

Item 9A – Office of the Commissioner of Housing Equity (“OCHE”) Bi-Annual Update – July to December 2022
Public Board of Directors Meeting – April 24, 2023
Report #: TCHC:2023-19
Attachment 1

1.1 REFERRALS TO THE OCHE

The OCHE received 464 referrals from TCHC between July 1 and December 31, 2022. Of those referrals, 36 were sent back, and 99 were breach files¹. Of the breach referrals, 61 files were sent back for no exceptional circumstances and TCHC was advised to proceed with filing an L1 Application at the LTB.

The following describes the outcome of the Stage 1 Referrals that the EROs worked on in this period:

Between July 1 and December 31, 2022, 329 Households were referred to an ERO to address arrears, stabilize the tenancy, and be audited for compliance with the TCHC Eviction Prevention Policy and Arrears Collection Process. During this period of time, any file with arrears of rent was eligible to be forwarded to the OCHE; however, for the purpose of identifying trends, the OCHE continued to categorize the referrals under the senior, family and vulnerable² portfolio.

These referrals included:

- 136 Senior Households
- 162 Family Portfolio
- 31 Vulnerable

Referrals to the OCHE during this period of time increased by 64.5%, compared to the same period last year (July 1 to December 31, 2021), when the OCHE received 200 referrals for arrears. It should also be noted that those 200 referrals also included referrals from what is now the Toronto Seniors Housing Corporation (“TSHC”). This increase was the

¹ A breach referrals occurs when a tenant has been assisted by the OCHE and entered into an LRA and the OCHE brokered LRA is breached.

² Seniors are defined as being 59+ years of age, and 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.

result of more households qualifying for the services of the OCHE, when the mandate expanded to include all TCHC tenants.

1.2 REFERRALS BY REGION

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

Region	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2)	2022 (Q3/Q4)
West Region	28% (79/278)	26% (51/200)	54% (313/577)	53% (175/329)
East Region	17% (46/278)	16% (32/200)	16% (90/577)	15% (51/329)
Central Region	21% (57/278)	8% (15/200)	12% (67/577)	31% (103/329)

1.3 REFERRALS SENT BACK TO TCHC

Of the referrals made to the OCHE during this period of time, 36 were returned to TCHC for the following reasons:

Reasons for sending files back to TCHC	Number of files
Tenant passed away	11% (4/36)
Arrears were paid in full	14% (5/36)
Tenant caught up on Mediated Agreement	11% (4/36)
TCHC pursuing eviction for cause	14% (5/36)
Tenant brokered a Local Repayment Agreement with TCHC without OCHE intervention ³	11% (4/36)
OCHE previously worked with Tenant and recommended that TCHC proceed with an L1 Application	11% (4/36)

³ 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.

Reasons for sending files back to TCHC	Number of files
All other reasons ⁴	28% (10/36)

ARREARS AT TIME OF REFERRAL TO THE OCHE

The following chart compares the arrears at the time of referral to the previous reporting periods. It is important to note that the arrears at the time of referral are higher than they were in the previous period, in part as a result of an imposed limit on the number of referrals the OCHE could process at one time. As a result of limiting referrals, in some cases, the arrears were able to accumulate further:

	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2) Last reporting period	2022 (Q3/Q4) Current reporting period
Average Arrears at Time of First N4	\$2,067	\$2,559	\$1,663	\$2,735.51
Average Arrears at Time of Referral	\$4,945	\$4,644	\$3,615	\$4,712.85

2.1 OCHE CASE MANAGEMENT HIGHLIGHTS

During this period of time, the OCHE issued a total of 353 Reports and Recommendations after working with tenants. The OCHE successfully engaged with 91% (321/353) of these tenants and resolved the need for TCHC to file an L1 Application with the LTB in 77% (247/321) of the tenants they engaged with.

⁴ The reasons varied from a tenant moving out of the unit, a tenant having no arrears on file, TCHC actively working with the a tenant to address the arrears, a consumer proposal was filed and L1 was previously recommended, etc.

	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2) Last reporting period	2022 (Q3/Q4) Current reporting period
Engagement Rate	93% (243/260)	87% (101/116)	86% (420/486)	91% (321/353)
Avoided the need for TCHC to file an L1 Application with the LTB	81% (197/243)	88% (89/101)	79% (333/420)	77% (247/321)

2.2 ARREARS MANAGED

In this period, the OCHE recovered \$1,270,107.72 by managing arrears:

- \$178,584.20 of direct payments, which included:
 - \$82,268.30 directly from tenants
 - \$76,453.90 Ontario Works /Ontario Disability Support Program Housing Stabilization Fund
 - \$6,727.00 in direct payments from Tenants' families and;
 - \$4,506.00 in payments directly from Ontario Works / Ontario Disability Support Program
 - \$6,219.00 in payments directly from the Toronto Rent Bank
 - \$1,710.00 from Anishnawbe Health Toronto
 - \$700.00 in retroactive credits from TCHC
- \$883,136.22 in OCHE brokered repayment agreements between TCHC and Tenants, which will be paid back over time.
- \$66,349.00 by resolving a Loss of Subsidy
- \$142,038.30 by completing an Annual or an 'In Year' Review.

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

While working with individual tenants to avoid eviction, the OCHE conducts an audit to ensure TCHC's compliance with the Arrears Collection Process ("ACP"), Eviction Prevention Policy and applicable legislation have been adhered to. At the conclusion of this work, the Commissioner issues a report containing tenant-specific and systemic recommendations to TCHC. From July 1 to December 31, 2022, the OCHE issued a total of 353 reports with a total of 868 Recommendations. Of these recommendations, there were 16 unique recommendations made as described in the charts below.

The recommendations 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 described in more detail in Appendix 1 for reference.

	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2) Last reporting period	2022 (Q3/Q4) Current reporting period
Number of recommendation reports	260	116	486	353
Number of Recommendations	755	370	1108	868

3.1. ADMINISTRATIVE DELAYS AND INEFFICIENT USE OF RESOURCES

The chart below outlines the Commissioner's recommendations related to administrative delays and inefficient use of resources. Most notable in this category is the failure to contact the Tenant in the first month of arrears. It is

the crucial first step to the old and new ACP, and it is critical to getting the arrears managed before they accumulate further.

Commissioner's Recommendations regarding Administrative Delays and Inefficient Use of Resources	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2) Last reporting period	2022 (Q3/Q4) Current reporting period
Serve the Notice to Terminate the Tenancy in accordance with Arrears Collection Process timelines ⁵	35% (91/260)	63% (73/116)	63% (307/486)	73% (259/353)
Make direct contact with the tenant in the first month of arrears	35% (90/260)	43% (51/116)	50% (244/486)	61% (216/353)
Send the Eviction Prevention Policy Letter 1 once in the first month of arrears / Do not send multiple letters	67% (173/260)	41% (47/116)	32% (155/486)	18% (64/353) ⁶
Send the Notice to Terminate the Tenancy once /do not send multiple Notices to Terminate the Tenancy	10% (25/260)	9% (11/116)	22% (109/486)	20% (72/353)
After finding an error in the Notice to Terminate the Tenancy, issue a new one within the Arrears Collection Process timelines ⁷	4% (10/260)	9% (11/116)	3% (17/486)	4% (16/353)

3.2 NON-COMPLIANCE WITH POLICIES AND PROCEDURES

The policies and procedures that are used to conduct the file audit include: the Eviction Prevention Policy, Arrears Collection Process, Loss of Subsidy Process, the *Residential Tenancies Act, 2006* and the *Housing*

⁵ The ACP requires that the N4 be served between the 13th-15th calendar day of the first month of arrears. This narrow timeline may change with the Kaizen ACP review.

⁶ EPP Letter 1 is not part of the new ACP; therefore only files where the arrears began prior to July 2021 would this audit finding be applied.

⁷ The ACP requires that if an N4 found to contain an error that it be re-served within 5 business days. This timeline may change with the Kaizen ACP review.

Services Act, 2011. 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	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2)	2022 (Q3/Q4)
Pursuant to the Arrears Collection Process, ensure Local Repayment Agreements are in written format	3% (9/260)	3% (4/116)	16% (14/90)	3% (10/353)
Pursuant to the Arrears Collection Process, ensure direct contact is made with the tenant	2% (5/260)	3% (4/116)	2% (9/486)	<1% (1/353)
Pursuant to the <i>Residential Tenancies Act, 2006</i> , serve the Notice to Terminate the Tenancy to the tenant	4% (11/260)	2% (2/116)	1% (7/486)	3% (10/353)
Pursuant to the <i>Housing Services Act, 2011</i> , issue a reminder letter before the Loss of Subsidy takes effect according to the prescribed timelines	22% (6/27)	25% (1/4)	26% (17/66)	3% (10/353)
Pursuant to the Housing Services Act, 2011, make direct contact before and after issuing the Notice of Decision regarding Loss of Subsidy	15% (4/27)	25% (1/4)	11% (7/66)	<1% (3/353)
Fulsome and meaningful attempt by TCHC*			7% (36/486)	8% (30/353)

* This recommendation was created for files where the new ACP was used. The expectation within this ACP is that TCHC make a meaningful attempt to discover the reason for the arrears and to resolve them prior to referring the file to the OCHE. In cases where TCHC only contacted the Tenant to inform them of the arrears, but did not attempt to understand why the Tenant was in arrears, this recommendation was made.

This category does not represent a substantial number of errors when compared to Administrative Delays and Inefficient Use of Resources. This suggests focus be placed on finding efficiencies to realize improvements.

3.3. 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 successful tenancies. The overall number of recommendations regarding this issue has increased to 5% (19/353) of the audited files, compared to 3% (14/486) in 2022 Q1/Q2.

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

Commissioner's Recommendations related to Unreliable Internal Information	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2)	2022 (Q3/Q4)
Ensure tenant records are accurate and timely (HMS, EasyTrac and HoMES)	3% (9/260)	7% (8/116)	2% (10/486)	5% (18/353)
Ensure HMS Legal codes are accurate and are entered into the database (HMS and HoMES)	17% (45/260)	4% (5/116)	1% (4/486)	<1% (1/353)

In this reporting period, the OCHE saw greater instances of documentation errors. Most notably, notes recorded in HoMES Memos without sufficient detail to determine next steps. In 66% (12/18) of cases where this finding was made, it was due to the notes not describing what the outcomes or the next steps were for the tenant. Additionally, best practices with respect to documentation require notes to be recorded as

the actions occur. We noted late recording of notes in 39% (7/18) of the cases, where documentation standards fell short.

3.4. QUALITY OF SERVICES

Within TCHC, it is to be expected that there are a number of tenants who require additional services and supports in order to maintain their tenancies, and this support should come from both internal and external resources⁸.

The chart below outlines the Commissioner's recommendations related to quality of service:

Commissioner's Recommendations Regarding Quality of Service	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2)	2022 (Q3/Q4)
Reach out to tenants' caseworkers or families should they get into arrears of rent	23% (59/260)	28% (33/116)	19% (96/486)	20% (69/353) ⁹
Refer tenants to a Community Services Coordinator should they get into arrears of rent or require other supports/referrals	14% (36/260)	11% (13/116)	2% (12/486)	3% (12/353)
Create flexible and customer payment schedules based on	5% (14/260)	6% (7/116)	9% (44/486)	10% (36/353)

⁸ 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.

⁹ The Commissioner recommended TCHC reach out to caseworkers 74 times in this reporting period. It is the hope that when Tenants are in receipt of OW or ODSP, TCHC staff begin by reaching out to caseworkers as this often results in a positive outcome and would avoid the need for OCHE intervention.

Commissioner's Recommendations Regarding Quality of Service	2021 (Q1/Q2)	2021 (Q3/Q4)	2022 (Q1/Q2)	2022 (Q3/Q4)
tenants' budgets and pay schedules				

The findings in this category remain the same as compared to the last reporting period. It should be noted that beginning in early Q1 of 2023, it will be expected that all files with a tenant whose income source is social assistance be resolved by the Regions. This will result in more of these files not requiring the OCHE intervention. The OCHE will also provide training for these types of files within Q1 2023.

4.0 NEXT STEPS

With one year of the mandate expansion behind us, the OCHE and TCHC have been working to develop strategies for more files to be managed and resolved within the Regions, and for the referrals to the OCHE to be more strategic. An example of this would be that TCHC would only refer files to the OCHE where the expertise of an ERO is required. With TCHC processing all files where the tenants' source of income is social assistance, this will have a positive impact on arrears, as in most instances they can be resolved easily with the support of the Caseworkers from social assistance.

The OCHE has also asked that TCHC identify files with a pending Loss of Subsidy, as well as Annual Review dates which are within 3 months of referral. With fewer cases at risk of a Loss of Subsidy, as well as timelier processing of Annual Reviews, the total arrears will also be impacted in a positive way.

Finally, the OCHE has committed to both training, coaching, advice giving and case management for the Regions. This has begun and there should be an improvement in the quality of resolutions obtained without the need for an OCHE intervention in more instances.

APPENDIX 1

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	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.
4. QUALITY OF SERVICE	Quality of service is vital for relationship building with tenants, fostering positive living environments, and ultimately keeping tenants housed.

APPENDIX 2: REVIEW OF FINDINGS FROM THE FAMILY PORTFOLIO (2022)

1.0 REFERRALS FROM THE FAMILY PORTFOLIO

In all of 2022, the OCHE received 574 Stage 1 referrals from the Family Portfolio. Of those referrals, 75 were sent back to TCHC without an OCHE intervention.

The reasons these files were sent back are detailed below:

Reason for returning	
Arrears resolved ¹⁰	25% (19/75)
Tenant working with TCHC ¹¹	12% (9/75)
Problem with the N4	3% (2/75)
Tenant not in unit/leaving unit ¹²	13% (10/75)
TCHC LRA still valid ¹³	8% (6/75)
Eviction for cause pending	5% (4/75)
Tenant deceased	1% (1/75)
L1 previously recommended	5% (4/75)
All other reasons ¹⁴	27% (20/75)

¹⁰ Arrears paid in full or resolved without OCHE intervention

¹¹ Tenant is working with a TSC, CSC, or brokering an LRA with TCHC

¹² Tenant is either moving out, not residing in unit due to a restraining order, in the hospital, incarcerated, or out of the country, unit abandonment etc.

¹³ Tenant caught up on the arrears or maintenance and is in good standing

¹⁴ No arrears on file, Tenant filed consumer proposal, maintenance charges not arrears, Tenant agreed to pay balance by date, fraud investigation ongoing, etc.

2.0 CASE MANAGEMENT RESULTS FROM FAMILY PORTFOLIO

In 2022, 462 Stage 1 Reports and Recommendations were issued to TCHC. The EROs connected with the Tenants in 412 cases and were successful in resolving the arrears in 77% (317/412) of these cases.

In reviewing the audit findings from the Family Portfolio, the following trends are noted. In the files where the ERO successfully resolved the arrears of rent, the resolutions are outlined in the chart below:

Resolution	Total and Percentage	Total Dollars Recovered
Tenant/Family Paid	24% (77/317)	\$107,544.81
Ontario Works made payment (outside of HSF)	2% (7/317)	\$7,519.60
Housing Stabilization Fund (HSF)	18% (57/317)	\$75,527.94
Annual Review (AR)/ Internal Review(IR)	12% (39/317)	\$100,011.00
Loss of Subsidy resolved	4% (13/317)	\$85,334.00
Local Repayment Agreement (LRA)	63% (200/317)	\$878,306.75
Other	1% (4/317)	\$9,466.40
Total:	396¹⁵	\$1,263,710.50

The most common resolution was to broker an LRA, in 63% (200/317) of cases, followed by obtaining funds through the HSF in 18% (57/317), and completing an Annual or In Year Review in 12% (39/317) of cases. As these resolutions are part of the Tenant Service Coordinator (“TSC”)’s functions within the Arrears Collection Process, these resolutions might be obtained in the Regions if the TSCs were successful in engaging the Tenants, negating the need for an OCHE referral.

¹⁵ In many cases, EROs accessed multiple resolutions to address Tenant arrears.

2.1 REFERRALS TO EXTERNAL SUPPORTS

Historically, the OCHE's specialized service is centered around supporting tenants with vulnerabilities, which has included referrals to community agencies for additional or wrap-around support for the sake of maintaining the tenancy in the longer term. With respect to the files which were received from the Family Portfolio in 2022, these referrals were not warranted in many instances. The chart below indicates the types of referrals made by the ERO on behalf of Family Portfolio Tenants.

Referral Source	Number of referrals made
Tax filing	4
Applications to Ontario Works	11
Applications to the Rent Bank	3
Support Services referrals ¹⁶	4
Helped Tenant set up Direct Payments (calls to banks)	29
Total	51

The above chart suggests that within the referrals from the Family Portfolio to the OCHE in 2022, there were only 18% (51/317) of cases where additional supports were required to maintain successful tenancies and only 4 individual files where a community based resource was needed.

2.2 ARREARS NOT RESOLVED: PROCEED TO L1

In 2022, the OCHE recommended that TCHC proceed with filing an L1 Application in 31% (144/462) of files. Of those 144 L1 Recommendations, the EROs made direct contact with the Tenant in 65% (94/144) of the cases; however, were not successful in resolving the arrears of rent. In 35% (50/144) of the cases, the EROs were unable to make contact with the tenant at all.

¹⁶ Community Agencies, Senior Person Living Connected (SPLC), Crisis Priority Transfer, Credit Canada

The reasons the recommendations were made to proceed to file an L1 Application are outlined below:

Reason for L1 after speaking with Tenant	Total
Breached terms of LRA before signing it/ could not afford rent/ did not meet condition	6% (6/94)
Did not provide required income verification documentation	21% (20/94)
Tenant out of country	4% (2/94)
Refused service/ requested LTB	23% (22/94)
Engaged with the ERO initially, but did not follow through and then disengaged	47% (44/94)

The chart above suggests that a higher number of tenants from the Family Portfolio elected to not work with the EROs and in some cases identified that they preferred to address the matter at the LTB, rather than with the OCHE.

The OCHE reviewed the 94 cases where an L1 Application was recommended, after the ERO made contact with the tenant, and found the outcomes listed in the chart below. Of note, to date 35% (33/94) have addressed their arrears and 43% (40/94) are waiting to attend the LTB.

Outcomes after L1 Application	Total
Arrears paid off	20% (19/94)
Moved out	3% (3/94)
L1 Application filed, waiting for LTB to schedule hearing	19% (18/94)
LTB Hearing scheduled (date upcoming)	23% (22/94)
L1 Application not filed	13% (12/94)
Mediated agreement	15% (14/94)
Received order	6% (6/94)

3.0 FINDINGS AND RECOMMENDATIONS

As of January 1, 2022, the referral rate to the OCHE increased by 80.5 % when comparing 2022 to 2021 (478 in 2021 & 863 files in 2022), resulting in a backlog of files waiting to be referred to the OCHE. This had an impact on arrears across the Regions, and on OCHE resources, as there were more files than could be completed within the 45 Day timelines outlined in the OCHE Terms of Reference.

There has been discussion between the OCHE and TCHC with respect to managing the expanded mandate of the OCHE to review all arrears files. It is expected that some process changes will curb the flow of referrals to the OCHE in a natural way and this will be evaluated over the next period of time.

The following conclusions were drawn from the OCHE analysis of the 2022 files from the Family Portfolio:

- Fewer tenants engaged with the ERO (35%).
- Of the 77% (317/412) cases the OCHE resolved, the resolutions were straightforward and uncomplicated.
- Only 18% (51/317) of those resolutions included referrals to community agencies for support.
- There were 27% (126/462) of files with tenants who were on Ontario Works.

Due to these findings, the OCHE suggests the following changes of which the implementation has begun:

1. Use of the new Stage 1 Checklist as a screening tool. As an example, when the OCHE receives a referral from TCHC, where the ACP has not been followed, the OCHE will return the file to TCHC and offer supports to the TSC to assist them in finding a resolution. This will result in the following:
 - a. Fewer inappropriate referrals to the OCHE; and therefore, fewer files sent back to TCHC, improving the use of resources at OCHE and TCHC.
 - b. Only those files in which the ACP has been followed properly, and yet still require an OCHE intervention will be referred to the OCHE.

- c. All files where tenants are in receipt of social assistance be resolved through the Regions with the assistance of OW/ODSP Caseworkers and the Housing Stabilization Fund (“HSF”).
2. Coaching/Mentoring/Training:
 - a. TSCs supported by OCHE to resolve files themselves
 - b. Training on N4 Checklist, OCHE Approach, ACP, HSF Applications, etc.
 - c. Bi-weekly case conferencing available to all TSCs in all Regions provided by OCHE.
 3. EROs assigned specifically to Regions
 - a. Foster positive relationships between TSCs and EROs for friendly support.
 - b. Make EROs regionally specific subject matter experts available to staff to assist with referral suggestions, community contacts and mentoring.
 - c. Reduce mileage costs and time saving efficiencies.
 4. OCHE to participate in Kaizen Review of the ACP with TCHC and LEAN Advisor.
 - a. Revised ACP to roll out in Q3 2023

4.0 NEXT STEPS

As the implementation of these measures has begun, the OCHE and TCHC will monitor closely and report back to the Board as further data is collected. The OCHE will work with TCHC to do the following:

1. Evaluate the effectiveness of the Stage 1 Checklist.
2. Create a mechanism to evaluate the effectiveness of training in building TCHC staff capacity to resolve arrears on their own and to avoid the need to refer as many files to the OCHE.
3. Evaluate the effectiveness of the EROs being regionally specific in their work in order to better support TCHC.
4. Continue participating in the Kaizen review of the ACP.