, the TMSs agree with the OCHE's assessment. The OCHE keeps track of these files using an Excel spreadsheet. The manual

⁵ It was found that the referral was made to the OCHE while TCHC was in the process of brokering an LRA with the Tenant. Changes to the ACP will encourage this work to continue.

data collection and manual returning of the files is time consuming and comes with increased risk that a file will be left in limbo (not returned and not assigned to an ERO). The OCHE is working diligently to minimize these errors, but the use of HoMES will help significantly.

FINDING 1:

The process of manually referring and returning files from the OCHE to TCHC and in reverse is time consuming and inefficient.

RECOMMENDATION 1:

TCHC to embed the Stage 1 Checklist into HoMES⁶ and to provide OCHE access to it, to eliminate the extra time needed to send referrals to the OCHE and for the OCHE to review and send back files.

2.0 ARREARS AT TIME OF OCHE REFERRAL

Beginning in this reporting period, the OCHE captured data by Region and organized the size of the 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 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, and the HUB model was introduced, which impacted how TSC's were able to complete their work. Combined, these factors dramatically increased the arrears total across the organization.

Annual Reviews were processed 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. It also bears mentioning that partly due to inflation, low-income Tenants have less ability to pay back arrears and therefore, a minimal reduction to the overall arrears is achieved through LRAs. This is due to large repayment agreements being in place for many years, which result in many more opportunities for them to breach. At this point, TCHC has only two options: evict these tenants, or broker longer repayment agreements that are at high risk of breaching.

⁶ HoMES is the name of TCHC's data management system where all tenancy related data is stored. Prior to June 28, 2021, similar data was recorded in a data management system called HMS.

From January to June 2023 the OCHE assigned 302 cases to EROs to address the arrears. These represent a total of \$2,272,644.14 in arrears owing. Of these, there were 25 cases where the arrears exceeded \$20,000.00, representing more than \$860,000.00 in arrears of rent.

A breakdown of the size of arrears by region is included in the following charts:

\$20k and over– owing at time of referral	Total of arrears	Number of Households
WEST	\$174,758.10	4
EAST	\$359,802.54	12
CENTRAL	\$333,764.56	9
TOTAL:	\$868,325.20	25

\$10k – \$19.9k owing at time of referral	Total of arrears	Number of Households
WEST	\$138,457.02	10
EAST	\$197,802.20	15
CENTRAL	\$169,387.66	13
TOTAL:	\$505,646.88	38

\$5k – \$9.9k owing at time of referral	Total of arrears	Number of Households
WEST	\$138,630.16	19
EAST	\$127,924.89	19
CENTRAL	\$207,134.46	29
TOTAL:	\$473,689.51	67

\$2k – \$4.9k owing at time of referral	Total of arrears	Number of Households
WEST	\$139,033.34	40
EAST	\$81,354.77	24
CENTRAL	\$123,250.44	37
TOTAL:	\$343,638.55	101

\$186.00 – \$1.9k owing at time of referral	Total of arrears	Number of Households
WEST	\$49,784.29	45
EAST	\$11,941.45	10
CENTRAL	\$19,618.26	16
TOTAL:	\$81,344.00	71

FINDING 2:

Recouping the debt from Tenants with large arrears balances is possible, but will take a very long time. Tenants who enter Local Repayment Agreements (“LRAs”) for large balances (if repayment is between \$50.00 and \$100.00 per month) will not be able to pay their debts, in some cases within their lifetime.

RECOMMENDATION 2:

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 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.

3.0 ARREARS COLLECTION PROCESS COMPLIANCE:

While working with individual tenants to avoid eviction, the OCHE conducts an audit to ensure TCHC’s compliance with the ACP, Eviction Prevention Policy and that all applicable legislation has been adhered to. At the

conclusion of this work, the Commissioner issues a report containing recommendations to TCHC and the Tenant. From January 1 to June 30, 2023, the OCHE issued a total of 306 reports with a total of 25 unique recommendations.

Although the OCHE has screened the files ahead of time to ensure ACP compliance, the screening process does not take into account the timelines of the ACP, but rather whether all the steps were completed or not completed.

It should be noted that in 29 of the 306 reports, the ACP was followed perfectly.

Of the 25 unique recommendations made to TCHC, only 3 were significant. These are described in the chart below:

	2022 (Q1/Q2)	2022 (Q3/Q4)	2023 (Q1/Q2)
Number of recommendations reports	486	353	306
Commissioner’s Recommendation related to Non-Compliance with the ACP	2022 (Q1/Q2)	2022 (Q3/Q4)	2023 (Q1/Q2)
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines	63% (307)	73% (259)	62% (189)
Make direct contact with the tenant in the first month of arrears	50% (244)	61% (216)	64% (195)
Send the Notice to Terminate the Tenancy once /do not send multiple Notices to Terminate the Tenancy	22% (109)	20% (72)	22% (68)

FINDING 3:

In working with TCHC senior management and engaging with front-line staff through case conferencing and training twice per month, we have heard the following reasons for non-compliance with these aspects of the ACP;

- It is necessary for the TSCs to manually create N4s when a building was once contract managed, a tenant has declared bankruptcy, the arrears are older than the HoMES system, or an Order to evict has expired. In these circumstances, creating the N4 is a time consuming process.
- Additionally, we heard that rent payments are not always applied to Tenants' ledgers early enough in the month, therefore, TSCs do not know if Tenants are in arrears until the end of the first month.
- With the HUB model, workload demands of the TSCs are varied and complex which affect their ability to meet their obligations under the ACP. Of note, the OCHE further reviewed these findings by Region and found that the issues were similar across all Regions.

RECOMMENDATION 3:

- a) TCHC should update the ACP to require the N4 to be served in the second month of arrears (one month plus a \$1.00 of arrears owing)⁷.
- b) Modify HoMES to ensure timely creation of N4s and reduce the number that need to be created manually.
- c) Ensure finance processes rent payments early so that they are all posted before N4s are issued to tenants.
- d) OCHE to issue monthly ACP compliance reports to TCHC by Region, for more up to date monitoring of OCHE recommendations and to schedule monthly meetings with TCHC to review trends and ACP compliance.
- e) Create a new Key Performance Indicator ("KPI") for the Regions which monitors and evaluates ACP compliance regionally.

4.0 OCHE CASE MANAGEMENT HIGHLIGHTS

The OCHE issued 306 Reports and Recommendations and successfully engaged with 96% (295/306) of these tenants and resolved the need for TCHC to file an L1 Application with the Landlord Tenant Board (LTB) in 84% (249/295) of the tenants they engaged with.

⁷ This is in line with the Toronto Seniors Housing Corporation (TSHC)'s new ACP, which appears to be working effectively

	2022 (Q1/Q2) 486 Reports Issued	2022 (Q3/Q4) 353 Reports Issued	2023 (Q1/Q2) 306 Reports Issued
Engagement Rate	86% (420)	91% (321)	96% (295)
Avoided the need for TCHC to file an L1 Application with the LTB	79% (333)	77% (247)	84% (249)

4.1 ARREARS MANAGED BY THE OCHE

In this reporting period, the OCHE issued 306 reports, which accounted for \$2,114,756.63 in arrears.

(a) Total arrears directly paid to TCHC totaled \$360,496.00 as follows:

- Direct payments totaled \$176,091.00 from the following sources:
 - \$76,669.19 directly from tenants
 - \$69,677.52 Housing Stabilization Fund (HSF)
 - \$1,084.00 in direct payments from Tenants' families and;
 - \$17,188.29 in payments directly from Ontario Works / Ontario Disability Support Program
 - \$5,700.00 in payments directly from the Toronto Rent Bank
 - \$5,772.00 in retroactive/account credits from TCHC
- Resolving Losses of Subsidy: \$36,395.99
- Completing Annual or an 'In Year' Reviews: \$148,008.99

(b) Arrears managed through Local Repayment Agreements

- \$1,321,774.22 in arrears were managed through Local Repayment Agreements and will be paid back to TCHC over time (see section 5.0) and have not yet been collected in full.

(c) Arrears approved to be forwarded to the Landlord and Tenant Board

- \$432,486.43 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.

The OCHE has been successful in obtaining direct payments through Ontario Works, the Ontario Disability Support Program, and the Housing Stabilization Fund as well as by collecting and submitting income verification documents to TCHC to process Annual Reviews. These are activities, which are part of tenancy management. With support, such as training, mentoring, coaching and key performance indicators related to ACP compliance, TSCs should be able to obtain similar results to the OCHE, negating the need for a referral to the OCHE on some of these files.

FINDING 4:

TCHC frontline staff are facing challenges to resolve arrears files in collaboration with frontline workers at OW and ODSP. The resolution of these arrears is key to stabilizing these tenancies and recouping debt.

RECOMMENDATION 4:

TCHC to re-establish the *Memorandum of Understanding* 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.

5.0 ARREARS MANAGED THROUGH LOCAL REPAYMENT

AGREEMENTS

In this period, the OCHE brokered a total of 184 LRAs representing \$1,321,744.22 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 \$50 to \$375 per month. Of interest, the higher repayment amounts are often from tenants in receipt of social assistance, because OW is able to increase their shelter portions to an amount tenants could not afford to pay on their own.

With repayment amounts being in the low range described above, recouping the debt will take a very long time 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. The OCHE will report on LRAs and breached LRAs in our next bi-annual report with recommendations for how to limit breaches.

Beginning in this reporting period, the OCHE captured data by Region and organized the size of the arrears at the time of referral into categories. Below is a summary of the LRAs brokered by OCHE based on these categories:

Files with arrears over \$20K	Total of arrears	Number of Cases	Average repayment amount	Average length of LRA (months)
WEST	\$123,819.01	4	\$337.00	198.5
EAST	\$71,803.42	3	\$228.00	123
CENTRAL	\$238,362.29	7	\$300.00	120
TOTAL/AVERAGE:	\$433,984.72	14	\$295.00	115

Files with arrears between \$10k and \$19.9K	Total of arrears	Number of cases	Average repayment amount	Average length of LRA (months)
WEST	\$106,048.09	9	\$160.00	85
EAST	\$101,015.50	7	\$153.00	107
CENTRAL	\$70,502.95	6	\$195.00	65
TOTAL/AVERAGE:	\$277,566.54	22	\$168.00	87

Files with arrears between \$5k and \$9.9K	Total of arrears	Number of cases	Average repayment amount	Average length of LRA (months)
WEST	\$176,545.60	26	\$130.00	58
EAST	\$102,597.12	15	\$155.00	48
CENTRAL	\$85,546.37	12	\$127.00	71
TOTAL/AVERAGE:	\$364,689.09	53	\$136.00	58

Files with arrears between \$2k and \$4.9k	Total of arrears	Number of cases	Average repayment amount	Average length of LRA (months)
WEST	\$114,786.11	35	\$126.00	30
EAST	\$28,786.65	8	\$127.00	33
CENTRAL	\$62,527.17	19	\$109.00	35
TOTAL/AVERAGE:	\$206,099.93	62	\$121.00	33

Files with arrears between \$186.00 and \$1.9k	Total of arrears	Number of cases	Average repayment amount	Average length of LRA (months)
WEST	\$24,357.73	21	\$103.00	17
EAST	\$6,863.00	6	\$80.00	15
CENTRAL	\$8,213.21	6	\$70.00	21
TOTAL/AVERAGE:	\$39,433.94	33	\$85.00	18

The LRAs for large arrears balances will not result in significant decreases in the total arrears, but if successful, will ensure arrears do not accumulate further. For tenants in this position, TCHC only has two options, to evict the tenants or to enter into longer LRAs that the Tenants are able to afford. To lessen the likelihood of a breach, the ability to set up direct payments for monthly arrears repayments would help. For this to be successful, the tenants must have money in the bank when the withdrawal is made, and the flexibility to choose the withdrawal date.

Additionally, the signing authority is structured such that the TSCs are limited to two year agreements, which makes the arrears repayment arbitrary and not based on the tenants' ability to afford the payments. LRAs longer than two years require the Regional General Manager's approval, thus immobilizing the TSCs ability to work directly with the tenant to broker an LRA in a quick and efficient manner. This also shifts work to the OCHE unnecessarily as TSCs are capable of working with tenants to broker repayment agreements beyond two years. In cases where the arrears balances are large, forcing tenants into agreements that simply divides the

arrears total into twenty-four months, will result in tenants not making the payments.

FINDING 5:

LRAs will not reduce the arrears balance significantly, however, successful LRAs can prevent the total arrears balance from growing and avoid evictions.

RECOMMENDATION 5:

- 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 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.

CONCLUSION

In presenting the OCHE's findings in this way, it is our hope that TCHC will be able to make necessary changes in recording and reporting on arrears.

The OCHE will continue to work with TCHC on ways to streamline service and find efficiencies while maintaining excellent customer service to tenants. We are in the process of implementing a monthly system of making recommendations to TCHC and TCHC is working on finding Key Performance Indicators that measure ACP Compliance.

The OCHE is delivering training to frontline staff in the coming months on Documentation Standards, brokering reasonable LRAs, review of the HSF process and working with OW/ODSP. The OCHE and TCHC will work together on the training related to the new ACP and will continue to provide

support to frontline staff in the form of bi-weekly case conferencing and ad hoc advice.

The EROs have been given touch-down space in all of the Regional Offices so that they will be available to act as a resource to staff and tenants.

The OCHE will measure the success of the training and support by the quantity (decrease) and quality (more complicated) referrals to the OCHE.

RECOMMENDATIONS SUMMARY

OCHE RECOMMANTATION	TCHC RESPONSE	EXPECTED COMPLETION DATE
<p>Recommendation 1: 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: 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.</p> <p>Consideration should be given to the management of files where 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>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>Anticipated start date for the new role is mid-October.</p>	<p>December 2023</p>

<p>Recommendations 3: <i>ACP Recommendations</i></p> <p>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).</p> <p>b) Modify HoMES to ensure timely creation of N4s and reduce the number that need to be created manually.</p> <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>A revised ACP is in development with expected implementation beginning in Q1 2024.</p> <p>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.</p> <p>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. 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>Q1 2024</p>
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<p>e) Create a new Key Performance Indicator (“KPI”) for the Regions which monitors and evaluates ACP Compliance regionally.</p>	<p>e) The Operations centralized teams (Performance and Quality, and Operational Planning and Program Services), are working with the Regional Tenancy 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>
<p>Recommendation 5: 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.</p>	<p>a) Tracking of Local Repayment Agreements over \$10,000 will be included in the work outlined against Recommendation 2.</p>	<p>a) As per Rec 2</p>

<p>b) Ensure TCHC staff are empowered to broker longer repayment agreements that consider the Tenants income and expenses to prevent breaches wherever possible.</p> <p>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 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>	<p>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</p> <p>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.</p>	<p>b) As per Rec 3</p> <p>c) Feasibility assessment to be completed Jan 2024</p>
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