

Eviction Prevention Strategies at the Toronto Housing Company

(City Council on June 7, 8 and 9, 2000, adopted this Clause, without amendment.)

The Community Services Committee recommends:

- (i) the adoption of the recommendation of the Advisory Committee on Homeless and Socially Isolated Persons, contained in the communication dated May 3, 2000, from Councillor Jack Layton, Co-Chair, viz:**
 - “(1) that the Community Services Committee endorse the principle that, if any plans proceed to jointly operate or to amalgamate the Metropolitan Toronto Housing Authority and the Toronto Housing Company, key community stakeholders, including the Interclinic MTHA Working Group, be consulted to ensure the protection of tenant rights; and**
 - (2) that this request be forwarded to the Chief Executive Officer of the Toronto Housing Company for discussion with the Metropolitan Toronto Housing Authority.”; and**
- (ii) that the Interclinic MTHA Working Group be a party to all discussions on policies dealing with evictions to ensure that eviction is the action of last resort.**

The Community Services Committee submits the following report (May 2, 2000) from the Chief Executive Officer of the Toronto Housing Company:

Purpose:

The Toronto Housing Company is reporting as requested by the Community Services Committee on its eviction practices and eviction prevention strategies.

Recommendation:

It is recommended that the Committee receive this report for information.

Background:

At its meeting on June 9, 10 and 11, 1999, Council requested the Chief Executive Officer to prepare a report on eviction prevention measures and their effectiveness for the Toronto Housing Company and the Metropolitan Toronto Housing Authority, in consultation with existing tenant associations. The attached report was presented to the Advisory Committee on Homeless and Socially Isolated People by the Toronto Housing Company (THC), on April 14, 2000.

Comments:

Toronto Housing Company (THC) as the merged organization of the former City of Toronto Housing Corporation (Cityhome) and the Metropolitan Toronto Housing Company Ltd. (MTHCL), houses approximately 39,000 tenants in 28,500 housing units. Approximately one-half of its revenues are from tenant rents, and rental arrears and collection is a major activity for the Company. As detailed in the attached report, each year THC has approximately 12,500 incidents of rental arrears and 2,500 incidents of tenant behaviour that could by their nature end with an eviction if not resolved. THC has a number of practices and protocols to resolve these incidents with tenants, and continues to develop more effective protocols. These protocols resolve all but approximately 200 incidents (0.7 percent,) and these result in eviction. In addition, approximately 200 tenants vacate their apartments voluntarily, for a variety of reasons, while under notice either for arrears or behaviour.

The Toronto Housing Company has developed a democratic process for tenant representation including the election of a representative in each building. The City-wide Tenant Council, consisting of Building Representatives from each THC Community Operating Unit has just been elected and is meeting to establish its committees. The issues, protocols, and practices outlined below have been discussed with the predecessor tenant participants and will continue to be developed with tenants in the committees now being established.

The attached report was presented to the Board of Directors of the THC. The Board is responsible for oversight of the Corporation, budget development and approval, and establishing operating practices and procedures, within the framework of social housing program operating agreements.

Conclusions:

The Toronto Housing Company is developing its eviction processes with the intent of keeping tenants in their housing, rather than evictions. These protocols are being developed in consultation with tenants and community agencies, in order to provide appropriate supports to tenants to maintain their housing while resolving the arrears or behavioural issues, or move to appropriate housing where stability can be achieved.

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List of Attachment:

Presentation to Advisory Committee on Homeless and Socially Isolated Persons, April 14, 2000

Presentation to the
Advisory Committee on Homeless and Socially Isolated Persons

April 14, 2000

The Toronto Housing Company:

The Toronto Housing Company Inc. is owned by the City of Toronto. It is the amalgamation of the former City of Toronto Housing Corporation (Cityhome) and Metropolitan Toronto Housing Company Limited (MTHCL). It provides housing for approximately 39,000 tenants in 28,500 units.

THC provides high quality housing environments for low and moderate-income tenants. The Company is committed to healthy and sustainable tenant communities, in which tenants and staff see their diversity as their strength and tenants participate fully in shaping their communities. (Mission Statement approved 1998.)

It is the THC's mission and responsibility, as landlord, to balance and protect the interests of all its tenants. Some tenants' interests may conflict with those of other tenants. THC policies and procedures are designed to provide property management and tenant support services to solve problems and manage this responsibility.

Tenant Population:

The tenant profile by household is: seniors 63 percent; single women senior 63 percent of this 63 percent; adults 23 percent; and families with children 14 percent. Approximately 85 percent of households qualify for rent-geared-to-income (RGI). They pay approximately 30 percent of their income for rent.

Economic Constraints:

THC recognises that changes in the last few years have made it more difficult for low-income people to pay their rent and living expenses.

Pensions and Social Assistance have not kept pace with inflation, or have been reduced. There has also been a reduction in non-cash benefits and increases in user-pay programs for low-income people.

RGI changed from 25 to 30 percent of income at 1 percent per year over the five-year period 1994 to 1998/99. One percent of income is up to 4 percent increase in housing charges.

The Toronto Housing Company, and its predecessor companies, also experienced significant funding cuts and downsizing over the past decade. THC is in the second year of a five-year restructuring plan to reduce subsidy costs by \$8.4 million, or \$300.00 per unit. This reduction of subsidy required is to be achieved by a combination of efficiency, reducing expenses, introducing technology, restructuring management and generating income.

The demand for low-cost housing is also growing and the waiting list for social housing is increasing by about 800 new households per month. Depending on unit type, THC is now housing applicants from 1990 to 1992. Supply programs for social housing were cancelled. Low-rent housing units are disappearing to rent control deregulation on vacancy.

A further significant change is the shift of responsibility for subsidy and administration to the Municipal from the Federal and Provincial levels of government.

Cost of Collecting Rental Arrears:

Revenues from rent are approximately \$132 million per year, about 47 percent of THC income.

On an annual basis there is about \$1 million in outstanding rent. The Toronto Housing Company writes off approximately \$1 million each year in uncollectable arrears. This is approximately \$35.00 per unit in the portfolio. As a reference point, this is 10 percent of the \$300/unit subsidy reduction target established in the five-year Business Plan.

The cost of collecting rental arrears is high. For example, if each of the 12,500 arrears incidents takes an average of 1.5 hours of staff time and system resources to resolve, the annual cost is just under \$1 million. The cost of going through all the steps leading up to and including a Tribunal hearing and eviction is in the order of \$600.00 plus legal costs. The cost of the evictions and vacates-under-notice is in excess of \$200,000.00.

It is significant to note that the Company spends greater resources on collecting rent arrears and keeping people housed than it does on evictions.

Arrears are costly for the Company and therefore for all the tenants who pay their rent.

Healthy Building Communities:

The Toronto Housing Company is in the business of housing low-income people and makes every effort to keep people housed in healthy building communities that they can call home. To this end the Tenant Support Services work with tenants and social agencies to organise tenants for self-help and to get support services to maintain their housing. The Tenant Support unit is staffed with 28 FTE. Twenty staff work directly with tenants and community service agencies.

THC as landlord has legal responsibility to balance and protect the interests both of individual tenants who are facing eviction (from non-payment of rent and/or behaviour) and other tenants. THC policies and procedures are designed to do so.

Democratic Tenant Representation:

THC has also developed a democratic tenant participation and representation system to elect tenant representatives in each of its buildings. These building representatives work as a group with the local managers in the Community Operating Units. Through a collegial system of elections, three building representatives sit on the Board of Directors. This tenant participation system provides for structured and accountable tenant representation for consultation to develop policies and practices for the Company.

Tenant Protection Act (TPA):

The legal envelope for the landlord and tenant relationship has changed substantially. The Tenant Protection Act (TPA) has replaced the Landlord Tenant Act (LTA.) THC must and does use the legal envelope available to collect arrears, resolve behavioural disputes, and finally, evict tenants if no other resolution is achieved. The TPA has changed the way THC has to do business.

The TPA is administered through quasi-judicial Tribunals rather than courts. Practices under the Landlord Tenant Act evolved over time. The LTA provisions were more precise and had more requirements for process and evidence. Tenants, landlords and advocates knew them.

In this new context, the THC has does not count on the TPA to ensure due process and fair representation of the rights and interests of tenants.

THC is designing its protocols to require its staff to document the steps have been taken before the next step can be taken. The protocol will provide tenants with information on their rights and responsibilities, the possible consequences of their actions, and advice to get legal representation, and how. THC staff often advised tenants to get legal help or representation, and how to do so. In the new procedures this will be a routine.

Community Operating Units:

THC has restructured into “Community Operating Units” to support building communities, cut costs, achieve efficiency, and maintain service levels. THC business procedures and practices will support COU development. The decentralised property management model is intended to place decision-making, responsibility, and authority with local managers. The objective is to streamline and permit local decisions to reflect local conditions within a high-level policy framework rather than rigid rules. The COU Manager and staff team, with the COU Council of building representatives, are in position to support healthy building communities.

Landlord Tenant Protocols for Eviction Reduction:

In a decentralised structure, high level policies and organizational standards and targets provide the framework for local decision making. Protocols replace procedures. THC is revising its business practices along these lines. Attached below is the "Arrears Process Support Measures" Draft.

THC Evictions:

Outline:

Toronto Housing Company deals with approximately 15,000 incidents each year which start the process that may end in an eviction. This is in addition to the routine rent collection and interventions for problematic behaviour that are dealt with on a one-time, no record basis. 15,000 incidents is over 50 percent on a per unit basis. The total number of tenants who vacate or are evicted through the legal process is approximately 400, or 1.4 percent per unit. Over 98 percent of

the incidents are resolved without eviction. This section outlines the steps from incident to resolution or eviction.

Data:

The data is from 1998, but reflect activity in 1999 and 2000 to date. The statistics for 1999 were not used because the numbers are not representative. Legal notices were not issued from September 1999 due to start-up of the new computerised housing management system. Records of activity on arrears and behaviour leading to eviction are not available for analysis. The system required setup and some customization for the new practices of THC and requirements under the *Tenant Protection Act*. Data conversion problems from the four legacy systems (two in each company) continue to be resolved. Approximately 350 terminations under legal occurred in 1999, but 1999 numbers comparable to 1998 on incidents; applications to the Tribunal, etc. are not available.

Incidents:

Of the 15,000 initial formal communications to tenants, approximately 2,500 notices are for problematic behaviour and approximately 12,500 are for failure to pay rent.

Notification:

Tenants are notified in writing that failure to pay their rent may result in eviction. This notice is the first step in the legal process. A letter warning of unacceptable behaviour includes the same information.

Problem Solving:

Tenants are visited or contacted by staff to try to resolve the problem. Community agencies, Office of the Public Guardian and Trustee, family and friends may be brought into the problem solving.

At this step, most matters are resolved. Only about 2,600 or 20 percent of the first notices lead to an application to a Tribunal under the *Tenant Protection Act*. Many of these first notices are repeat notices to tenants who repeatedly have problems paying rent.

Tribunal:

Many of the 2,600 situations, over 40 percent, are resolved after application and before a Tribunal hearing. The remaining 1,500 applications lead to an order of the Tribunal. The Tribunal usually requires a mediation process between the tenant and THC. The Tribunal (and before it, the Courts under the Landlord Tenant Act) takes into consideration that the Toronto Housing Company is housing-of-last-resort, and applies a higher "burden of proof" on Toronto Housing Company before ordering an eviction.

Eviction:

Even when the Tribunal has issued an order, Toronto Housing Company continues attempts to resolve the problem. Of the 1,500 orders from the Tribunal, approximately 200 lead to evictions by the Sheriff. Over 1,200 are resolved without eviction. In addition, approximately 200 tenants

vacate their unit at some point in the process while under notice (may be before or after a hearing or order, so is not a sub-set of the 1,500 orders.)

The total of approximately 400 per year represents 1.4 percent of the tenant households.

Post-Eviction:

After an eviction, the Company may still re-house a tenant if a suitable arrangement can be made. In one portfolio of approximately 3,800 units, there were nine evictions in the first quarter of 1999. Three of those nine were re-housed. Tenants who are evicted are offered assistance to find other housing or a shelter.

Once a tenant is evicted for non-payment efforts continue to collect the rent owing. However, most tenants who are evicted for rent arrears have no ability to repay. These bad debts are eventually written off. Revenue from rents in 1999 will be \$132 million, and the write-off will be approximately \$1 million.

Proposed Arrears Process Support Measures:

The THC is developing a protocol for collecting rents and reducing arrears and evictions. The proposal is attached below.

Communication with tenants must be in English if it may result in legal action or is part of a legal process. However, THC regularly communicates in writing in 12 languages other than English. Communication can be arranged in almost any spoken language through an interpreter or the ATT translation/interpretation phone service. Most often, family members or community agency staff assists the tenant understanding of what is going on. This is generally preferable because it is more holistic.

These and other measures are being implemented to take into account the linguistic, cultural and social or mental health problems that are barriers to keeping the rent paid and the tenant housed.

Community Health Promoters - Eviction Prevention Program:

The THC Community Health Promoters have prepared an "Eviction Prevention" kit which each COU manager has, as a resource, for solving arrears and behaviour problems.

Conclusion:

The Toronto Housing Company recognizes that most of the tenants in its buildings, over 85 percent, are low-income and make the effort to pay rent responsibly. Stable, affordable housing is a critical piece in people's quality of life. THC is developing policies and protocol that help keep people housed, and minimize the number of tenants evicted for economic and other reasons.

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(A copy of the attachment referred to in the foregoing report was forwarded to all Members of Council with the agenda of the Community Services Committee for its meeting on May 18, 2000, and a copy thereof is on file in the office of the City Clerk.)

The Committee also submits the following communication (May 3, 2000) from Councillor Jack Layton, Co-Chair, Advisory Committee on Homeless and Socially Isolated Persons:

At its April 14, 2000, meeting, the Advisory Committee on Homeless and Socially Isolated Persons heard presentations from the Metropolitan Toronto Housing Authority and the Toronto Housing Company on their respective eviction policies and practices. The Committee also heard from the Interclinic MTHA Working Group, a group of lawyers and community legal workers in Toronto, working to address MTHA tenant issues (primarily arrears and evictions.) The group works directly with MTHA senior staff.

The Committee raised a number of concerns about eviction rates and practices in public housing. In particular, potential negative impacts on tenants due to the pending amalgamation of MTHA and THC. Based on these discussions, the Advisory Committee adopted the following motion and asks that the Community Services Committee also support this recommended action:

- (1) that the Community Services Committee endorse the principle that, if any plans proceed to jointly operate or to amalgamate the Metropolitan Toronto Housing Authority and the Toronto Housing Company, key community stakeholders, including the Interclinic MTHA Working Group, be consulted to ensure the protection of tenant rights; and
- (2) that this request be forwarded to the Chief Executive Officer of the Toronto Housing Company for discussion with the Metropolitan Toronto Housing Authority.