

# Opening Doors to Stable Housing:



## An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing

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# Executive Summary

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## Operational reviews in the Shelter, Support and Housing Administration Division

The Auditor General's Annual Work Plan includes a series of ongoing and upcoming audits along the housing continuum, as illustrated in Figure 1<sup>1</sup>. One of the projects is an operational review of the Shelter, Support and Housing Administration (SSHA) Division – the Division responsible for housing and homelessness services in Toronto.

Figure 1: Housing Continuum



## Audit focuses on the centralized waiting list for rent-geared-to-income (RGI)

The focus of this audit is the administration of the City's centralized waiting list for rent-geared-to-income (RGI). The waiting list for RGI assistance is a waiting list for a subsidized housing unit. For many people, this list is the gateway to stable housing and accessing financial assistance for housing in Toronto.

There are two components to unlocking the door to RGI housing assistance:

1. **availability of an RGI housing unit**, largely found in social housing buildings, such as Toronto Community Housing Corporation (TCHC) buildings
2. **access to RGI financial assistance** which helps to pay the rent

Management reported 106,650 households waiting for RGI as of the end of 2018.

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<sup>1</sup> The first audit in this series was a [review of redevelopment and revitalization activities](#) of the Toronto Community Housing Corporation (TCHC). The objective of that audit was to evaluate the extent to which TCHC's revitalization program addressed the challenges of providing public housing and contributed to city-building priorities.

## Objective of the audit

The objective of this audit was to answer three key questions about the City's RGI centralized waiting list:

1. Are applicants waiting for RGI assistance getting timely and equitable access – ensuring those with the greatest need are efficiently served?
2. Is the waiting list being administered effectively so that vacant subsidized units are filled as expeditiously as possible?
3. Is the City, as service manager, ensuring compliance with local rules and the legislation?

## Access to Housing

Access to Housing is the SSHA business unit responsible for maintaining the centralized waiting list of households who have completed an application for RGI assistance. The business unit is also known as Housing Connections.

### What we found and recommend

## Demand for RGI far exceeds supply – 3% of waiting households move into available RGI housing each year

The demand for financial assistance for housing in the City far exceeds the supply of RGI social housing units<sup>2</sup>. An average of three per cent of RGI applicants move into available subsidized housing each year.

Any vacancies or delays in filling available RGI housing, and any use of purpose-built social housing for purposes *other than* housing, means people, including individuals and families designated as a priority, are going longer without stable housing.

Therefore, it is important for the City to administer the waiting list for RGI efficiently and effectively, to ensure as many households as possible get the assistance they need to move into stable housing.

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<sup>2</sup> For clarity, this audit report highlights opportunities to house more people with the current housing supply. The current supply of RGI housing is not sufficient.

The issues of concern that we identified while reviewing the centralized waiting list include:

- **1,400 housing units sit empty** on average across the entire social housing system. The vacancy rate at TCHC is 2.29 per cent; more than double Toronto's average vacancy rate

Bachelor units have formed a large proportion of vacancies over the last several years, while there are thousands of seniors on the list who have never received an offer – there are 200 bachelor units in seniors-designated buildings sitting vacant

- **Offer process is ineffective – only 13% or just over 6,000 offers out of 47,000 offers made are accepted**

87% of offers to applicants are not successful either because the person could not be reached or the applicant declined. The average delay in filling a unit is two to three months. This cost the City approximately \$7 million in 2018

- **Those who should be a priority for housing may not be** – over 2,000 applicants, who list an emergency shelter as their current address, have not been flagged as a priority in the centralized waiting list system – as such, they would not be offered subsidized housing for many years
- 140 units, many of them 1 and 2 bedroom units, are **used for purposes other than housing a family**, including housing construction materials for contractors, offices, and recreation or community programs
- There are 185 units now in Regent Park and Lawrence Heights, and there will be additional units available in the future phases of revitalizations, to possibly use as temporary emergency shelters for families in the shelter system<sup>3</sup>

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<sup>3</sup> There are many factors for stakeholders to consider, so we suggest further study of the feasibility of using these units as a potential measure for overflow relief in the emergency shelter system.

We have made recommendations in four areas to move forward to open more doors:

1. **Improve the integrity of waiting list data** to know exactly who is actively waiting and eligible for RGI housing assistance – so that units can be filled fairly and as quickly as possible
2. **Review whether the City is properly prioritizing applicants** and identify new opportunities to assess and rank need for faster access to social housing and RGI assistance
3. **Make better use of housing units**, including units used for other purposes, thereby opening doors for more people to access RGI housing
4. **Strengthen controls** related to RGI housing assistance and increase service integration efforts across income-based programs

**City, as service manager, must exercise its authority and control**

The City, as the legislated service manager for social housing in Toronto, is fully responsible and accountable for meeting legislated service level standards for the number of households provided with RGI assistance in Toronto.

**Governance is key to achieving City housing priorities**

City Council should ensure that the City Manager has the authority and control necessary for improving the effectiveness of the centralized waiting list, reducing vacancies, and making sure the best use of space in social housing buildings is being made to meet City priorities.<sup>4</sup>

Possible short, medium and longer term actions are summarized in Table 2. Achieving service efficiencies will support the City to meet legislated requirements and improve access to highly demanded RGI housing assistance.

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<sup>4</sup> This change also aligns with our recommendation to further Human Services Integration in section D.4.

**The following are our key observations in the four areas noted above:**

**1. Improve Data Integrity to Know Exactly Who is Actively Waiting for RGI Housing**

**Significant number of people where the City does not know if they are still interested in and continue to be eligible for RGI**

The *Housing Services Act, 2011*<sup>5</sup>, requires the City to determine whether a household is eligible at least every 24 months after being added to the list. Out of more than 106,650 households reported on the City's RGI waiting list, there are over 27,000 households where the City does not know with certainty whether they are still interested in and continue to be eligible for RGI.

Their status is unknown because the nature of any contact made with applicants is not adequately recorded in the information system, applicants have not responded to the City's outreach efforts, or follow-up efforts by City staff have not yet been completed.

**Knowing who is actively waiting and ready to be housed is a key part of managing the waiting list**

People applying for RGI select where they want to live. What applicants may not know is that the more buildings they select, the more likely they will be matched to receive an offer. If an applicant only selects one building, they will not receive offers for other comparable buildings.

When a housing unit becomes available, providers contact people off the list to make an offer. Incomplete, incorrect, or out-of-date applicant information slows down housing providers' ability to reach applicants to offer them an RGI unit that matches one of their preferred locations.

**Only 13% of housing offers are accepted by RGI applicants**

Once a provider contacts an applicant who is eligible and waiting for RGI assistance, the unit may still not be filled because many offers are declined. In 2017 and 2018, providers made approximately 47,000 housing offers to 17,200 waiting households. Only 13 per cent of offers were accepted.

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<sup>5</sup> The Act used from this point on in the report will refer to the *Housing Services Act, 2011*.



**\$7 million vacancy loss in 2018**

On average, it took six offers to fill a vacant social housing unit. The more offers a housing provider needs to make before one is accepted, the longer it takes to fill a vacant unit. The City typically pays housing providers for RGI units regardless of whether they are occupied or not. Management estimated that, in 2018, the vacancy loss<sup>6</sup> was \$7 million. Throughout the year, on average, 1,400 social housing units remain vacant across the entire social housing system<sup>7</sup>. Given the demand for housing, this funding could have been better used to help more households in need of financial assistance for housing.

**Legislative changes may help accelerate the pace with which people get access to RGI assistance**

Applicants can refuse an offer up to three times before they are removed from the centralized waiting list. Reducing the number of times an applicant can refuse an offer for housing can help:

- accelerate the pace at which those in need of assistance get access to housing;
- ensure providers are able to efficiently fill vacancies; and
- reduce wasted subsidy funding due to vacant social housing units.

The Province is reconsidering the legislated requirement which allows applicants the option to refuse three housing offers.

**Use the waiting list more effectively to improve how vacant units are filled**

In addition, there are opportunities to more effectively use the waiting list to improve how vacant units are filled. For example, for several years TCHC has shown a high vacancy rate for bachelor units in buildings for seniors<sup>8</sup>. Currently, approximately 20 per cent (200 units) of TCHC's vacant rentable units are bachelor units in seniors-designated buildings. There are 11,300 applicants on the centralized waiting list who are seniors waiting for a bachelor unit. Of these, 87 per cent have never received a housing offer; and, on average, they have been waiting for an RGI unit for 3.5 years. There is an opportunity to house more people by improving how information on available units gets communicated to those waiting for housing to reduce vacancy rates and provide more people with access to RGI housing. While the choice-based system aims to remedy this in the long-term, a more immediate solution is required.

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<sup>6</sup> Total vacancy loss is based on management's estimate of the amount of subsidy the City paid to housing providers (other than TCHC) while RGI units were vacant and TCHC's estimate of the amount of rental revenue lost while RGI units were vacant.

<sup>7</sup> On average, throughout 2018, there were about 1,200 vacant RGI units based on TCHC's average RGI vacancy rate of 2.29 per cent and about 200 vacant RGI units at other housing providers based on an average vacancy rate of 1 per cent.

<sup>8</sup> Often, TCHC must exhaust its internal transfer list (of existing RGI tenants) to fill vacancies before moving on to applicants on the centralized waiting list. TCHC advised that offers are frequently declined, increasing the time needed to fill vacancies.



**City Council and the Mayor have been trying to get to the bottom of housing vacancies**

It is important to highlight that City Council and the Mayor have been trying to get to the bottom of housing vacancies. For example, in addition to the Mayor's 2016 Taskforce on Toronto Community Housing, in the spring of 2017 the Mayor specifically asked for SSHA and TCHC to prepare reports on strategies that would address the waiting list and vacancy issues. The right questions were asked but the information prepared did not provide a holistic, integrated picture of the situation.

**Fragmented approach to administering the waiting list is impacting success**

In our view, the split in responsibilities for the RGI eligibility assessment and vacant unit offer process, between the SSHA, TCHC and other housing providers, is creating problems. This is contributing to an ineffective and fragmented approach that impacts goal-achievement. This report highlights the need to integrate and reform the eligibility assessment and offer-making processes to achieve better outcomes.

We have seen that all stakeholders have a common commitment to improving processes and systems to be able to help more people get stable housing faster.

## **2. Reviewing Priorities for RGI and Other Housing Assistance**

**Centralized waiting list is generally managed on a first-come first-served basis**

Generally, the City's centralized waiting list for subsidized housing is managed on a first-come first-served basis, where applicants with the older application dates receive an offer of housing first. About five per cent of waiting applicants are prioritized for fast-tracked access when RGI units become available. In 2018, almost half of households housed were from a priority group.

### **(A) Ensuring Applicants that Are a Priority Are Given Priority**

Applicants in the four designated priority groups are to be given priority based on certain needs as follows:

1. Survivors of abuse and human trafficking, who receive special priority
2. Households with a member who is terminally ill

3. Families that are over-housed and have ceased to be eligible for their unit typically because of a change in their household composition. By moving to a smaller units, these families enable providers to accommodate larger families needing housing
4. Disadvantaged households
  - a. Homeless
  - b. Youth
  - c. Separated Families

All other applicants are selected from the centralized waiting list in chronological order based on application date.

**Over 2,000 applicants have not been flagged as a priority**

We are concerned that those who should be getting priority are not. For example, we noted that there are 3,250 households waiting for RGI assistance who list an emergency shelter as their current address. Two-thirds of these applicants will not receive any priority for RGI housing because they have not been identified as experiencing homelessness in the waiting list information system. Effectively administering the waiting list not only helps to ensure the City is properly prioritizing applicants for limited RGI housing, but it may also ease pressure on the shelter system.

(B) Ranking All Other Households Based on Need Rather Than on a First-Come, First-Served Basis

For all applicants who are not designated as a priority, the City does not assess or rank the applicant by need. As income is not assessed and information about applicant housing circumstances is not collected, applicants are ranked on who comes first. Consequently, those who are most in need may not receive RGI housing assistance first.

**City should revisit how it prioritizes applicants to ensure those most in need get housing first**

The City's priorities for RGI units in social housing were adopted in 2002 and they have not been reviewed since then. It is time for the City to revisit whether additional factors should be considered to ensure RGI assistance is granted based on need.

For example, the City does not consider household income when adding applicants to the centralized waiting list. It may be beneficial to verify income when applications are received and to consider current income when assessing and ranking applicants based on need.

Other examples of factors that can help rank those with the most need include:

- assets
- current rent paid
- adequacy of current housing conditions
- risk of eviction

Filling spaces with those who have the greatest need may help families avoid entering the emergency shelter system.

The City also does not currently have any local rules for limits on either income or assets and these factors are not assessed prior to Access to Housing adding applicants to the waiting list. We noted that 13 per cent of RGI applicants do not provide income information or reported zero income, even though income is a key determinant of the need for RGI assistance and the amount of financial assistance to be provided.

**Technology or tools should support City's ability to assess and select waiting households based on need**

The City can improve its technology or adopt a tool to support a new methodology for selecting households from the centralized waiting list based on assessed need. In the meantime, the City should start analyzing existing waiting list data to confirm that those who should be currently prioritized receive priority.

(C) Integrating Service Delivery Across the Housing Continuum to Form a Holistic View

**Better integration needed between different programs along housing spectrum**

The City should also consider a more holistic approach to housing by better integrating the assistance it provides to people experiencing homelessness and individuals and families waiting for RGI assistance. In addition to the previously noted example highlighting that applicants in the shelter system may not be receiving any priority, there are other opportunities to have a more integrated approach to programs along the housing spectrum.

**Portable benefits and housing allowances provide financial assistance independent of the social housing stock**

For example, the City’s Housing Allowance Subsidy Program, provides some financial assistance to recipients to use towards rent in the private market. At the time of our audit, the program focused on households experiencing chronic homelessness. Generally, this housing subsidy program is administered separately from the centralized waiting list for RGI, and information is not shared between programs.

Increasing integration of programs may help to prioritize access to RGI for those with the greatest need, like those experiencing homelessness. Homelessness and the emergency shelter system will be an area of focus in a future phase of the Auditor General’s ongoing operational review of the Shelter, Support and Housing Administration Division. Audits of the City’s largest social housing provider (TCHC) are also ongoing. Information from these audits will position the Auditor General to make additional recommendations for better integration and information sharing.

**3. Make Better Use of Housing Units to Open Doors For More People To Access Social Housing and RGI Assistance**

**Housing units available in the social housing system to house more people**

There are existing spaces available within the social housing system to house more people from the RGI centralized waiting list. We have identified some areas where the City can make better use of scarce social housing units and provide access to RGI assistance for more people. These areas include:

1. Vacant units and units being used for purposes other than housing of individuals and families (such as storing contractor materials)
2. Units where the size is larger than what the RGI tenant is eligible for based on their household composition.

For example, there are approximately 140 housing units that are not being used for social housing. Some are used for contractor storage, recreation, other types of TCHC staff programs, or by community organizations. These units have the capacity to house at least 260 people in need of RGI assistance.

**Photographs: Housing Units Used by Contractors**



There are people on the waiting list living in emergency shelters while units are being used by contractors.

By moving offices and storage of materials to other areas such as a trailer, TCHC makes space to provide a permanent roof and a supportive community for a family in need. This will ease the pressure on the shelter system.

**Table 1: Making Better Use of TCHC Units to House More People**

	# of units	# of people impacted
Rentable and vacant RGI units- including bachelors	1,020	1,600
Additional social housing units that are used for other purposes:		
Used by contractors	27	40
Used for other purposes (e.g., staff, recreation, community programs)	113	220
<b>Possible opportunities to use social housing units for housing</b>	<b>1,160</b>	<b>1,860</b>
Over-housed <sup>9</sup>		1,550
<b>Additional people that can be housed</b>		<b>3,410</b>
Other units that may be useable to provide relief for the emergency shelter system or as transitional shelters units <sup>10</sup>	185	470

<sup>9</sup> There are 1,375 over-housed RGI tenants living in TCHC buildings. By finding a way to re-house tenants in an appropriately sized unit, about 1,550 more people will obtain housing.

<sup>10</sup> This is a complex matter, but it appears to be feasible and should be considered further.

**Better use of existing social housing units means more people get access to RGI in a system where demand grossly exceeds supply**

A study commissioned by the City's Affordable Housing Office indicates Toronto needs new social housing. It costs the City on average approximately \$330,000 to construct a new unit. Using the existing stock more efficiently will result in more people getting RGI housing and may reduce the need to build as many new units. A 50 percent improvement in the 3,410 additional people that can be housed, as identified in Table 1, will open the door for at least 1,700 more people. By extending these findings to the entire social housing system, it is likely that subsidized housing could be provided to at least 2,200 more people. Therefore, it makes sense to first ensure that the existing units are used for their primary purpose – to provide housing.

By making better use of housing units, more people can access RGI assistance. Furthermore, re-thinking how units being held for revitalization can be best used, like those in Regent Park and Lawrence Heights, also opens up opportunities to provide relief to the emergency shelter system.

#### **4. Strengthen Controls and Integrate Services**

**A strong control environment ensures new RGI households are selected from the City's central waiting list and that ongoing eligibility is effectively monitored**

There are several areas where the City can improve the efficiency and effectiveness of its practices for administering the centralized waiting list, including:

1. Improving oversight of vacancies filled without using the centralized waiting list, such as alternative housing providers who are legislatively allowed to follow different selection processes, and units that are subject to authorized referral agreements. Due to system limitations, we were unable to determine the number of households who received RGI housing that were not selected from the centralized waiting list.
2. Strengthening internal controls over eligibility reviews, performing reviews of income and assets when people apply for RGI assistance, and correctly determining the amount of RGI assistance. Of particular note is that Access to Housing does not verify household income or whether the applicant owns any significant assets. Applicants self-declare their income when they apply to be added to the centralized waiting list.
3. Enhancing information system controls to improve data integrity.

In addition, the City should look to integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs currently dispersed amongst multiple groups (Access to Housing, other SSHA business units, TCHC, and other housing providers). This will help to improve the efficiency and quality of such reviews. This may be included as part of, or supplemental to, work on the Human Services Integration and is consistent with the Mayor's 2016 Task Force on Toronto Community Housing observation that the transfer of responsibility for the centralized waiting list to the City was an opportunity to integrate the delivery of RGI with other forms of housing assistance as well as other income-tested services.

**Auditor General has initiated an audit of RGI administration**

The Auditor General has initiated an audit of ongoing eligibility for RGI assistance including accuracy of RGI assistance calculations as the next phase of her ongoing operational review of the Shelter, Support and Housing Administration Division. This next audit will help to further inform SSHA on how it can build a more proactive, transparent and integrated housing access and benefit system.

**Future service efficiencies from integration of income-based programs**

In June 2014, the Auditor General made recommendations for service integration – the use of 'one door' for applicants – among the Shelter, Support and Housing Administration, Children's Services and Employment and Social Services divisions. The recommendation was for the Divisions to explore opportunities to:

- a. share information for the purpose of verifying eligibility for each program; and
- b. collaborate on investigations regarding mutual clients who may be involved in irregular activities

Simplifying the application process for the various social assistance programs will enhance the customer service experience, especially amongst people living in unstable housing situations, and save time and money.

**Human Services Integration has not yet been achieved**

Five years have passed and RGI assistance has not been integrated with any of the other income-based programs. Management is working toward this milestone and estimated that service integration will result in \$2.391 million in net annual efficiencies starting in 2022.



## **Conclusion**

The City, TCHC, and other housing providers must work together to break down barriers that block people from moving along the housing continuum towards stable housing.

The City, as the legislated service manager for social housing in Toronto, is responsible and accountable for meeting legislated service level standards for the number of households provided with RGI assistance in Toronto.

City Council should ensure that the City, as service manager, has the authority and control necessary for improving the effectiveness of the centralized waiting list, reducing vacancies, and making better use of space in social housing buildings.

It is necessary to break out of the siloes, think outside the box, and break down barriers, and in doing so achieve outcomes of helping more individuals and families to achieve stable housing.

**New business procedures and technology are needed but that should not stop the City from moving forward**

New business procedures and improved technology are needed to effectively and efficiently administer the centralized waiting list. The actions that can be taken in the short, medium and longer term are summarized in Table 2. Achieving service efficiencies will support the City to meet legislated requirements and improve access to highly demanded RGI housing assistance.

**Table 2: Priority Actions to Ensure the Waiting List is Effectively Managed and More People Are Housed**

<b>Short-Term (within 6 months)</b>
<p><b>1. Immediately fill vacant social housing units with people needing subsidized housing</b></p> <ul style="list-style-type: none"><li>➤ Start with <b>filling vacant bachelor units for seniors</b><sup>11</sup><ul style="list-style-type: none"><li>• Use new strategies to allow applicants to view photos online at a service centre, and attend open houses so that they may update their preferences</li></ul></li><li>➤ <b>Review housing units used for storage</b> or other purposes<ul style="list-style-type: none"><li>• Seek out alternative space that would allow continued support for current uses while using units for their intended purpose – housing families</li></ul></li><li>➤ <b>Employ new strategies to fill the remainder of the vacant units</b><ul style="list-style-type: none"><li>• Focusing on those who are a priority, such as people experiencing homelessness, may relieve pressure on the emergency shelter system</li><li>• Where possible, communicate by email, text or phone to ensure a timely response to offers</li><li>• Report successes on a quarterly basis</li></ul></li></ul> <p><b>2. Improve integrity of waiting list to fill units faster on an ongoing basis</b></p> <ul style="list-style-type: none"><li>➤ <b>Identify incorrect applicant information</b> that should be investigated and resolved<ul style="list-style-type: none"><li>• Ensure those who list an emergency shelter as their current address receive the appropriate designation as a priority for RGI housing, and are able to be contacted should a housing opportunity arise</li></ul></li><li>➤ Send email reminders to applicants with email addresses to maintain contact with Access to Housing and to <b>keep their information updated</b><ul style="list-style-type: none"><li>• Deactivate applications if applicants have not been in contact for over 24 months, being mindful that special support of vulnerable applicants may be needed</li></ul></li><li>➤ <b>Raise applicant awareness</b> of the importance of housing choices, consequences of refusing offers, and requirement to keep their contact information up-to-date</li></ul> <p><b>3. Other important steps</b></p> <ul style="list-style-type: none"><li>➤ <b>Consult with Province on legislative changes</b> to the <i>Housing Services Act, 2011</i>, that would look to reduce the number of offers an applicant can refuse</li><li>➤ Seek updates to legislation and local rules, if necessary, to be able better to manage moving over-housed clients to suitable units so that social housing can be provided to more families in need</li><li>➤ <b>Provide clear guidance to housing providers:</b><ul style="list-style-type: none"><li>• to accurately record all attempts to contact waiting households and update applicant information</li><li>• regarding circumstances where it is acceptable for offers to be withdrawn (i.e., when applicants cannot be contacted). If applicants refuse, the refusal needs to be recorded</li><li>• to add over-housed onto the centralized waiting list – so that alternative arrangements can be considered</li></ul></li><li>➤ <b>Determine feasibility of converting TCHC units</b> awaiting demolition as part of revitalizations into emergency or transitional shelter space</li></ul> <p><b>4. Strengthen controls</b></p> <ul style="list-style-type: none"><li>➤ <b>Strengthen data integrity</b> by analyzing data extracts to detect anomalies</li><li>➤ <b>Identify all housing providers</b> filling subsidized housing vacancies without using the centralized waiting list</li><li>➤ <b>Keep track of who is housed through referral agreements</b> and ensure authorized agreements are in place where providers fill subsidized housing units from outside of the waiting list</li></ul>

<sup>11</sup> This may mean that the local rule requiring offers be made to over-housed be temporarily suspended until new strategies are employed to increase the success rate of moving over-housed clients.

### Medium-Term (within 1 year)

#### 1. Improve integrity of waiting list

- **Assess all eligibility requirements** and verify income *prior* to adding applicants to the centralized waiting list so that the list only includes eligible applicants
- **Reduce the use of mail** and increase use of text messaging, email, or other technology-based modes of communication to confirm ongoing eligibility and interest of applicants
- **Develop more effective reporting on outcomes**, including reduced vacancy rates

#### 2. Prioritize applicants based on need

- **Refresh local priority rules** and determine whether additional factors should be considered to ensure RGI assistance is granted based on need
- **Clarify what conditions require accommodation** / modified units and what documentation must be provided to support the need for accommodation / modified units
- **Develop new strategies to move those who are over-housed** to other suitable units to make room for larger families in need

#### 3. Fill vacant units faster and provide faster access to RGI assistance

- Post information **online for vacant housing units** available across the social housing system on a website so that applicants can indicate their preference
- **Review how portable housing benefits** can be used to meet the City's legislated service level under the *Housing Services Act, 2011*

#### 4. Integration

- **Improve integration of homelessness and housing supports** to ensure people experiencing homelessness looking for stable housing have the necessary supports in place to have successful tenancies and verify they are on the waiting list or are added to the waiting list
- Establish an **action plan to integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs** (including RGI assistance), which is currently dispersed amongst multiple groups to improve the efficiency and quality of such reviews
- **Speed up Human Services integration**, including looking at streamlining any duplicated efforts between Access to Housing and other City Divisions

### Longer-Term (more than 1 year)

#### 1. Prioritize applicants based on need and filling vacant units faster

- **Implement a choice-based technology solution** with adequate system controls to efficiently manage the centralized waiting list

#### 2. Integration

- **Integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs** (including RGI assistance) and expand integration to include quality assurance reviews, fraud investigations, and enforcement action
- **Expand Human Services integration** to include data analytics and investigation functions

**More people receive housing benefits from efficient services**

By implementing the recommendations in this report, the Shelter, Supporting and Housing Administration Division has the potential to provide access to RGI assistance to 2,200 more people in a more timely manner. By opening up space in TCHC revitalizations for emergency or transitional shelters, many more people in the shelter system may also be helped.

We have identified a number of areas where operating efficiencies can be achieved, however the full extent cannot be determined at this time. The implementation of the recommendations in the report will allow subsidy funding dollars to be stretched further and provide more people with access to housing. This, in turn, helps the City to move closer to delivering the legislated service level requirement for Toronto.

The Auditor General will issue a separate letter to management providing more detail regarding noted internal control observations and recommendations as well as other less significant issues that came to our attention during the audit. In addition, work on certain matters arising from this audit is ongoing and may be reported upon separately in the future.

We would like to express our appreciation for the co-operation and assistance we received from management and staff of the City and TCHC, including:

- Shelter, Support and Housing Administration
- Employment and Social Services
- Children's Services
- TCHC's Program Services, Facilities Management, and Finance Units

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# Background

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### Why this audit is important

**City is developing the Housing Opportunities Toronto Action Plan for 2020-2030**

This audit is timely as the City develops its new housing and homelessness action plan for the next 10 years. The findings and recommendations can provide a roadmap for the City in setting its priority actions to more expeditiously open up and fill social housing spaces. Success in this area will also help to relieve some pressure on the emergency shelter system as some families on the waiting list experiencing homelessness are transitioned to stable housing.

**Toronto housing costs are amongst the most expensive in the world**

Housing costs in Toronto have been recognized as one of the most expensive in the country and in the world. For many in Toronto, housing is just not affordable. According to the Canada Mortgage and Housing Corporation, housing is considered "affordable" if costs are less than 30 per cent of household income. The average monthly and annual market rents for purpose-built rentals (like TCHC-operated buildings) in Toronto are summarized in Table 3. The required income to be able to afford the average market rent in those buildings is also provided.

**Table 3: Toronto's 2019 Average Market Rents<sup>12</sup>**

Size of Housing Unit	Average Monthly Market Rent	Annual Rent	Required Annual Income
Bachelor	\$ 1,089	\$ 13,068	\$43,560
1 Bedroom	\$ 1,270	\$ 15,240	\$50,800
2 Bedroom	\$ 1,492	\$ 17,904	\$59,680
3 Bedroom	\$ 1,664	\$ 19,968	\$66,560
4 Bedroom	\$ 1,954	\$ 23,448	\$78,160

Note: The average market rent does not include the private condominium market where the rents are higher.

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<sup>12</sup> <https://www.toronto.ca/community-people/community-partners/social-housing-providers/affordable-housing-operators/current-city-of-toronto-average-market-rents-and-utility-allowances/>

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**For many in Toronto, housing is just not affordable**

Based on 2016 Census data, there were 543,390 persons or 20.2% of the population in Toronto with an income below Statistics Canada's Low Income Measure After Tax. The median total household income in Toronto was \$65,829. For many, their incomes have not caught up with rising rent costs in Toronto. The City's Street Needs Assessment indicates that housing affordability is a key driver of homelessness in Toronto. People are experiencing homelessness and families are living in shelters because they are unable to pay their rent or mortgage. There is an unmet need for subsidized housing and the waiting list is long.

The City's Housing Opportunities Toronto Action Plan (2010-2020) states: *"It is clear that investing in housing results in savings in the health, education, criminal justice and social service system."*

[https://www.toronto.ca/wp-content/uploads/2018/12/94f8-hot\\_actionplan.pdf](https://www.toronto.ca/wp-content/uploads/2018/12/94f8-hot_actionplan.pdf)

**Housing is a determinant of health and has positive impacts especially for vulnerable individuals**

According to the 2016 report, Housing and Health: Unlocking Opportunity, *"stable and permanent housing with appropriate supports can have positive impacts for homeless people, people with substance use and/or mental health issues, and people with chronic health issues"*. The then-acting Medical Officer of Health reported:

*"Housing that is affordable, good quality, and stable is key for promoting population health and reducing health inequities ...*

*... the City's HOT [Housing Opportunities Toronto] plan acknowledges, investment in housing is an investment in health promotion and illness prevention...*

*... Addressing homelessness and housing instability requires a collective effort and partnerships from all levels of government ...*

*... its [the City's] success in achieving its strategic goals of fair access to a full range of housing ... depends on ... supply of affordable housing and prevention of homelessness."*

<https://www.toronto.ca/legdocs/mmis/2016/hl/bgrd/backgroundfile-97428.pdf>

**Mayor’s 2016 Task Force on Toronto Community Housing supported reform of the RGI system**

The Mayor’s 2016 Task Force on Toronto Community Housing highlighted that the system's credibility is limited when people with immediate housing needs spend several years on the waiting list before being housed. It endorsed the return of the administration of the centralized waiting list to the City as service manager.

The Task Force found that transferring responsibility for the waiting list would support the City’s efforts to improve access to the housing system, and would allow the City to better co-ordinate and integrate RGI with its own housing allowance, rent supplement, childcare subsidies and other income support programs as part of the Human Services Integration project. We concur with this recommendation, it is consistent with the Human Services Integration recommendations made in a 2014 Auditor General’s report.

The Task Force also supported reforming the RGI system provincially to streamline the delivery of housing assistance and to give low-income renters choice and portability of housing location. Again, this is consistent with the recommendations in this report.

**Centralized Waiting List for Rent-Geared-to-Income Assistance**

**Over 64,000 households received an RGI subsidy in 2018**

The City provided \$364.3 million in social housing subsidies<sup>13</sup> to help fund the rent for over 64,000 households in 2018. Table 4 summarizes the number of RGI units in buildings operated by TCHC and the other 260 providers.

**Table 4: Social Housing Units by Provider, in 2018**

Provider	RGI Units	% of Total RGI Units
TCHC	48,380	75
Other	14,481	23
Private Market Rent Supplements	1,530	2
Total	64,391	100

There are two components to unlocking the door to RGI housing assistance:

1. availability of an RGI housing unit, largely found in social housing buildings
2. access to RGI financial assistance which helps to pay the rent

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<sup>13</sup> Subsidy funding include both RGI assistance for tenants and some operating funding for providers.



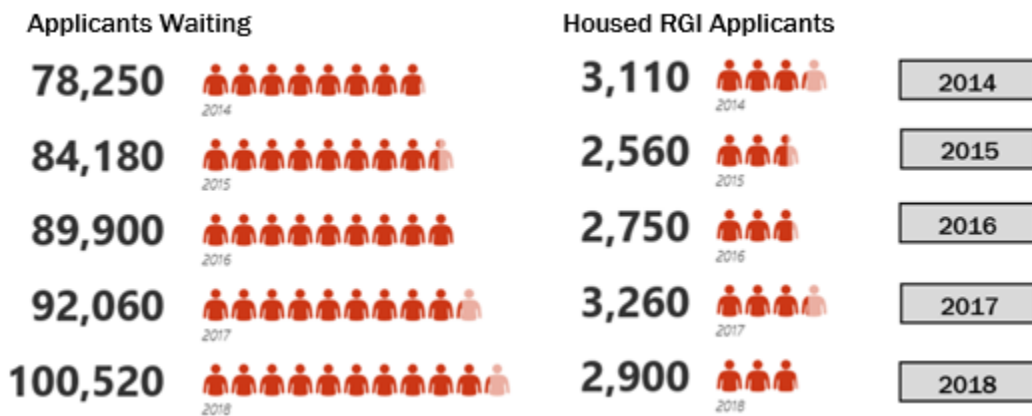
In some instances, applicants need both a housing unit and financial assistance. In other situations, they may have housing but the rent is too high and they need RGI assistance.

The number of people needing RGI assistance is greater than the number of subsidized housing units available.

**Over 106,000 households and over 195,000 people reported as waiting for RGI assistance and the list continues to grow**

SSHA maintains a centralized waiting list of all households who submit an application for RGI assistance. SSHA’s 2019 Operating Budget Notes indicate the social housing waiting list is 106,650 applicants long. This number of applicants includes inactive files, meaning applicants could not be contacted. As shown in Figure 2, the number of people waiting for RGI, as reported by management, has grown over the past five years; the number of households housed, as a percentage of applicants waiting, is around three per cent.

**Figure 2: Rent-Geared-to-Income Waiting List Trends from 2014 to 2018**



Source: Shelter, Support and Housing Administration Division. “Applicants Waiting”, as reported by management, includes active applications and applications under review and not yet completed. “Housed RGI Applicants” includes existing RGI tenants.

**Gaining access to RGI housing can take more than 10 years**

Because of the long wait time, social housing is not an immediate solution to housing needs or emergency situations. People applying for RGI assistance are informed that the wait can be more than 10 years.

The City’s Housing Opportunities Toronto Action Plan (2010-2020) recognized that, “Although the underlying problem is a shortage of subsidized RGI homes for low-income residents who cannot afford market rents, there is also more that can be done to determine how service to clients could be improved and whether the current waiting list system is meeting the City’s intended objective of providing access to housing.”

**City must have a system in place for selecting households to receive RGI**

The City is legislatively required to have a system for selecting households from this list. The Act allows two main methods for selecting households from the waiting list:

**City generally selects households on a first-come first-served basis**

1. Selecting the highest priority household on a *first-come first-served basis* out of all those who have made housing choices that match the available unit – meaning applicants with the older application dates in the highest priority category generally receive an offer of housing first
2. Information on vacant units is made available to relevant households and those who express interest in the unit are contacted in order of priority

**City is planning to change its approach to selecting households for RGI assistance**

The City currently requires its housing providers to use the first method. Based on the success of a pilot project in 2014, City Council directed staff to implement the second method. That system has not yet been implemented.

**\$8.4 million budget and 49 staff to manage the centralized waiting list**

SSHA's 2019 Operating Budget includes \$8.4 million in gross expenditures (\$6.4 million net) and a complement of 49 full time staff in the Access to Housing business unit to manage the centralized waiting list and to modernize the technology.

**Exhibit 1 provides an overview of roles and responsibilities for providing access to RGI assistance using the centralized waiting list and a description of how the system works.**

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# Audit Results

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This section of the report contains the findings from our audit work followed by specific recommendations.

## A. Improving the Waiting List to Effectively Manage Access to RGI Assistance

### **3% of waiting households are housed each year**

An average of three per cent of waiting applicants are housed each year. Out of more than 106,650 households on the City's centralized waiting list, approximately 6,060 applicants were able to move into available social housing units with RGI assistance in 2017 and 2018.

### **Actions to help people get housing assistance faster**

There are several actions the City can take to more efficiently and effectively manage access to available RGI housing:

1. Improve the integrity of the data and use of the waiting list to know exactly who is actively waiting and eligible for RGI assistance – so that units can be filled fairly and as quickly as possible
2. Improve matching of RGI applicants with vacant and available social housing units
3. Ensure that people can easily communicate with Access to Housing regarding the status of their application
4. Modernize the way Access to Housing communicates with waiting households

These actions are discussed in greater detail in the sections that follow.

### **A. 1. Improving the Integrity of Data to Know Exactly Who is Actively Waiting and Eligible for RGI Assistance**

#### **City, TCHC, and other housing providers rely on the waiting list data**

The centralized waiting list data we received from management included more than 106,650 records<sup>14</sup> (195,000 people). The City, TCHC, and other housing providers rely on the data to be able to contact people waiting for RGI assistance to efficiently and effectively fill vacancies.

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<sup>14</sup> Just because an applicant is added to the centralized waiting list does not mean that they are eligible to receive housing support. Financial eligibility is not verified until an offer is about to be made, which could be several years later – so the total number of people eligible may be overstated.

**Data integrity is a problem**

Still, we have observed that information contained in the centralized waiting list system is inaccurate. For example, the data set of households Access to Housing considers to be “active” includes:

- 241 households with monthly income of more than \$10,000 including three households with monthly income over \$1 million and 13 other households with monthly income over \$600,000
- 35 households that have refused three or more offers of housing but have not had their application cancelled and may continue receiving offers, potentially slowing down offers going to others on the list
- At least 2 households where the applicant is deceased but the applications have not been cancelled, and therefore housing offers were still made to them during 2018
- Over 200 duplicate files and test records – there may be more. We brought these records to management's attention and some were subsequently removed or made inactive<sup>15</sup>. Management advised that due to technological limitations the test records are required to test the functionality of the live environment.

These records were included in the data used by SSHA when reporting waiting list statistics, such as in operating budgets, and in quarterly reporting on the City's website. This information is also often cited as an indicator of housing need in the City, and of the lack of existing social housing.

**City and housing providers need to be able to rely on data**

The City and housing providers need to be able to rely on this data to prioritize people, make offers, and provide statistics about the waiting list. One example of our concerns about the integrity of the data is shown by the following record in the system:

An application for housing assistance by:

Kris Kringle  
25 Christmas Lane  
North Pole, ON  
M1M 1M1

Date of Birth: December 25, 1930  
No Income and 5 Building Preferences

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<sup>15</sup> These records were not separately identified for us when the data was provided by management. We are unable to determine with any certainty who created the records and the number of records in the waiting list that are not real people.

Management later advised us that this application was a test record in a live database, and we believe this to be true. Still, the record was treated and reported as an active applicant, and, after 18 months of being on the centralized waiting list, the City even mailed a confirmation of interest letter to Mr. Kringle. The letter requested Mr. Kringle to contact Access to Housing to report any changes to his household information and to confirm he was still interested in staying on the waiting list. This letter was *Returned To Sender* when no contact could be made with Mr. Kringle from North Pole, Ontario. Despite all this, the applicant was not removed until over six months later, when we pointed out the record during our audit.

**Applicant information should be analyzed to identify potential integrity issues**

The nearly 500 records identified above are indicators of problematic centralized waiting list data. Applicant information should be analyzed to identify other potential integrity issues that should be investigated and resolved.

**Actual number of households actively waiting for RGI assistance is unknown**

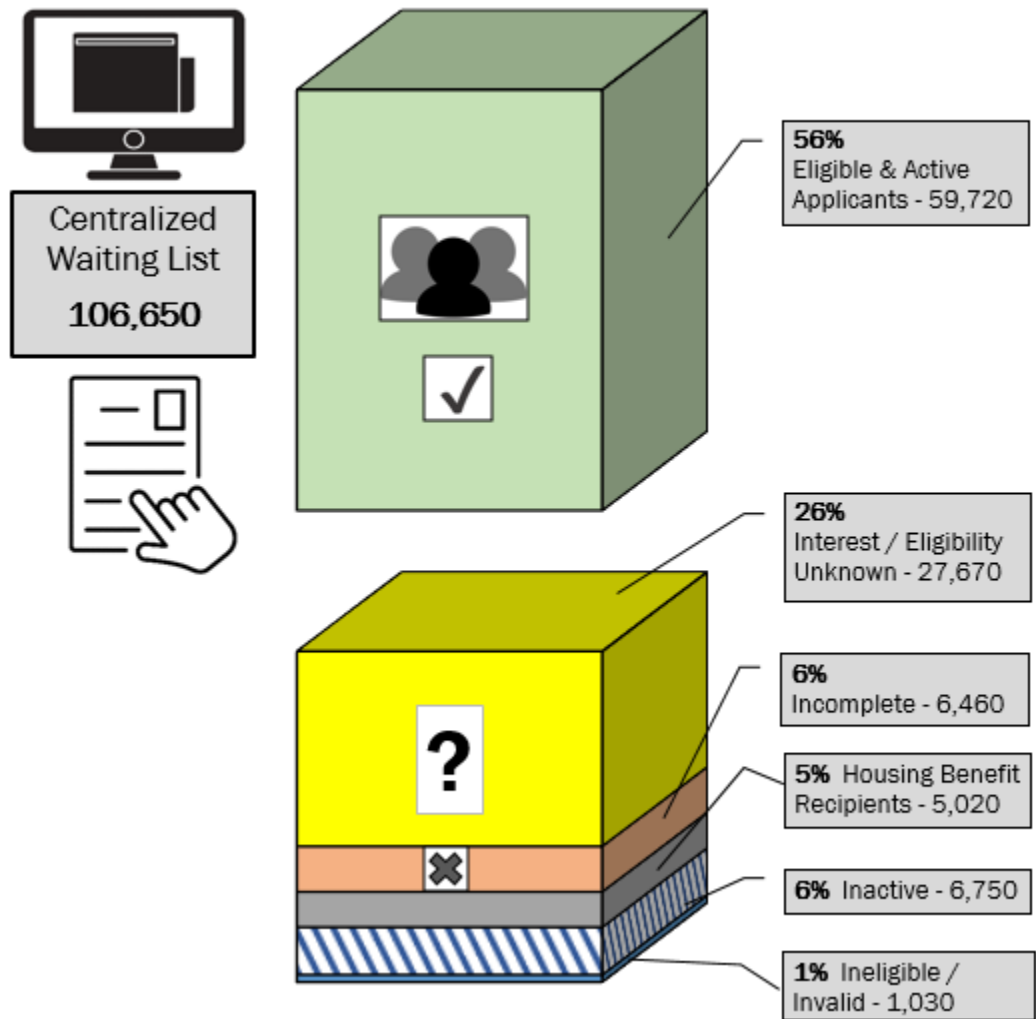
For audit purposes, we have developed our own categories for waiting households based on the status of applications as summarized in Figure 3 and defined in Exhibit 3. For example, we found that almost 60,000 households (110,000 people) are actively waiting for RGI assistance – meaning there has been some form of contact with these households within the last 18 months.

There are an estimated 27,000 households whose status is unknown because the City does not know with certainty whether they are still interested in and continue to be eligible for RGI.

There are also over 5,000 households on the waiting list who are currently receiving a housing benefit; they already receive RGI assistance and are applying to transfer to other social housing units or buildings.

Being able to distinguish between those who are without assistance and actively waiting and those who have housing helps everyone better understand the situation, priorities and the number of units needed.

**Figure 3: Status of Applications on the Centralized Waiting List<sup>16</sup>**



**City has not confirmed ongoing interest or eligibility of more than one-quarter of the waiting list**

The City is legislatively responsible for reviewing all applications on the waiting list at least once every 24 months to verify that the household continues to be eligible for RGI assistance. While it is the City's practice to confirm that applicants have an ongoing interest in accessing RGI assistance, the City does not review documentation to verify ongoing eligibility (specifically, the requirement to prove status in Canada as a citizen, permanent resident, refugee, or refugee claimant).

<sup>16</sup> A definition of each category used to describe the status of applications, for the purpose of this audit, is included in Exhibit 3.

**Challenging to determine which RGI applications should be inactive or cancelled, when interest or eligibility is unknown**

Management estimated as many as 25 to 30 per cent of applicants on the waiting list (27,000 to 32,000 households) may not have been in contact with the City within the last 24-months, even though the City's website advises households to update their application every 12 months.

The nature of the last contact with these applicants was not adequately captured in the information system. We could not determine if applicants had not responded to the City's outreach efforts or if efforts by City staff have not yet been completed.

Still, Access to Housing keeps these files active on the waiting list because the City has not completed its process to confirm with certainty the applicant's ongoing interest in receiving RGI assistance nor their ongoing eligibility for such assistance. In the meanwhile, housing providers continue to expend their efforts to contact these households to make housing offers until Access to Housing changes the application status to inactive.

Given the limitations in the waiting list information system and Access to Housing's current business practices, we were unable to identify or verify the exact number of applicants who are no longer eligible for RGI assistance or who should become inactive. We have estimated the number of applications and categorized them as unknown in Figure 3.

**City staff and housing providers should clearly document the nature of their contacts with people waiting for RGI assistance**

It is important that Access to Housing and housing providers coordinate to accurately record all attempts to contact waiting households and changes needed to applicant information. Staff should also be directed to note when an updated basic eligibility review has been completed, as required by the Act.

However, because applicants also have a responsibility to confirm their interest in remaining on the centralized waiting list and notify the City of any changes at least once a year, where all outreach efforts by City staff have not been responded to, the applications should be made inactive and potentially cancelled at a later point in time.

**Knowing who is actively waiting and ready to be housed is a key part of managing the waiting list**

It is important that City staff know exactly who is actively waiting for RGI assistance because it allows for a more accurate understanding of who is ready to be housed. It also helps providers house waiting households more efficiently when vacancies arise. The implications of not having an accurate, up-to-date, centralized list is outlined in the next section.



**Recommendation:**

- 1. City Council request the General Manager, Shelter, Support and Housing Administration Division, to design and implement procedures to ensure compliance with the legislated requirement to review eligibility of applicants on the centralized waiting list for rent-geared-to-income at least once every 24 months after they have been added to the list. Such procedures to ensure:**
  - a. applicants are advised of the need to maintain contact with the Access to Housing business unit at least once in every 24-month period to ensure their information is kept up-to-date and to re-affirm continued eligibility for rent-geared-to-income assistance**
  - b. all attempts to contact each applicant are sufficiently tracked so that Access to Housing can identify all applications that should be changed to inactive status and subsequently cancelled**
  - c. action is taken to make applications inactive and to cancel applications, if there is no response to outreach attempts by City staff in accordance with policies and procedures.**
  
- 2. City Council request the General Manager, Shelter, Support and Housing Administration Division, to review the applicants on the centralized waiting list for rent-geared-to-income and develop meaningful categories to support the effective management, including accurate reporting of the number of active and eligible applicants.**

**A. 2. Improving Matching of RGI Applicants with Vacant Housing Units**

**35% of RGI applicants receiving an offer were housed**

When applying for subsidized housing, people are asked to indicate which buildings they would like to live in. Preferences can be updated at any time. A unit is only offered if it is located in a building the applicant has chosen and if the unit has the appropriate number of bedrooms for the household. Still, only 35 per cent, or 6,060 of the 17,200 applicants receiving one or more offers in 2017 and 2018 were housed.

**The more offers a housing provider needs to make, the longer a unit stays vacant**

When a housing unit is available, offers are made to applicants according to their rank on the centralized waiting list. If an applicant cannot be reached, the offer must be withdrawn and an offer is made to the next household on the list. If an applicant is reached and does not accept the unit, the housing provider moves to the next applicant on the list. Applicants are allowed three refusals before they are taken off the waiting list. The more offers a housing provider needs to make before one is accepted, the longer it takes to fill a vacant unit.

**\$7 million vacancy loss in 2018**

Throughout the year, on average 1,400 RGI units were vacant across the entire social housing system. The City typically continues to pay housing providers for RGI units regardless of whether they are occupied or not. Management estimated that, in 2018, the vacancy loss<sup>17</sup> was \$7 million. This funding could have been used to help more people in need of financial housing assistance.

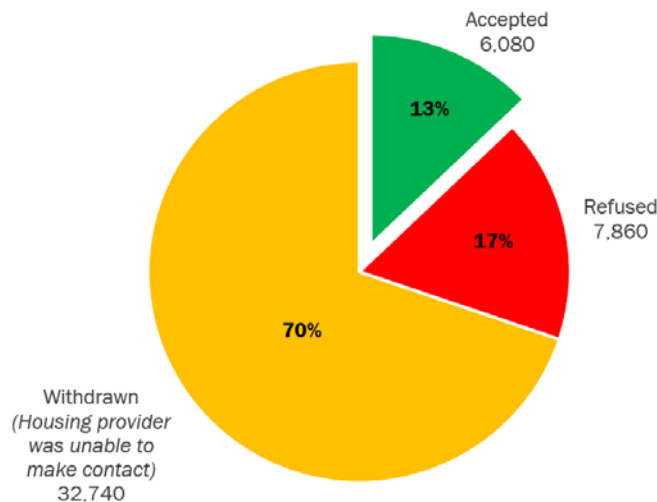
**13% of RGI housing offers were accepted in 2017/2018**

Housing providers made almost 47,000 housing offers in 2017 and 2018. Only 13 per cent of these offers were accepted. This is summarized in Figure 4.

**6 offers are needed to fill a vacant unit**

On average, providers made six offers to applicants waiting for RGI before one was accepted.

**Figure 4: Acceptance Rate for RGI Housing Offers**



<sup>17</sup> Total vacancy loss is based on management’s estimate of the amount of subsidy the City paid to housing providers (other than TCHC) while RGI units were vacant together with TCHC’s estimate of the amount of rental revenue lost while their RGI units were vacant.

**17% of offers are refused**

Figure 4 summarizes the results of the approximately 47,000 offers made for available housing units in 2017 and 2018. Seventeen per cent were refused and 70 per cent were recorded as withdrawn. A review of qualitative comments from providers who withdrew offers indicates that the refusal rate may be even higher.

**70% of offers are withdrawn – some reasons for withdrawals are similar to those given for refusals**

A high number of offers were withdrawn because housing providers were unable to contact the applicant. We also noted that some of the reasons for withdrawals are similar to the reasons for refusals, for example:

- Did not want to live on the floor where the unit was located (i.e., too high or too low a level)
- Unwilling to live in a walk-up only building<sup>18</sup>

**Housing providers should only withdraw an offer if unable to make personal contact with applicant**

An offer for an RGI unit is considered refused if the housing provider contacted the applicant household to offer the unit, and the household either refused or did not reply within 48 hours.

A withdrawal should only occur when the housing provider is unable to contact the applicant. The City has not provided clear guidance on the use of withdrawals and in many cases housing providers record similar reasons for refusals and withdrawals.

**City allows 3 refusals before applicants are removed from the waiting list**

This distinction is important because there are consequences for refusing offers but there are none for offers marked as withdrawn. Consistent with the Act, the City allows applicants to refuse three housing offers before they are removed from the centralized waiting list. The City and its housing providers are obligated to enforce these requirements.

**No refusals allowed in Long Term Care Homes**

This is significantly different from how Long Term Care Homes are administered. Like subsidized housing, the supply of Long Term Care units is limited relative to demand; therefore, a wait list is maintained. A person can apply to a maximum of five Long Term Care homes. If a unit becomes available at any of the five selected homes, the applicant must accept within 24 hours and move in within 5 days. This system does not allow for any refusals.

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<sup>18</sup> Some may be physically unable to use the stairs; others may be physically able, but prefer not to. Those with bona fide medical conditions restricting which units they are able to physically access have these noted in their files and would not be on the list housing providers use to make offers if the vacant unit does not meet their needs.

**Province is considering changing the Act including whether people should be able to refuse any offer of RGI housing**

The Province is reconsidering the Act's requirement to allow for three refusals. Other jurisdictions, like the Regional Municipality of York, have requested the Minister of Municipal Affairs and Housing to amend the *Housing Services Act, 2011* such that RGI applicants will not be permitted to refuse housing offers (i.e. any refusal results in the applicant being removed from the housing waiting list).

**Changes may help accelerate the pace with which people get access to RGI assistance**

Reducing the number of times applicants can refuse an offer for housing can help:

- accelerate the pace in which those in need of assistance get access to housing;
- ensure providers are able to efficiently fill vacancies; and,
- reduce wasted subsidy funding due to vacant social housing units.

**City must ensure people understand the impacts of their housing choices and of refusing offers in buildings they have selected**

At the same time, it is important that the City ensure that people in need of RGI assistance fully understand the importance of choosing only those buildings they are willing to move into. The City should ensure households understand that:

- choosing fewer buildings contributes to a longer wait time to access RGI assistance
- refusing offers of housing in buildings the applicant has pre-selected can result in cancellation of their application and removal from the waiting list.

To enable households to make informed selections about buildings they are willing to move into, the City should ensure better information is made available to applicants. This information should be available by building, by project/community, and by housing provider, and should include:

- historical wait times for units
- building information such as size, amenities, rating for state of good repair or other attributes
- neighbourhood information about local schools, child care and other community services
- any other factors that applicants typically consider relevant in choosing where to live.

**Recommendations:**

- 3. City Council request the General Manager, Shelter, Support and Housing Administration Division, to:**

  - a. develop clear guidelines for housing providers on the circumstances under which an offer for rent-geared-to-income housing can be withdrawn and not be considered a refusal. Such guidelines to also clearly indicate how to record the reasons for withdrawals or refusals in the centralized waiting list information system**
  - b. implement monitoring procedures to ensure housing providers are not recording refusals of offers as withdrawals such that households can circumvent the Housing Services Act's limit on the number of refusals allowed before the applicant is removed from the centralized waiting list.**
- 4. City Council request the General Manager, Shelter, Support and Housing Administration Division, to recommend to the Minister of Municipal Affairs and Housing to consider revising the *Housing Services Act, 2011* to be aligned with the Long Term Care Homes Act regarding refusals of pre-selected housing choices and to only accommodate refusals under clearly defined set of exceptional circumstances.**
- 5. City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure that applicants on the centralized waiting list for rent-geared-to-income understand the importance of choosing only those buildings they are willing to move into and the consequences of such choices.**
- 6. City Council request the General Manager, Shelter, Support and Housing Administration Division, to increase the information made available to enable rent-geared-to-income applicants to make better informed choices about buildings they are willing to move into.**

### **A. 3. Ensuring People can Easily Communicate with the City About their Status on the Waiting List**

**Unreliable contact information makes it difficult for housing providers to get people housed with RGI assistance**

One of the challenges providers face in efficiently housing people on the waiting list is incomplete, incorrect, or out-of-date contact information recorded in the technology that supports the City's centralized waiting list. Unreliable contact information means that housing providers may not be able to reach applicants to offer them their unit of choice.

**Providers want the City to take action to improve the accuracy of contact information**

As noted previously, 70 per cent of offers were withdrawn. Approximately 1,700 (10 per cent) of the 17,200 RGI applicants offered a housing unit of their choice in 2017 and 2018 were subsequently made inactive or cancelled by the end of 2018 because they could not be reached.

Furthermore, of the 86 housing providers who responded to a survey we conducted during the audit, the top two reasons given for not being able to fill a vacant RGI housing unit were:

1. no response to messages left for applicants
2. not being able to contact applicants

From our survey, housing providers reported that they would like to see improvements in the accuracy of applicant contact information.

This is an issue that the City must address.

**City should regularly remind applicants to keep their information updated**

Where applicants cannot be reached because of inaccurate and outdated information in the waiting list system, there is a risk that people are not getting access to the housing assistance they need. The City should ensure that appropriate mechanisms are in place to regularly remind applicants to keep their information up to date. For example, steps the City can take may include:

- reminder notifications to update waiting list information in any communications (electronic or paper) that Ontario Works (OW) / Ontario Disability Support Program (ODSP) recipients regularly receive (36 percent of applicants on the waiting list are OW/ODSP recipients)

- periodic email reminders to the 45 per cent of waiting list applicants that have provided an email address
- clear instructions, available in multiple languages, on the Access to Housing website and in reminder notifications on how to update application information online, by phone, by mail, or in person
- requiring an alternate contact for vulnerable populations, those where English is not their first language, or those with literacy or accessibility challenges
- ensuring a Canadian mailing address and phone number are provided on the application

**Units are vacant for longer periods of time when applicants cannot be reached**

To the extent that contact information is not current and a household's ongoing interest and eligibility have not been confirmed, housing providers are wasting their time trying to make contact with households based on dated applicant information. This results in vacant social housing units that are not being filled in a timely manner.

**City subsidizes the cost of the vacant RGI units**

The City continues to subsidize the cost of the vacant social housing unit regardless of how long the unit is left vacant<sup>19</sup>. Our review of the vacancies recorded in 2017 and 2018 found the following average times to fill the vacant units:

- 85 days for TCHC
- 50 days for non-profit and co-ops
- 165 days for rent supplement units in the private market

Housing providers continue to be paid even when units are empty. The longer the cycle takes, the greater the amount of subsidy funding is wasted which could have been put towards helping more households in need. There is room to improve these results and reduce the vacancy time.

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<sup>19</sup> For RGI housing provided through a private landlord, the length of time the City will continue to subsidize vacant units is specified in the operating agreements.

**Recommendations:**

7. **City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure applicants for rent-geared-to-income assistance are required to identify:**
  - a. **the preferred method(s) of contact that will result in a 48-hour response such as phone, email, or mobile messaging**
  - b. **an alternate contact person or support organization in Canada designated to respond on their behalf, if necessary.**
8. **City Council request the General Manager, Shelter, Support and Housing Administration Division, to review additional steps to cost-effectively enhance how Access to Housing communicates with and reminds applicants on the centralized waiting list for rent-geared-to-income to keep their application information accurate and up-to-date.**

**A. 4. Modernizing the Way the City Communicates With Waiting Households**

**Accurate and current contact information is required to reach applicants with offers**

Applicants can confirm their ongoing interest and update their address, phone number, income, housing preferences, and other information in a variety of ways. Maintaining the integrity of applicant data in the waiting list information system improves their chances of being contacted for an offer of a vacant unit.

**Many applicants provide cell phone numbers and email addresses**

Of applicants on the waiting list at the end of 2018:

- 64,200 applicants provided a cell phone number
- 48,000 applicants provided an email address

**City's main outbound communication method is mail**

In a 2002 staff report, Council was advised that an interactive telephone system and a system to receive e-mails would be set up as methods of confirming interest in remaining on the waiting list and of updating information for the applicant's household. An automated telephone system is used for incoming calls by applicants and more recently this has been expanded to include outgoing calls; however, mobile text messages is not a method currently being used.



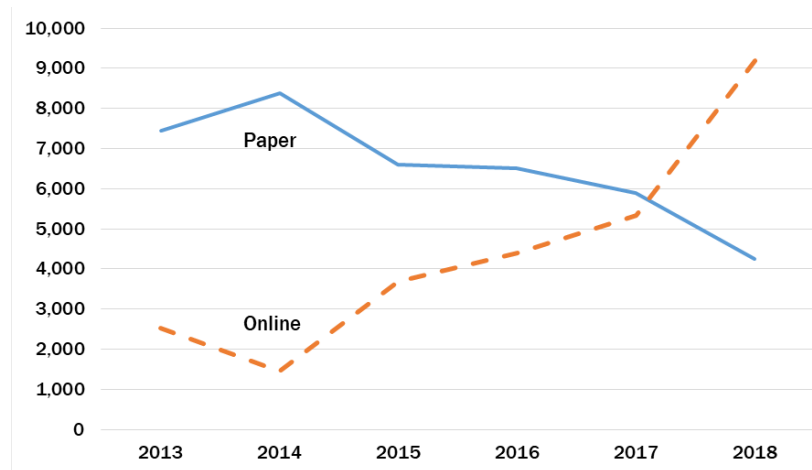
**Amount spent annually to mail out letters could provide RGI assistance to 9 families for an entire year**

The City's main way of reaching out to applicants to confirm their interest in remaining on the waiting list continues to be via mail. We estimate that Access to Housing mails out approximately 78,000 letters per year at a cost of about \$70,500 plus the labour costs / time associated with this work<sup>20</sup>. Management estimates 10 per cent of mail is returned unopened. Even if mail is returned, letters will continue to be mailed until a caseworker goes into the system and updates the file to flag that letters should no longer be mailed. There are many returned letters where files have not yet been updated to stop mailings.

The amount spent annually to mail letters to applicants is equivalent to providing RGI assistance to nine individuals or families for an entire year based on an average annual RGI subsidy of \$7,200.

People are moving towards technology-based interaction, as demonstrated in Figure 5. Therefore, the City should also increase its use of technology to communicate with waiting households.

**Figure 5: Change from Paper to Online Applications**



**More efficient and cost-effective ways to communicate**

Given the available modes of electronic communication, there are likely more cost-effective and efficient means of confirming that applicants continue to be interested, eligible, and that their contact information is up-to-date. This in turn can help to improve the quality of waiting list data and reduce the time it takes to fill a vacant unit, ultimately ensuring the most efficient use of social housing subsidy funding.

<sup>20</sup> Approximately 300 letters per day at a cost per letter of \$0.80 for postage and \$0.10 for materials, printing and handling.

Alternative arrangements should be made for those experiencing homelessness and other vulnerable people. Collaborating with emergency shelters and community agencies who may stay in contact with these clients is important.

**Recommendation:**

9. **City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City Solicitor, to review and implement technology-based communication methods that allow the Division to more efficiently and cost-effectively:**
  - a. **serve notice of decisions related to household applications on the centralized waiting list for rent-gearred-to-income**
  - b. **make contact with applicants to confirm their ongoing interest, update their address, phone number, income, housing preferences, and other information.**

## **B. Reviewing Priorities for RGI and Other Housing Assistance**

### **Number of people waiting for RGI continues to grow**

The number of people waiting for RGI assistance has grown over the past decade. Because of the long wait time, social housing is not an immediate solution to housing needs or emergency situations. People applying for subsidized housing are informed that the wait can be more than 10 years.

Several actions the City can take to improve how it helps people in need of housing assistance include:

1. Assessing an applicant's level of need for housing assistance and refining rules to address more specific populations in need of housing
2. Increasing integration of homelessness and housing services to help break the cycle of homelessness and move people towards stable housing
3. Providing access to alternative forms of financial assistance for housing when social housing units are not available

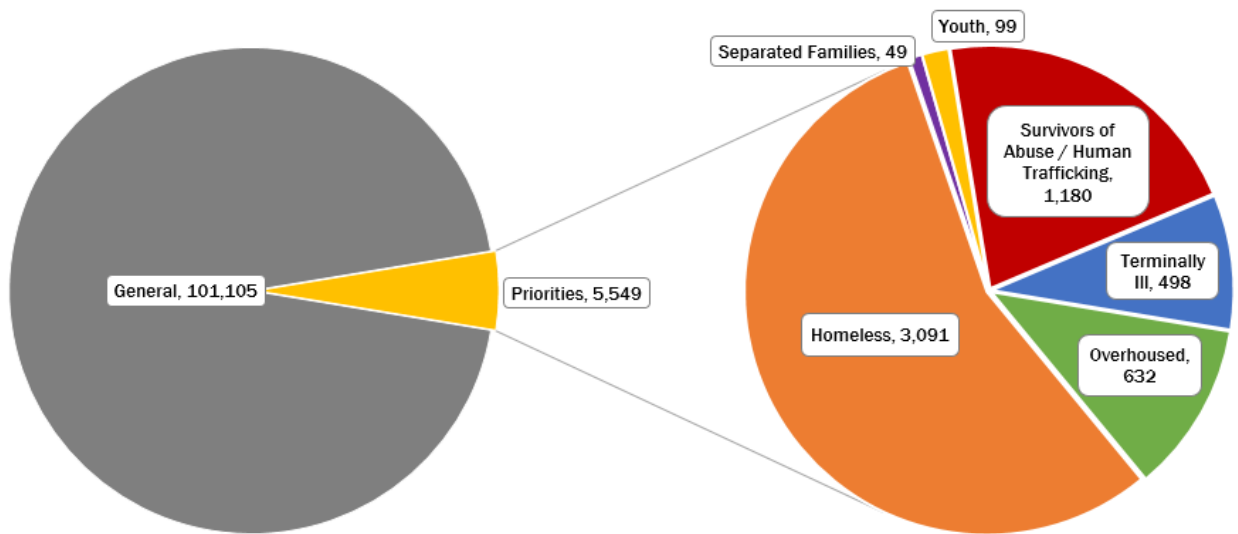
These actions are discussed in greater detail in the sections that follow.

## B. 1. Assessing an Applicant's Level of Need for Housing Assistance

**RGI assistance is not granted based on need but on a first-come first-served basis**

Most households on the centralized waiting list are selected on a first-come first-served basis, where applicants with the older application dates receive an offer of housing first. Applicants in designated priority groups are given fast-tracked access when RGI units become available. About five per cent of people on the centralized waiting list have been flagged as being eligible for priority placement, as summarized in Figure 6. People in these priority groups make up almost half of those who get housed each year. Even so, these applicants are also processed on a first-come, first-served basis within their priority group.

**Figure 6: Priority Status of Applications**



### Overall Wait Times for RGI Housing Assistance

**Overall waiting time for RGI housing can range from two to 14 years**

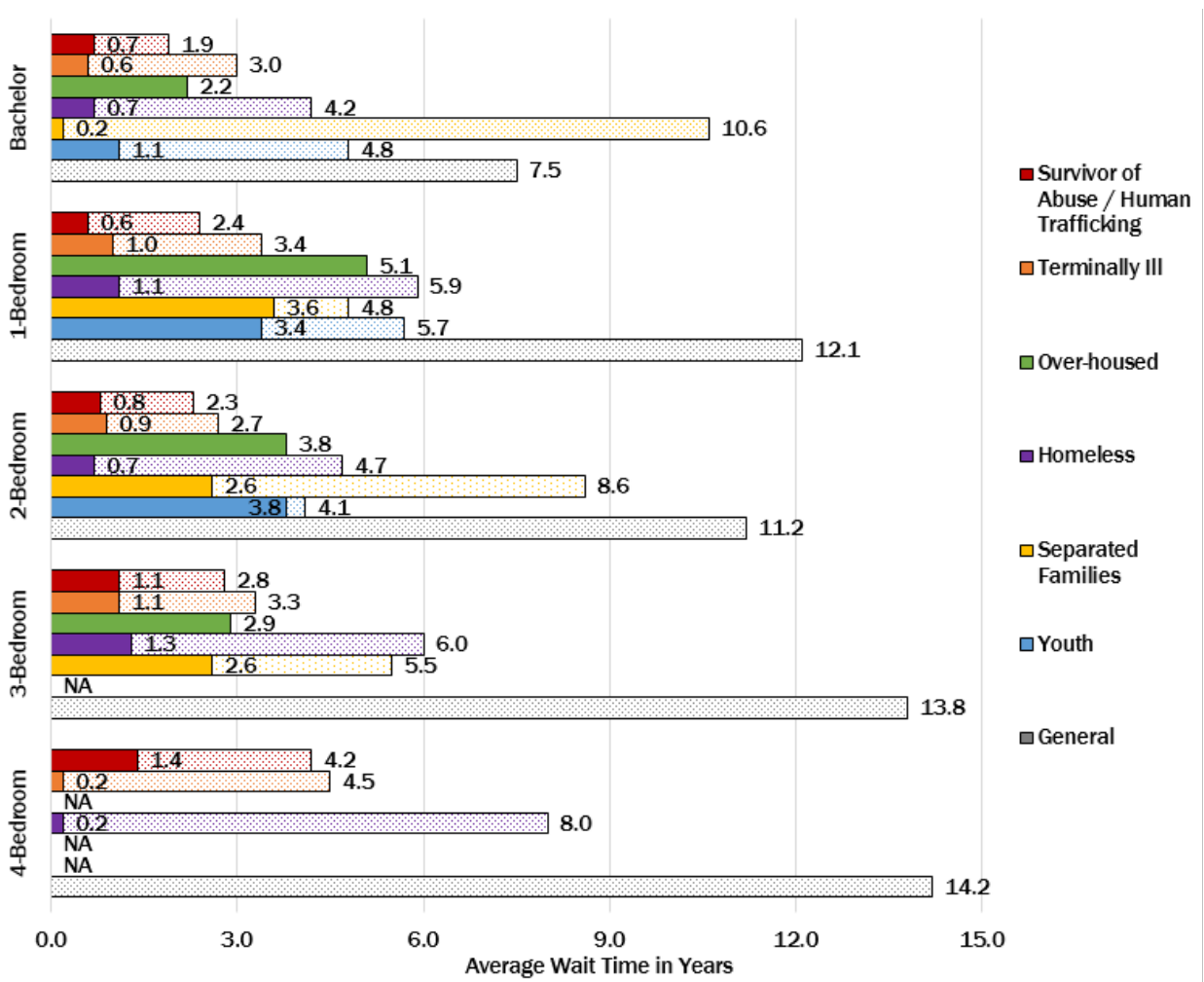
Overall waiting time for RGI housing can range from two to 14 years<sup>21</sup>. Priority applications get RGI housing assistance much faster than general applications. On average, most households obtain RGI housing within 2 years of being deemed a priority.

<sup>21</sup> The average waiting time for a smaller housing unit is shorter relative to the waiting time for a larger housing unit because there are fewer larger units.

**Applicants with a priority need for RGI housing have significantly shorter wait times**

Figure 7 shows the average wait time<sup>22</sup> for the different groups of applicants housed in 2018. The portion of the bars filled in with solid shading represents the average wait times once the applicant has been deemed a priority. But often, they are on the wait list for some time before being deemed priority. Thus, the full length of the bar represents the total average wait time since the date of their initial application. For example, survivors of abuse and human trafficking (shown in dark red) waited an average of 0.7 years for a bachelor unit once they were confirmed as a priority, but they waited an average of 1.9 years in total. By comparison, general applicants with no priority designation wait, on average, over 7.5 years for a bachelor unit. Clearly, priority status significantly shortens the wait time.

**Figure 7: Average Wait Times (in years) for Applicants Housed in 2018**



Note: The solid shading represents the average wait times after applicants are deemed a priority; The full bar shows the total wait time since the date of the initial application.

<sup>22</sup> Wait time is calculated as the time span between the date the application was received and the date the household was housed.

### **Ensuring Applicants that are a Priority are Given Priority**

**People experiencing homelessness are waiting for subsidized housing**

We are concerned that people who should be getting priority are not. For example, we noted that there are 3,250 households waiting for RGI assistance who list an emergency shelter as their current address. Two-thirds of these applicants will not receive any priority for RGI housing because they have not been identified as experiencing homelessness in the waiting list information system. Effectively administering the waiting list not only helps to ensure the City is properly prioritizing applicants for the limited number of RGI units that become available, but it may also ease pressure on the emergency shelter system.

### **Ranking All Other Households Based on Need versus on a First-Come, First-Served Basis**

**City does not perform any needs assessment to rank applicants**

For all applicants that are not provincially or locally designated priorities, the City does not assess or rank the applicant by need. Income is not assessed and information about applicant housing circumstances is not collected, so applicants are housed based on who applied first. Consequently, those who are most in need may not receive RGI housing assistance first.

The City's priorities for RGI units were adopted in 2002. It has been many years since the City has reviewed how it prioritizes access to RGI assistance.

**City should refresh local priority rules and determine if additional factors should be considered**

It is time for the City to revisit whether additional factors should be considered to ensure RGI assistance is granted based on need. Our review of the practices in seven other provinces found that each has developed a needs-based rating system. Examples of factors considered by other jurisdictions include:

- income level (the City does not consider current income when adding applicants to the centralized waiting list)
- assets
- current rent paid
- adequacy of current housing conditions
- risk of eviction

Providing housing first to applicants who have the greatest need may help families avoid entering the emergency shelter system.

For example, we found that five per cent, or over 5,000 households on the centralized waiting list already have access to some housing benefit. The vast majority reside in social housing and receive RGI<sup>23</sup>. Since there is currently no needs assessment, other people who may not have housing or access to any housing subsidy will not be prioritized to receive RGI housing before those waiting to transfer to another building. Applicants waiting for a transfer may also refuse offers up to three times, just like all other applicants, potentially slowing down the offer process.

In 2017, the Provincial Auditor General identified that applicants in Ontario are not prioritized based on a multi-factor needs assessment unlike other provinces.

**Use limited resources to help households with the greatest need**

Providing RGI assistance and access to available housing units based on need helps to ensure that limited resources are used to help those with the greatest need. To do so, the City needs to establish rules and a methodology for selecting households from the centralized waiting list based on assessed need. This in turn must be supported by changes to the technology or with other assessment tools.

The following are some examples of rules that the City can phase in for selecting households from the waiting list to better address more specific populations in need of RGI assistance and access to housing assistance:

1. Establishing Waiting List Rules to Prioritize Applicants Who Have No Housing Assistance

**Prioritize applicants who do not have any form of housing assistance**

The City should consider establishing local rules to give priority to those who do not have any form of housing assistance over those who already receive some housing benefit. The exception to this rule may be the over-housed, which is discussed in Section C.2.

**5% applicants on the waiting list are RGI tenants who want a transfer to another building**

As previously noted, five per cent of households on the City's centralized waiting list already have access to a housing benefit and some currently reside in social housing with RGI. These households are requesting to transfer their housing benefit to a social housing unit in another building.

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<sup>23</sup> The TCHC transfer policy approved by the TCHC Board of Directors in July 2018, states that tenant-requested transfers will be limited to the categories defined within the policy (special priority program, crisis priority, accessibility/accommodation, over-housed and under-housed) and in compliance with relevant legislation. We noted there were 9,802 households on TCHC's internal transfer list that fell outside of these categories. Some were added as recently as February 2019.

In some cases, these households will gain access to available housing units before other people who are not receiving any housing assistance. This can create inefficiencies in the system, as there may be delays and vacancy time for an existing RGI recipient to move from one unit to another.

## 2. Establishing Local Rules for Income and Assets

**Prioritize access to RGI assistance based on household income**

The City does not currently have any local rules for limits on either income or assets even though income is a key determinant of the need for RGI assistance and the amount of financial assistance that is provided.

**Income is a key determinant of need and a requirement to be able to receive RGI**

Of particular note is that Access to Housing does not verify household income or whether the applicant owns any significant assets as they are not factors considered when determining eligibility for the centralized waiting list. Furthermore, applicants self-declare their income when they apply to be added to the centralized waiting list. We noted that 13 per cent of applicants either declared nil (\$0) income or provided no income information.

At a minimum, the City should establish a rule for income since it is the key determinant of eligibility for a vacant RGI unit and the amount of RGI assistance provided. Furthermore, in our view, the City should consider establishing steps or thresholds for total household income and prioritizing access to RGI assistance based on the household income level.

## 3. Establishing Local Rules for Housing Unit Preferences

**City is accommodating certain preferences that contribute to longer wait times and inefficiencies in filling vacancies**

Aside from a preference for a building, applicants can also express other preferences, such as whether the unit has a balcony or the floor the unit is on. Accommodating these preferences results in longer wait times. Such preferences, however also contribute to inefficiencies in filling vacancies which causes funding to be wasted. For example, the current waiting list contains over 19,000 applications with a floor preference. A floor preference was a top reason for an offer not being accepted. In addition, over 40 per cent of all applicants only want to live in a building with an elevator, even though in many cases the file information does not support a medical reason for these requests.

**City rules should differentiate needs from wants in making accommodations that impact offer acceptance**

Given the high number of applicants with floor restrictions, along with other types of preferences, the Division should consult with the Medical Officer of Health to establish rules and criteria to be able to differentiate applicants who may require the accommodation from those who have it strictly as a preference. The City should then ensure applicants are advised of the criteria that must be met in order for their need to be accommodated.

The rules should also include any restrictions which will not be accommodated.

**Recommendations:**

- 10. City Council request the General Manager, Shelter, Support and Housing Administration Division, to**
  - a. review the City's local priority rules for selecting households from the waiting list for rent-geared-to-income and recommend to City Council any additional priority rules that should be adopted to support selection of households based on an applicant's level of need; and**
  - b. where additional priority rules are established, ensure the waiting list information system supports selection based on these priorities; and, if necessary, develop a process to perform an objective assessment of each applicant's need for rent-geared-to-income assistance in order to determine their priority in being selected from the centralized waiting list.**
- 11. City Council request the General Manager, Shelter, Support and Housing Administration Division, to establish local rules for:**
  - a. asset limits for rent-geared-to-income recipients**
  - b. total household income limits and prioritize access to rent-geared-to-income assistance based on household income.**
- 12. City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Medical Officer of Health, to review the types of housing preferences or restrictions for preferred rent-geared-to-income housing units to assess if there is a bona fide need to accommodate and develop local rules to manage such requests.**
- 13. City Council request the General Manager, Shelter, Support and Housing Administration Division to consider establishing local rules prioritizing access to rent-geared-to-income assistance for those households that currently do not receive rent-geared-to-income assistance or reside in social housing.**



## **B. 2. Improve Service Integration to Support the Vulnerable to Achieve Stable Housing**

**People have varying levels of need for housing assistance**

Individuals and families have varying levels of need for housing assistance: from a crisis which may require emergency shelter, to needing help to relieve the financial burden of housing costs in order to prevent a housing crisis. Each household needing help should be assessed to identify and establish a plan on how to achieve stable housing.

**City provides a number of housing supports**

The City provides a number of housing supports and benefits to help people to achieve stable housing. Aside from RGI assistance, other housing services and benefits include affordable rental housing units, housing allowances, housing stabilization, eviction prevention, Emergency Energy Fund assistance, and Toronto Rent Bank loans. Each of these programs provides a different level of support to address the varying needs of Toronto households.

**Need for coordinated access to the range of supports and services available to meet the varying levels of need for housing assistance**

SSHA staff work with emergency shelters and outreach clients to access the range of services and benefits available to meet their varying levels of need for housing assistance. Supporting sustainable transitions to housing also includes assessing clients' support needs. Shelter workers assess their support requirements to ensure all the right supports are in place to successfully transition from emergency shelters to social housing.

**Two-thirds of RGI applicants providing a shelter address are not prioritized for subsidized housing**

Our analysis of the centralized waiting list found that there are 3,250 households who list an emergency shelter as their current address. Two-thirds of these applicants have not been flagged as a priority for RGI housing in the waiting list information system. Improvements are needed to ensure vulnerable applicants are not missing out on opportunities to access subsidized housing.

**Ongoing support for vulnerable clients helps them transition along the housing continuum**

The City needs to improve its efforts to integrate City services to effectively support the transition from homelessness to stable housing, as illustrated in the continuum in Figure 8. While we acknowledge that the City has begun to address this area, it is evident that more can be done. Emergency shelters will be included in a future phase of the Auditor General's ongoing operational review of the Shelter, Support and Housing Administration Division.

**Figure 8: Housing Continuum**



**Integrated service delivery from shelters to housing can help to break the cycle of homelessness and move people towards stable housing**

A key action identified in the Division's 2014-2019 Housing Stability Service Plan is to create a proactive, coordinated access system for social and affordable housing by implementing changes to City policies, modernizing system administration and empowering applicants with better information and more choices. This is still a service gap and the City and will need to address it in both the Housing Opportunities Toronto Action Plan and the next Housing Stability Service Plan.

**Recommendation:**

- 14. City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure greater integration of services and supports is provided for vulnerable clients in the shelter system as they transition from homelessness to stable housing including confirming that those experiencing homelessness receive appropriate priority status on the centralized waiting list for rent-geared-to-income.**

**B. 3. Providing Access to Alternative Forms of Housing Benefits**

**RGI housing is not an immediate solution to address emergency situations**

Because of the long wait time, RGI assistance is not an immediate solution to housing needs or emergency situations. In most cases, the City is only able to provide RGI assistance to people when an existing social housing tenant moves out of a unit, and the vacant unit is then made available to a household on centralized waiting list.

Portable housing subsidies and housing allowances, are other types of housing benefits provided by the City which can help to address the challenge of not having vacant social housing units. In offering housing allowances, the City will at times select certain priority groups, such as the chronically homeless.

**Portable benefits enable the City to provide housing benefits to people regardless of where they live**

Portable housing benefits enable the City to provide housing assistance to people regardless of where they live, even if dedicated social housing units are unavailable. In other words, the housing subsidy is used toward paying rent in a market-rate rental unit. This means the City can help more people in need of housing assistance in a timelier manner and reduce the need to wait for a social housing unit to become vacant. This is consistent with the Mayor's 2016 Task Force on Toronto Community Housing recommendation that the Provincial Government be requested to prioritize legislative changes to permit RGI subsidies tied to the landlord to be converted into portable housing benefits.

**Portable benefits provide an opportunity for the City to achieve its legislated service level standard**

This also means that the City may be able to increase the number of households it provides RGI assistance to, so that it can meet the minimum prescribed service levels required by the Province as set out in the *Housing Services Act, 2011*. The Act requires the City to provide 73,346 households with RGI assistance<sup>24</sup>.

The City reported that there were 64,391 units occupied by households receiving RGI assistance to the Ontario Ministry of Municipal Affairs and Housing in the 2018 Service Manager Annual Information Return.

**Funding is needed to be able to provide portable benefits**

To be able to expand and to provide alternative forms of housing assistance in order to address the long wait times for social housing, the City will need to consider how to fund any assistance that can be provided. Additional funding from other levels of government, like funding from the federal National Housing Strategy, will likely be needed and should be explored. We were advised that management has two initiatives currently underway to expand the number of RGI housing units.

**Recommendation:**

- 15. City Council request the General Manager, Shelter, Support and Housing Administration Division, to review and, if appropriate, report to City Council through the Planning and Housing Committee on how the City can meet the mandated rent-geared-to-income assistance service level prescribed in the *Housing Service Act, 2011*. This review should consider how portable housing benefits can be used where vacancies in the physical social housing stock are limited, and determine how much funding would be needed as well as the source of such funds in order to come into compliance.**

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<sup>24</sup> We noted that the City has repeatedly written to the Province since 2005 regarding its position that there is a discrepancy in the service level standard specified in the Act and what the City received at the time of devolution. The City has requested the Province to reduce the prescribed service level to 66,282 RGI units.

## C. Make Better Use of Housing Units to Open Doors for More People to Access RGI Assistance

**Housing units are available in the social housing system to help more people**

There are existing spaces available within the social housing system to house more people from the RGI centralized waiting list.

We have identified some areas where the City can make better use of scarce social housing units and provide access to RGI assistance for more people. These areas include:

1. Vacant units and units being used for purposes other than housing of individuals and families
2. Units where the size is larger than what the RGI tenant is eligible for based on their household composition

**Toronto needs more social housing**

A study commissioned by the City's Affordable Housing Office indicates Toronto needs new social housing. It costs the City approximately \$330,000 to construct a new social housing unit. Therefore, it makes sense to first ensure that the existing units are used for their primary purpose – to provide housing.

**Table 5: Making Better Use of TCHC Units to House More People**

	# of units	# of people impacted
Rentable and vacant RGI units- including bachelors	1,020	1,600
Additional social housing units that are used for other purposes:		
Used by contractors	27	40
Used for other purposes (e.g., staff, recreation, community programs)	113	220
<b>Possible opportunities to use social housing units for housing</b>	<b>1,160</b>	<b>1,860</b>
Over-housed <sup>25</sup>		1,550
<b>Additional people that can be housed</b>		<b>3,410</b>

**Using the existing stock more efficiently means 2,200 more people could get RGI assistance**

Using the existing stock more efficiently would result in more people getting RGI housing. Even a 50 percent improvement in the 3,410 additional people that can be housed, as identified in Table 5, will open the door for at least 1,700 more people by using the existing stock more efficiently. By extending these findings to the entire social housing system, it is likely that RGI housing could be provided to at least 2,200 more people.

<sup>25</sup> There are 1,375 over-housed RGI tenants living in TCHC buildings. By finding a way to re-house tenants in an appropriately sized unit, about 1,550 more people will obtain housing.

Re-thinking how these units can be best used also opens up opportunities to provide relief to the emergency shelter system.

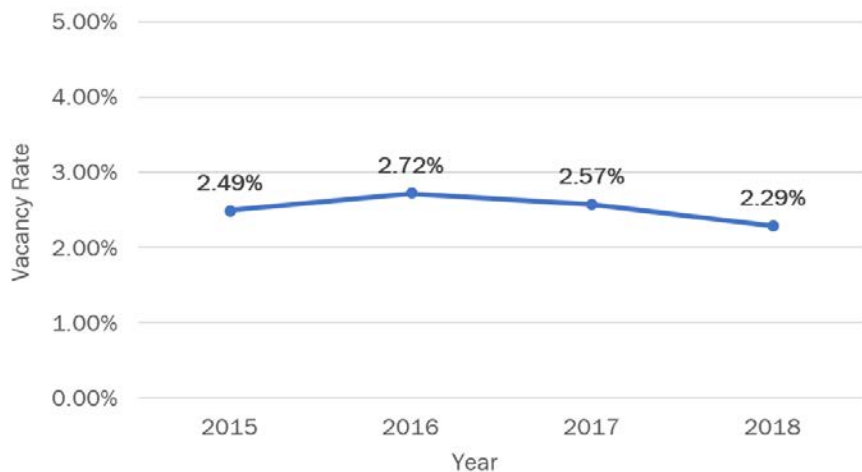
These areas are discussed in greater detail in the sections that follow.

### C. 1. Vacant Units and Units Being Used For Purposes Other Than Housing

**TCHC vacancy rate is 2.29% compared to Toronto's 1%**

Given the high demand for subsidized housing units, we would expect vacant units to be filled immediately. Despite this, at the end of 2018, there were around 1,020 vacant rentable units at TCHC that can provide housing for at least 1,600 people in need of RGI assistance. Figure 9 shows TCHC's average vacancy rates for RGI units from 2015 through 2018. The average RGI vacancy rate for TCHC in 2018 was 2.29 per cent. The average RGI vacancy rate among other social housing providers and the private market in Toronto was around one per cent.

**Figure 9: TCHC Vacancy Rates for RGI Units (2015-2018)**



**In 2017, Mayor Tory asked TCHC to report on what could be done to fill vacant units**

TCHC's vacancy rate is not a new concern. In 2017, Mayor Tory asked TCHC to report back on what could be done to fill vacant units faster. In April 2017, the TCHC Board received a report on longer-term vacancy trends and an update on TCHC's strategies to manage vacancies<sup>26</sup>.

<sup>26</sup> April 25, 2017 Meeting of the TCHC Board, Item 4A Vacancy Management Update <https://www.torontohousing.ca/events/pages/event-details.aspx?eid=183>

**Opportunities to improve how vacant units are filled**

There are opportunities to improve how vacant units are filled. For example, in April 2017, TCHC identified that vacant bachelor units in buildings designated for seniors was an issue because they were hard to fill. TCHC advised that offers for bachelor units within the seniors portfolio had a high vacancy rate and the rate of offered units being declined was high<sup>27</sup>. Around the same time, SSHA provided a briefing on key actions the division would implement to reduce the number of vacancies by having a better waiting list.

Still, the issue remains to this date. TCHC's internal processes continue to cause inefficiencies in filling vacancies; and, the siloed, rather than integrated, approach – where TCHC has its own lengthy internal waiting list separate from the centralized waiting list – means that there is no coordinated approach to improving vacancy rates.

**Waiting households should be made aware of vacant units available across the social housing system**

For example, we found that at the end of 2018 approximately 20 per cent (200 units) of the vacant rentable units are bachelor units in TCHC seniors-designated buildings. Yet, in our review of the centralized waiting list, we found that currently there are 11,300 households with seniors waiting for a bachelor unit. Of these, 87 per cent have never received a housing offer, and on average, they have been waiting for an RGI unit for 3.5 years. Furthermore, over 230 of these households listed a shelter as their current address.

A comprehensive view of the problem is needed to be able to determine whether policy changes or changes to local rules are necessary to facilitate a more effective waiting list and selection of households to fill RGI vacancies. We have made recommendations to integrate and align the processes in section D.2.

An additional challenge is that these seniors may not have selected the exact buildings where vacancies are located as one of their housing choices. They may not know that someone is only given offers in buildings they select and that they will not be made aware of housing units available elsewhere in the social housing system. While the choice-based system aims to remedy this in the long-term, a more immediate solution is required.

In addition, Access to Housing and TCHC should work together to ensure applicants are made aware of available housing options where they could obtain RGI housing faster than their choices may allow. These options should be publicly posted in a central area (including the City's web page) where applicants can be directed to check on a regular basis.

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<sup>27</sup> The high decline rate may be linked to the processes TCHC is required to follow. This includes exhausting the internal transfer list (of existing RGI over-housed and other tenants) to fill vacancies, before selecting and making offers to applicants from the centralized waiting list.

The City, working with community partners, should ensure rent-g geared-to-income applicants are able to access the internet at various sites across the City. These may include, but should not be restricted to, emergency shelters, social services offices, local libraries, and community centres.

#### Returning Social Housing Units to be Used as Housing

**140 housing units are used for storage and program activities**

We also found that there are approximately 140 social housing units that are not being used for housing. Some are used for contractor storage, recreation, other types of TCHC staff programs, or by community organizations. These units have the capacity to house at least 260 people in need of RGI assistance. Examples of these units are shown in the photographs below.

TCHC, in consultation with the City, should seek out space for these purposes elsewhere in the immediate vicinity. For example, there is a community centre located across the street from one of the buildings where housing units are being used for community programs. In other cases, office or storage trailers located on the TCHC premises may be a viable alternative.

#### **Photographs: Housing Units Used by Contractors**





**Photographs: Housing Units Used for Programs**



**Review the use of housing units that are not being used for housing**

Given that the core purpose of TCHC is to provide housing for residents, any time housing units are left vacant or used for an alternative purpose it reduces the limited social housing stock that is available. Furthermore, where a housing unit is not made available for its intended purpose, TCHC and the City, as service manager, fall shorter of their required service level standard.

**Table 6: Summary of Vacant Units and Units Being Used for Purposes Other Than Housing at End of 2018**

Description	Number of Units	Number of People that Could Be Housed
Vacant and rentable	1,020	1,600
Used for other purposes	140	260
<b>Total</b>	<b>1,160</b>	<b>1,860</b>

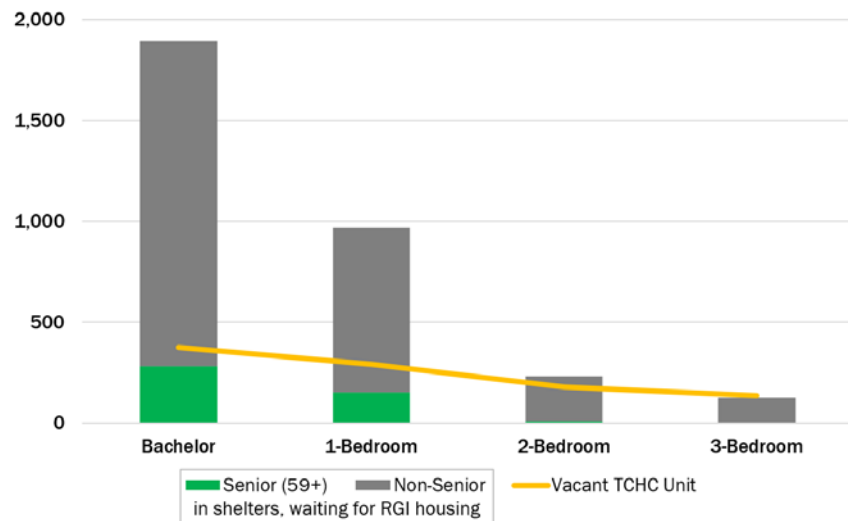
A review of housing units should be performed to assess what action is needed by the City, as service manager, and TCHC, as housing provider, to enable social housing units to serve their primary purpose of housing. We have been advised that TCHC is actively working to address this situation.

**Opportunities to provide relief to the emergency shelter system**

Re-thinking how these units can be best used, also opens up opportunities to provide relief to the emergency shelter system. In Figure 10, we compare the type of housing applicants experiencing homelessness require with the units available at TCHC. These units can relieve pressure in the emergency shelter system by providing stable housing. Caseworkers work with shelter clients to ensure they have the necessary supports in place to make their tenancies successful.



**Figure 10: Vacant Units Can Help People Experiencing Homelessness**



**Recommendations:**

16. City Council request the General Manager, Shelter, Support and Housing Administration Division, in collaboration with the Chief Executive Officer, Toronto Community Housing Corporation, to ensure that a maximum number of social housing units are being used for housing and to complete a review of all housing units that are used for other purposes; and, establish a process that requires service manager approval prior to the removal of any housing units from service.
17. City Council request the General Manager, Shelter, Support and Housing Administration Division to:
  - a. work, in collaboration with the Chief Executive Officer, Toronto Community Housing Corporation, to develop an interim process to efficiently and publicly post information on buildings with hard-to-rent vacancies to support applicants in making more informed housing choices
  - b. leverage any existing solutions with City and agency partners to provide support for rent-geared-to-income applicants to access the internet at various city sites such as, emergency shelters, social services offices, local libraries, and community centres.

## C. 2. Over-Housed Occupy Larger Housing Units

**Over-housed have more bedrooms than the household is eligible to occupy**

Over-housing occurs when people live in a unit that is too large for their household composition. This typically occurs when there is a change, such as when adult children move out. When this happens, households cease to be eligible for their unit and must be transferred to a housing unit suitable for their new household composition.

### Impact of Over Housing

**Over-housing is an issue because there are tens of thousands of people waiting for access to subsidized housing**

Over-housing is an issue because there are tens of thousands of people waiting for access to subsidized housing, including a number of households that are currently under-housed<sup>28</sup>. TCHC, for example, has approximately 190 RGI households on its internal transfer list who were under-housed by at least one bedroom.

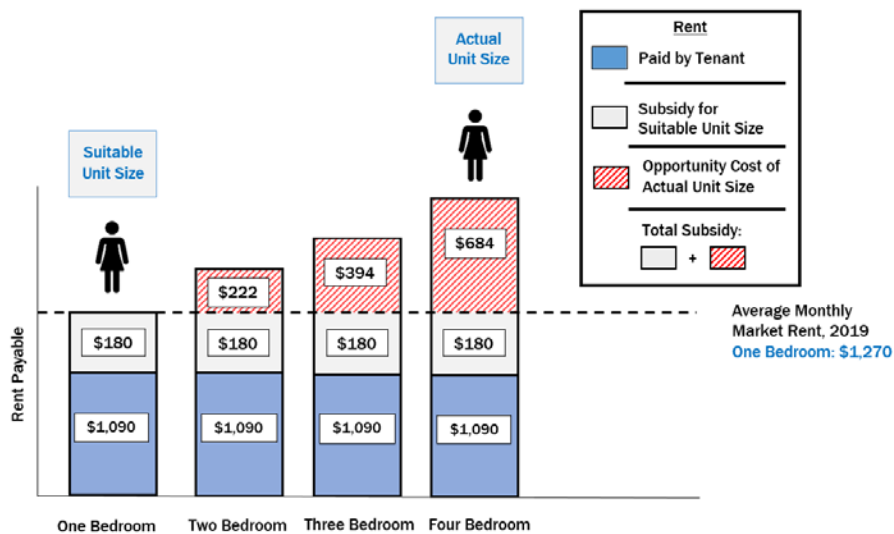
By effectively re-housing over-housed RGI tenants, more people can be accommodated within the social housing system.

**Subsidy is greater when households are in larger units than they are eligible to occupy**

Furthermore, when an RGI tenant is over-housed, the City provides a larger subsidy than it would if the RGI tenant were housed in a suitable housing unit.

Figure 11 compares the monthly subsidy when a tenant is over-housed and the subsidy if that tenant was housed in a unit suitable for the household's composition. The Figure shows the subsidy funding impact can range from \$222 to \$684 per month depending on the size of the housing units.

**Figure 11: Opportunity Costs of Over-housing Based on Annual Household Income \$43,600**



Note: RGI rent payable by the tenant is calculated based on 30% of \$43,600 household annual income

<sup>28</sup> Under-housed households are not considered a priority group under the *Housing Services Act, 2011*.

**Subsidy funding can be stretched to help more people by ensuring households are in the right unit size**

TCHC provides housing for 75 per cent of all RGI households in Toronto. At the end of 2018, there were approximately 1,375 over-housed RGI tenants living in TCHC buildings<sup>29</sup>. A summary of the tenants and the number of years they have been over-housed is provided in Table 7.

**1,550 more people can access social housing when RGI tenants are re-housed**

If these RGI tenants are effectively re-housed, we estimate that approximately 1,550 more people could gain access to social housing with RGI assistance.

**Table 7: Over-housed Rent-Geared-to-Income Households at TCHC**

<b>Length of Time (in Years) Over-housed</b>	<b>Number of Over-housed Units</b>
Between 0 and 2 years	556
Between 2 and 5 years	457
Between 5 and 10 years	245
Between 10 and 22 years	117
<b>Total</b>	<b>1,375</b>

Significant Number of Over-housed Households Are Not on the Centralized Waiting List to be Re-Housed

**Full impact of over-housed is not determinable at this time**

The City does not have a complete list of all over-housed RGI tenants system-wide. Therefore, we are unable to determine the full impact of effectively re-housing the over-housed.

At the end of 2018, the centralized waiting list included about 600 over-housed RGI households. Some, but not all, of the 1,375 over-housed tenants on TCHC's internal transfer list are on the centralized waiting list. We also found that most of the other housing providers we visited were not identifying and adding over-housed tenants to the centralized waiting list.

Over-Housed Households are not Being Effectively Re-housed

**Average of 5 years to move an over-housed tenant into suitable unit**

Although the over-housed are a priority category for available housing, it takes the City an average of five years to re-house them. In 2018, there were 138 over-housed families moved to a suitable unit.

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<sup>29</sup> Based on TCHC's internal transfer list and rent roll as of the end of 2018

**City should establish local rules for what constitutes a reasonable time frame for re-housing**

We appreciate that re-housing requires time and the City will have to absorb some of the associated subsidy inefficiencies. The legislation allows for one year before a household ceases to be eligible to receive RGI assistance under the local occupancy standards. However, the household does not cease to be eligible for RGI if the over-housed tenant follows the local rules. The City may need to update its rules to ensure re-housing occurs within a reasonable time frame.

**City is not identifying over-housed tenants who do not select a sufficient number of relocation choices**

Out of 600 over-housed households on the centralized waiting list, we found 81 had not selected the required minimum of five building preferences for relocation, in addition to their current building<sup>30</sup>. The fewer number of choices, the less likely and the longer it may take to move into a suitable unit for their household composition. We noted that the City of Ottawa requires households to progressively increase the number of building preferences over time to improve chances of rehousing.

**Some over-housed tenants refuse to move and there is no consequence**

We also analyzed data on applications cancelled in 2018 and found 40 over-housed RGI tenants were removed from the centralized waiting list for refusing three housing offers in buildings of their choice. We reviewed five of these files and found that four of these households continue to occupy the larger housing unit. The City's rule that refusing a transfer three times may result in loss of RGI eligibility is not being applied.

**Applying a surcharge to over-housed tenants may motivate more timely transfers**

The Agency for Co-Operative Housing suggests applying a surcharge for the difference between the full housing costs of the unit occupied and the full housing charge for the unit they are eligible to occupy. A surcharge provides additional motivation for over-housed to transfer to appropriate housing in a timely manner.

Regardless, the City should look at what measures can be taken to transfer over-housed RGI tenants. Where the over-housed are not effectively re-housed, other larger families with in need of subsidized housing are prevented from accessing the limited social housing stock.

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<sup>30</sup> There is also inconsistency within the City's policies and procedures regarding required number of selections and whether it is based on specific buildings, projects / communities, or housing providers.

Enforce and Enhance Current Controls to Ensure People are Housed in the Right Unit Size

**Controls can be strengthened to ensure RGI tenants are housed in a suitable unit**

Controls can be strengthened to ensure RGI tenants are housed in a suitable unit. For example:

- Unit size can be automatically determined by the waiting list information system. This can help to prevent human error in determining the appropriate housing unit size and in entering this information into the system.
- Before offering a vacant housing unit to an RGI applicant selected from the centralized waiting list, housing providers should verify that the size of the unit noted in the centralized waiting list system is appropriate for the household. This is a detective control in case there was an error in the original determination or if the household composition has changed over time.
- The City, as service manager, should consider retaining control of decisions for additional bedrooms due to medical conditions or other prescribed circumstances. Currently, housing providers have been delegated the authority to make these decisions. In our review of a sample of files, we found several instances where the required documentation was not on file, incomplete or contrary to local rules. Even when a medical note was provided, we found the condition may not have warranted an extra bedroom. For example, one household had a medical note that stated the "husband and wife need different temperatures for comfortable sleep." The Division should consult with the City's Medical Officer of Health on developing criteria for accommodating medical conditions.

**Recommendations:**

- 18. City Council request the General Manager, Shelter, Support and Housing Administration Division, to review and revise the local rules in order to effectively re-house over-housed rent-geared-to-income tenants into a suitable housing unit. In conducting the review, the Division consider:**

  - a. evidence available on the number of preferences that will support efficient and timely re-housing of an over-housed household including benchmarking with other jurisdictions**
  - b. implications of imposing an over-housed surcharge on households who refuse to be re-housed in a timely manner.**
- 19. City Council request the General Manager, Shelter, Support and Housing Administration Division, to develop system controls to automatically determine the maximum number of bedrooms a rent-geared-to-income applicant is eligible for based on household composition and the City's occupancy standards.**
- 20. City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Medical Officer of Health, to:**

  - a. identify the medical circumstances that would warrant a rent-geared-to-income household to have more bedrooms than specified in the local occupancy standards and update local rules accordingly**
  - b. develop and implement a process to review and approve requests for an additional bedroom to accommodate medical conditions, including documentation that should be obtained to support such requests, based on criteria to be included in local rules.**

### C. 3. Units Held for Revitalization

**185 units held vacant across TCHC buildings waiting for demolition as part of revitalizations – this number is expected to grow**

As part of the revitalization of certain TCHC communities, TCHC has taken a phased approach to demolishing and constructing its social housing units. Tenants are to be moved out of existing buildings scheduled for demolition, in accordance with TCHC’s Relocation Policy. Until such time as the building is completely vacated and ready for demolition, more and more units within the building will become vacant and will not be rented out to any new tenants. In the past, units have been left vacant for anywhere from several months to five or more years before they are demolished.

**Units require a thorough cleaning before use**

According to data provided by TCHC, currently, there are more than 185 such units being held vacant in Regent Park and Lawrence Heights<sup>31</sup>. On average, these units have been vacant for 13 months.

During the audit, we visited 10 per cent of these units. The photographs below show examples of the buildings and units awaiting demolition. In our view, the majority of units are useable<sup>32</sup> but require a thorough cleaning. Some units would benefit from minor repairs such as painting. A small proportion of the units would need significant work.

**There is an opportunity to leverage vacant units related to future phases of Regent Park and Lawrence Heights revitalizations**

The vast majority are scheduled for demolition as part of Phases 4 and 5 of the Regent Park revitalization. TCHC is currently in the process of selecting a developer partner for those phases. More units will become vacant over time as existing TCHC tenants are relocated from these buildings. For example, most of the buildings we visited in Regent Park were at least 50 per cent occupied.

While the number of units held vacant at any given point in time will fluctuate, TCHC revitalizations are expected to span a significant number of years.

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<sup>31</sup> During our audit, we attempted to visit a sample of vacant units being held for demolition. We found that the list provided by TCHC was not up-to-date.

<sup>32</sup> All units would need to be properly assessed if they are to be used for an alternative purpose, such as emergency shelter.



**Photographs: TCHC Units Awaiting Demolition**



**Regent Park Phases 4 & 5**



**Lawrence Heights**



**Potential opportunity for savings if the City and TCHC work together to provide temporary shelter for those experiencing homelessness**

There is an opportunity here. There may be a potential for savings if the City and TCHC work together to provide temporary shelter for those experiencing homelessness and living in emergency shelters. Other benefits are also possible – those in emergency shelters would be housed in a community with supports and have access to kitchen facilities and possibly greater security and privacy.



We recognize this is a complicated matter and that the City and TCHC would need to collaborate to consider:

- Temporarily designating the units as emergency or transitional shelter units inside TCHC buildings<sup>33</sup> – these would not require leases nor would occupants pay rent
- The necessary supports SSHA would need to provide families in an emergency or transitional shelter situation
- Seeking assistance from various City agencies and from the wider community to help freshen up the units
- The need to move shelter clients out on short notice, once TCHC secures the proper planning approvals and permits to proceed with demolition. SSHA would need to transition people to other temporary accommodation

The relief these units can provide to the emergency shelter system may be significant. For example, the City spent approximately \$47 million in 2018 on hotels to temporarily house families in about 800 hotel rooms. There may have been an opportunity for savings if the City had been able to leverage these TCHC units as a short-term strategy.

**Recommendation:**

- 21. City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the Chief Executive Officer, Toronto Community Housing Corporation, to consider the feasibility of using TCHC vacant units held for revitalization to meet the demand for emergency shelter as an alternative to hotels or other temporary shelter options.**

## **D. Enhancing Oversight, Strengthening Controls, and Increasing Integration of Processes**

There are several areas where the City can improve the efficiency and effectiveness of its practices for administering the centralized waiting list, including:

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<sup>33</sup> *The Residential Tenancies Act, 2006* does not apply with respect to short-term living accommodation provided as emergency shelter.

1. Improving oversight of RGI vacancies filled by households that are not selected from the centralized waiting list
2. Strengthening internal controls over eligibility reviews, performing reviews of income and assets when people apply for RGI assistance, and correctly determining the amount of RGI assistance
3. Enhancing information system controls to improve data integrity
4. Speeding up and enhancing Human Services Integration

These areas are discussed in greater detail in the sections that follow.

#### **D. 1. Improving Oversight of Households that are not Selected from Centralized Waiting List**

**City does not track which providers fill RGI vacancies outside the centralized waiting list**

The City does not track which operators fill subsidized housing vacancies without using the centralized waiting list<sup>34</sup>. During the audit, we observed five instances where social housing vacancies were filled with a household that was not selected from the centralized waiting list.

**Under the Act, certain providers can fill vacancies outside the centralized waiting list process**

While the Act generally requires housing providers to fill RGI vacancies from the centralized waiting list, under the Act, an alternative housing provider or special needs provider can house tenants without having to use the centralized waiting list<sup>35</sup>.

The City enters into agreements with these providers to outline how tenants will be selected, and to specify which units fall under the agreement. They can use any of the following methods to fill vacancies in their buildings:

1. City's centralized waiting list
2. Housing providers' internal waiting lists
3. Referrals from an agency with whom they have a formal referral agreement in place as approved by the City
4. A combination of any of the above methods

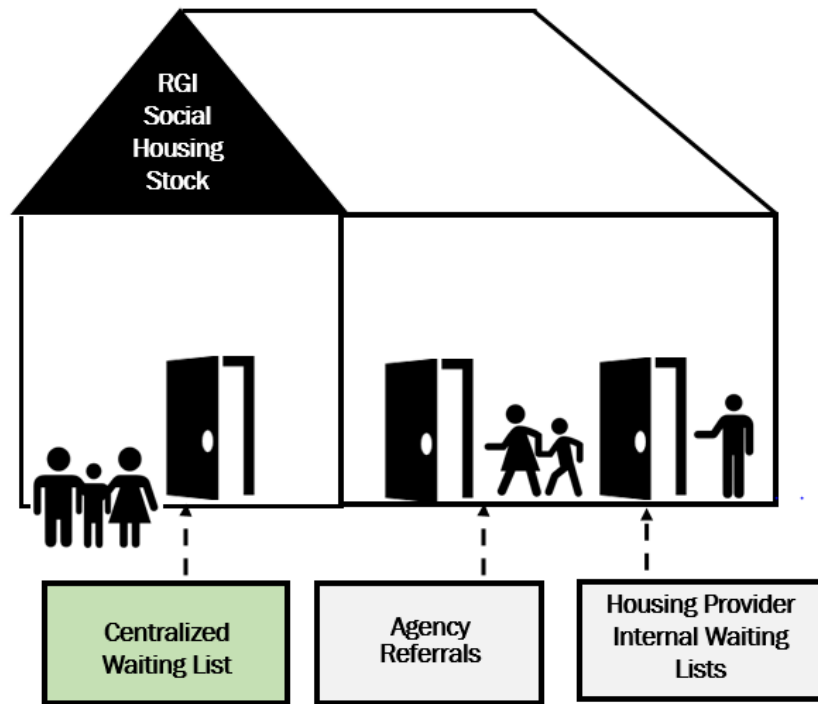
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<sup>34</sup> The Act defines housing units that are modified for accessibility, or in which households receive provincially funded support services, as 'special needs units'. Vacancies for these units can also be filled outside of the centralized waiting list.

<sup>35</sup> Alternative housing providers serve formerly homeless individuals and other vulnerable households. Most of these providers were given the "alternative" designation by the Province prior to the transfer of social housing to the City in 2002.

Figure 12 illustrates the different ways households can gain access to RGI housing.

Figure 12: Ways to Access RGI Housing Assistance



Access to Housing Should Track RGI Housing Accessed via Referral Agreements

**RGI tenants housed through referral agreements are not monitored by the City**

The City does not effectively monitor RGI tenants housed through referral agreements. Therefore, we do not know the number of RGI households placed into subsidized housing by a referral agreement without using the centralized waiting list.

Where housing providers are not adhering to local rules and controls, there is a risk that households can by-pass the City's centralized system to access RGI housing assistance.

**No inventory of which housing providers have entered into referral agreements for RGI Units**

In its 2014 update report to Council, management indicated that it was completing a comprehensive inventory of the units earmarked for referral agreements.

**Risk of unauthorized agreements being used to fill vacant RGI social housing units**

While management conducted a survey of housing providers in 2015 to collect information on which ones use referral agreements, the information has not been analyzed and an inventory of referral agreements used by housing providers to fill RGI units has not yet been developed. This presents a risk that housing providers may enter into agreements that are not authorized by the City and do not achieve the intended objective of providing housing to the most vulnerable. It also provides an opportunity for providers to circumvent established procedures for fairly allocating the limited RGI housing units available.

For example, during our site visits to 11 housing providers, we selected a sample of existing RGI tenants from their rent rolls. Out of a sample of 66 tenants, we could not find any record in the centralized waiting list system for two households. The housing provider informed us that these two households were direct referrals from an agency. Yet the provider did not have a formal written referral agreement nor any documentation about the nature of the referral from the agency. At the time the applicants were housed, City staff responsible for approving such agreements were unaware of any such referral agreement between the provider and the agency. At the time of our audit, the housing provider still did not have a formal City-approved agreement with the referring agency.

**Applications on the waiting list are not cancelled after RGI housing is provided through an alternative housing provider**

When housing providers use their own internal waiting lists to grant RGI assistance to a household, they must inform Access to Housing so that if the household is on the centralized waiting list, their application can be cancelled. In our sample, we found three instances of RGI households that were housed by an alternative housing provider, but their applications are still active on the centralized waiting list. Again, this creates inaccurate information for analysis purposes and slows down the housing placement process.

**Number of RGI tenants housed through referral agreements is unknown**

The City does not ask housing providers to track and provide the City with information on which applicants were housed through referral agreements; therefore, we cannot confirm the number of applicants that have been housed this way.

Strengthen Monitoring of Housing Providers' Use of the Centralized Waiting List

**Almost two-thirds of housing providers have not been reviewed according to Divisional standards**

In response to audit recommendations in our 2014 report "Strengthening the City's Oversight of Social Housing Programs", SSHA Management implemented a risk-based approach to completing operational reviews of housing providers. The purpose of these reviews is to ensure housing providers comply with legislative and regulatory requirements, including City guidelines.

In our current audit, we found that only 35 per cent of providers have been reviewed within the Division's established timelines. Of particular concern is the fact that only 15 per cent of high-risk providers<sup>36</sup> had a review completed in the last two years, as required.

**Fraud & Waste Hotline substantiated an allegation that the centralized waiting list was inappropriately by-passed by a housing provider**

In 2016, the Fraud & Waste Hotline received a complaint about a housing provider who by-passed the centralized waiting list and housed family and friends with RGI assistance. The fraud occurred for a few years. The allegations were investigated and substantiated by SSHA. Management has not yet completed a comprehensive review to strengthen its internal controls in order to detect and prevent this type of fraud.

In response to the substantiated Fraud & Waste Hotline complaint, SSHA reported that the Division was going to use centralized waiting list activity data on a monthly or quarterly basis to identify housing providers who do not use the centralized waiting list properly to fill RGI vacancies. Improved monitoring procedures were projected to be in place by the second quarter of 2018.

We found that proposed changes to improve monitoring were not made in 2018 and the monitoring of housing providers is not being completed as required.

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<sup>36</sup> SSHA has created a risk-based methodology to complete a review of certain providers. Factors considered when assessing risk include: average amount of time to fill RGI vacancies, whether the waiting list is used properly, and whether the provider is meeting the targeted service level. Of the 156 providers that are reviewed by the Division, 81 are considered low risk, 48 medium risk, and 27 high risk. The higher the risk, the more frequently reviews should be completed.

**Recommendations:**

22. City Council request the General Manager, Shelter, Support and Housing Administration, to implement and ensure compliance with procedures to oversee rent-geared-to-income households not selected from the centralized waiting list, including procedures and controls to:
  - a. identify and review all current referral agreements to develop a comprehensive inventory of agency referral agreements and the respective number of housing units to be filled through referral agreements
  - b. ensure all current and future referral agreements are approved by the City
  - c. ensure there is a record of all households that are granted rent-geared-to-income assistance and housed through any alternative arrangement in the centralized waiting list information system.
23. City Council request the General Manager, Shelter, Support and Housing Administration, to enforce the regular review of housing providers and ensure they are completed as required in compliance with policies and procedures and to take corrective action to address any problems identified in the course of such reviews.
24. City Council request the General Manager, Shelter, Support and Housing Administration, to ensure the internal controls to review rent-geared-to-income housing providers are reviewed and strengthened to address weaknesses identified from the occurrence of fraud.

**D. 2. Increasing Integration and Strengthening Internal Controls over Eligibility Reviews**

**Centralization of RGI eligibility assessment and integration will promote efficiency and oversight**

We estimate that there are over 300 individuals, both City employees and housing provider staff, involved in assessing initial and ongoing RGI eligibility, and verifying income to determine RGI rent as summarized in Table 8. Many of these people may have other job responsibilities as well. An overly decentralized RGI administration process contributes to inconsistencies, creates system inefficiencies, and limits the ability to detect and address fraud risks.

Additionally, overlap exists with other City business units that verify income for other income-based benefit and subsidy programs. Centralizing these functions within the City and integrating the delivery of RGI with other income-tested services included in Human Services Integration project will result in a more proactive, transparent and coordinated housing access and benefit system.

**Table 8: Responsibilities for Administering RGI (Including Eligibility, Income Verification, Updating of Records, and Housing Offers)**

	Verify basic eligibility (age, status in Canada)		Verify income		Update applicant and tenant records	Make offers to waiting applicants	Determine amount of RGI rent	Administer loss of eligibility process
	at time of applying	at time of housing / ongoing basis	at time of applying	at time of housing / ongoing basis				
<b>City as Service Manager</b>								
<i>SSHA Housing Stability Services</i>								✓
<i>SSHA Access to Housing</i>	✓				✓			✓
<i>SSHA Housing Benefits (Rent Supplement)</i>		✓		✓	✓	✓	✓	✓
<b>TCHC and other Housing Providers</b>		✓		✓	✓	✓	✓	✓

**Auditor General has initiated an audit of RGI assistance**

The Auditor General has initiated an audit of ongoing eligibility for RGI assistance, including income verification and RGI assistance calculations. This will be included in the next phase of her ongoing operational review of the Shelter, Support and Housing Administration Division. Based on preliminary findings, the results of this review are expected to support the centralization of these services under the City for greater efficiency and oversight.

The City should look to integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs (including RGI assistance), which are currently dispersed amongst multiple groups (Access to Housing, other SSHA business units, TCHC, and other housing providers). This will help to improve the efficiency and quality of such reviews. This may be included as part of, or supplemental to, work on the Human Services Integration discussed in Section D.4. This is also consistent a recommendation made by the Auditor General in 2014 and with the Mayor’s 2016 Task Force on Toronto Community Housing observation that the transfer of responsibility for the centralized waiting list to the City was an opportunity to integrate the delivery of RGI with other forms of housing assistance as well as other income-tested services.

**Opportunities to strengthen internal controls**

During our audit we identified some opportunities for the City to strengthen internal controls for performing RGI eligibility reviews, including the calculations to determine the amount of RGI assistance. These are examples where the centralization of RGI administration (specifically eligibility reviews and income verification) directly under the City may bring about greater efficiency and oversight.

The areas identified for improvement include the following:

**Explore efficient means to verify income**

- Access to Housing should explore opportunities to efficiently obtain and verify income information at the time an applicant is added to the centralized waiting list and on an ongoing basis. This is important since system controls prevent applicants with self-declared income above a certain threshold from receiving housing offers.
- City should ensure housing providers and/or Access to Housing are taking steps to ensure applications reflect current income and/or cancel applications from the waiting list when housing providers discover waiting household with income too high to be eligible for RGI assistance.

**Adequate documentation to support income should be obtained and retained**

- City should ensure housing providers are obtaining and retaining sufficient documents to support income verification at the time an RGI applicant is housed.
- The Access to Housing (Housing Connections) Business Procedures Manual for staff managing the waiting the list should be kept up-to-date. We noted some inconsistencies between the content in the manual and service manager practices.

**Automated tools can simplify RGI calculations**

- City should review and update the RGI manual to provide better guidance to providers, including developing a spreadsheet tool with built-in formulas to support housing providers in properly calculating RGI and in preventing errors.

**File sharing avoids duplication**

- Access to Housing and housing providers can improve their retention and review of documents used to verify a household's status in Canada. Duplication of effort can be reduced by increased sharing of information between the two groups for the purpose of verifying eligibility.

**Need for ongoing housing provider training**

- From our survey, we noted that housing providers would like more training on how to deal with exceptions and to have a forum for peer discussions. We also noted that while providers' new staff receive training there should be more training opportunities for existing staff.



**Implement quality assurance checks on a sample basis**

- Access to Housing should implement a process of regular reviews or spot checks of a sample of files to help detect any quality issues that need corrective action.

A separate letter will be issued to management providing greater detail on the internal control observations that came to our attention during this audit. Detailed recommendations to address these observations will also be included in that letter. The Auditor General will follow up on the implementation of recommendations included in that letter as part of her normal process to follow-up on audit recommendations.

**Recommendations:**

- 25. City Council request the General Manager, Shelter, Support and Housing Administration Division, to strengthen internal controls which ensure households on the centralized waiting list and those receiving rent-geared-to-income are eligible.**
- 26. City Council request the General Manager, Shelter, Support and Housing Administration Division, to review how, going forward, the City, as service manager, may be able to centralize and integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs currently dispersed amongst multiple groups (Access to Housing, other City business units, Toronto Community Housing Corporation, and eventually other housing providers) for greater efficiency and oversight.**

**D. 3. Enhancing Information System Controls to Improve Data Integrity**

**Need for improved technology and system controls**

We observed a significant number of instances where it was obvious that the waiting list data was incorrect. For example, there were 50 waiting households with primary members of the household aged 100 or older including one that is 135 years old and 35 others with birthdates of 1900/01/01 or 1901/01/01.

Incorrect data negatively impacts an applicant's chances of obtaining housing. For example, there are 241 households with monthly income of more than \$10,000 including three households with monthly income over \$1 million and 13 other households with monthly income over \$600,000. The system will prevent these households from appearing on lists the housing providers use to make offers when social housing units become available.

Some inaccuracies likely occurred as a result of human error and some are due to technology limitations. For example,

- Records created for testing purposes remain active in the system and are treated as real
- Incorrect dates
- Incorrect unit sizes
- Incorrect income and asset information
- Incorrect contact information
- Inconsistent data inputs and formats

Despite the poor quality data in the waiting list information system, this data is used for management reports, including budget reports on the number of people waiting for housing, as well as on the City's website.

#### **Current system is obsolete**

Management advised that the information system is obsolete and limited in the features that are available. The system does not have any controls to ensure offers are made to applicants in the proper order.

There are a few exception reports that staff use. Given the technological limitations, additional controls are needed to help staff and supervisors to detect data errors and to make corrections to improve the reliability of the centralized waiting list.

There are fairly simple measures that management could take to identify data integrity issues, including the use of spreadsheet analysis, as we did in this audit. Additionally, whenever Access to Housing or housing providers identify inaccurate, incomplete, or out-of-date information, it should be corrected right away.

#### **Restoring data integrity**

We also discussed the need for improved system access, input, and data validation controls with management, including:

- Mandatory fields, such as contact information
- Fixed drop down menu options
- Edit checks
- Checks for date format
- Automated notifications of expired / expiring documents to support eligibility
- Validation of data from interfaces
- Exception reports to support monitoring and investigation of irregular data or activity

**Choice-based housing pilot project was launched in 2014**

The My Choice Rental Pilot was launched in February 2014; however, to date the system has not been implemented. The proposed system for selecting households from the waiting list will make information about vacant housing units available to relevant households. Those who express interest in the unit will be contacted in order of their ranking on the list.

The pilot project observed a:

1. Decreased number of phone calls needed to fill a vacant unit from 9 to 2
2. Increased acceptance rate of offered units from 24 to 76 per cent
3. Decreased length of time to fill a vacant housing unit from 45 to 25 days.

In July 2014, Council directed the Division to take steps to implement a choice-based system across the City's entire social housing portfolio.

The new system is expected to provide added functionality to support the management of the waiting list. It will also enable eligible social housing applicants to take a virtual tour of available social housing units online and choose a unit that meets their needs.

**Capital Plan includes a new waiting list system**

Access to Housing has been working with the corporate Information & Technology Division, since 2015, to acquire a new system. Five years later, the system is still not available. At the time of our audit no vendor has been selected and a new system is not yet in place. The Division has an approved capital budget of \$6.9 million to advance this project. Approximately \$1.1 million has been spent and the majority relates to salaries.

**Only current and accurate data should be transferred to the new system**

Until such time as a new system is fully implemented, it is important that data integrity issues for the existing waiting list be addressed. If not, there will continue to be inefficiencies in filling vacant units and the most vulnerable, such as those experiencing homelessness, will not get appropriately prioritized for access to RGI housing. It is important to ensure only current and accurate data is transferred to the new system.

**Recommendation:**

27. **City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Chief Information Officer, to ensure:**
- a. that progress is made to select a vendor and develop an implementation plan for the new choice-based system for selecting households to receive rent-geared-to-income assistance
  - b. the new technology includes appropriate system access controls, input and validation controls to prevent data entry errors
  - c. exception monitoring controls are developed, including regular reports to support the detection of errors or irregular activity.

**D. 4. Speeding-up and Enhancing Human Services Integration**

**Many applicants for RGI assistance also apply for other income-based support programs**

36 per cent of the applicants waiting for RGI are Ontario Works (OW) or Ontario Disability Support Program (ODSP) recipients. In addition, as of April 2019, approximately 19 per cent of families with a child care subsidy were also receiving OW/ODSP.

**Multiple points of income verification for City services**

This means that many households are required to produce the same documents multiple times to verify status and income with Shelter, Support and Housing Administration, Children's Services and Employment and Social Services divisions.

In an integrated service model, client documents would be centrally collected so that income eligibility for various support programs could be assessed in a coordinated manner. This simplifies the process because clients enter only 'one door' when applying for services, rather than having income documented and verified separately by each program. This enhances the service experience for clients and saves time and money.

Integrating service delivery provides a significant opportunity for improving the quality of the centralized waiting list, because currently Access to Housing does not verify income before adding applicants to the waiting list. Additionally, this is an opportunity to provide better support to housing providers who confirm income eligibility for new tenants accepted into social housing and all existing RGI tenants on an ongoing basis.

In June 2014 and again in May 2018, the Auditor General made recommendations to coordinate and consolidate shared and common services, including income-tested eligibility processes. Specifically, the Auditor General recommended:

*"City Council request the General Manager, Shelter, Support and Housing Administration in collaboration with the General Manager of Toronto Employment and Social Services and the General Manager of Children's Services explore opportunities to:*

- a. share information for the purpose of verifying eligibility for each program; and*
- b. collaborate on investigations regarding mutual clients who may be involved in irregular activities."*

*"City Council request the General Manager, Children's Services Division, to collaborate with the General Manager of Employment and Social Services Division and the General Manager of Shelter Support and Housing Administration Division, to continue to identify and implement opportunities to further improve the coordination of services across the three income-based assistance programs, and to expedite the implementation of the Human Services Integration Strategy."*

**Common intake and assessment from a multi-service housing registry**

In July 2014, Council authorized the Deputy City Manager, Cluster A (now Community and Social Services) to *"take steps to integrate the administration of access to rent-geared-to-income housing with administration of other housing benefits and supports, and other income-tested human services by developing an integrated service delivery model for intake and eligibility determination for rent-geared-to-income assistance, housing allowances and other housing and related City-administered human services."*

**Service integration of income based programs**

Furthermore, Council's vision to transform the centralized waiting list system into a multi-service housing registry was a component of the broader integrated human services delivery model. More than five years have passed since these recommendations were made. At the time of our audit, Access to Housing had not yet been integrated with any of the other income-based programs delivered by other City Divisions. Management is working toward this milestone.

**\$2.39 million in future service efficiencies will be achieved**

In addition to improving customer service, there are substantial efficiencies to be achieved by a central intake and assessment function across the City's income-based support programs. Management estimates that the completion of the Human Services Integration project will result in \$2.391 million in net annual efficiencies starting in 2022.

## **Rationalizing resources**

Access to Housing currently has a complement of 49 full-time staff to manage the centralized waiting list, to modernize the technology and to review grants. In transforming business processes to increase integration and efficiency across the City's income-based support programs, there is an opportunity to rationalize the resources needed. For example, Access to Housing currently has:

- 8 call centre operators amongst the 10 staff with rotating duties in the Access to Housing Resource Centre. An integrated access and support centre function is planned as part of the Human Services Integration project. It will bring together the application processes for rent-geared-to-income assistance, the Child Care Fee Subsidy and Ontario Works benefits.
- 16 caseworkers who perform basic eligibility screening for age and status in Canada and update applicant files, including 6 caseworkers exclusively dedicated to screening special priority applications. There are also 7 support assistants who perform various administrative duties including scanning supporting documents from applicants and mailing notices. Human Services Integration would reduce the need for similar screening and administrative tasks.
- 5 staff in the business modernization team that could be incorporated into a broader Human Services team to speed up integration.

## **Integrated applications and support centre to be implemented in 2019**

We were informed that, in 2019, Employment and Social Services, Children's Services, and Shelter, Support and Housing Administration will launch the following initiatives:

1. an integrated applications and support centre including a Customer Relationship Management (CRM) system leading to a single client profile
2. Knowledge Base database with a data exchange tool across divisions
3. analytics and business intelligence capabilities

Additional efficiencies can be achieved by matching the City client profile to other government support payments and programs. For example, 15 per cent of applicants on the centralized waiting list receive Old Age Security or Canada Pension Plan retirement pension, and existing RGI tenants also receive income from these sources. Establishing Memorandums of Understanding to leverage data from other government databases can improve the effectiveness and efficiency of verification and monitoring functions. It also improves customer service, especially for those who find it difficult to provide documents because of their unstable housing situation.

Electronic updating of client information through interfaces or uploading of data files from other systems enables the City to effectively and efficiently use data analytics to support operations. Income can be automatically verified and used to assess eligibility for various City social programs, including the centralized waiting list.

Before undertaking any data sharing, a review of relevant privacy considerations should be performed.

**Recommendation:**

- 28. City Council request the General Manager, Shelter, Support and Housing Administration Division, to collaborate with the General Managers of Employment and Social Services and Children's Services divisions to ensure implementation of the Human Services Integration project achieves service efficiencies in administering these income based subsidy programs. In the short term, this will include one income assessment process and in the longer term this should be expanded to include other common functions. The implementation should include a rationalization of resources.**

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## Conclusion

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The City, TCHC, and other housing providers must work together to break down barriers that block people from moving along the housing continuum towards stable housing.

The City, as the legislated service manager for social housing in Toronto, is responsible and accountable for meeting legislated service level standards for the number of households provided with RGI assistance in Toronto.

City Council should ensure that the City, as service manager, has the authority and control necessary for improving the effectiveness of the centralized waiting list, reducing vacancies, and making better use of space in social housing buildings.

It is necessary to break out of the silo mentality, think outside the box, and break down barriers, and in doing so achieve outcomes of helping more individuals and families to achieve stable housing.

**New business procedures and technology are needed but that should not stop the City from moving forward**

New business procedures and improved technology are needed to effectively and efficiently administer the centralized waiting list. Achieving service efficiencies will support the City to meet legislated requirements and improve access to highly demanded RGI housing assistance.

**More people receive housing benefits from efficient services**

By implementing the recommendations in this report, the Shelter, Supporting and Housing Administration Division has the potential to provide access to RGI assistance to 2,200 more people, in a more timely manner.

We have identified a number of areas where operating efficiencies can be achieved, however the full extent cannot be determined at this time. The implementation of the recommendations in the report will allow subsidy funding dollars to be stretched further and provide more people with access to housing by making better use of social housing units. This, in turn, helps the City to move closer to delivering the legislated service level requirement for Toronto.

The Auditor General will issue a separate letter to management regarding internal control observations and recommendations as well as other less significant issues that came to our attention during the audit. Work on certain matters arising from this audit is ongoing and may be reported upon separately in the future.



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## Audit Objectives, Scope and Methodology

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### **Audit included in the 2018 work plan**

The Auditor General's 2018 Audit Plan included an operational review of the Shelter, Support and Housing Administration Division. The operational review is being completed through a series of audits, each focusing on a specific operational component. This audit focused on the administration of the City's centralized social housing waiting list, which is the gateway to accessing rent-geared-to-income (RGI) assistance in Toronto.

### **Audit focus is on the administration of RGI centralized waiting list**

The objective of this audit was to evaluate the effectiveness, efficiency, and economy of how the City administers applications for rent-geared-to-income (RGI) assistance.

More specifically we wanted to answer three key questions about the RGI centralized waiting list:

1. Are applicants waiting for RGI assistance getting timely and equitable access – ensuring those with the greatest need are efficiently served?
2. Is the waiting list being administered effectively so that vacant subsidized units are filled as expeditiously as possible?
3. Is the City, as service manager, ensuring compliance with local rules and the legislation?

### **Scope**

This audit focused on activities related to the administration of the centralized waiting list in 2017 and 2018. Where relevant to our audit, we examined certain records and data outside of this period.

As part of this audit, we reviewed the City's practices to verify basic eligibility when adding applicants to the centralized waiting list. We will perform a review of the administration of RGI assistance for current recipients, including reviews of ongoing eligibility and the amount of RGI subsidies in the next phase of our operational review of the Shelter, Support and Housing Administration Division.

## Audit methodology

Our audit work included the following:

- Review of the *Housing Services Act, 2011* and the City's local rules
- Review of the City's policies and procedures for administering the centralized waiting list, including the RGI Administration Manual and Access to Housing Business Procedures Manual
- Interviews with staff from the following City Divisions:
  - Shelter, Support and Housing Administration
  - Employment and Social Services
  - Children's Services
- Interviews with staff from Toronto Community Housing Corporation (TCHC)
- Analysis of the following data:
  - Applicants on the centralized waiting list at the end of 2018 including applications cancelled during the year
  - Applicants housed from the centralized waiting list between 2014 to 2018
  - Offers made by social housing providers during 2017 and 2018
  - TCHC unit status and tenant data at the end of 2018
- Review of documentation retained by the City and housing providers. The sample of files reviewed included:
  - 62 out of 3,140 applicants from the centralized waiting list who were housed in 2018
  - 66 applicants receiving RGI selected from 11 housing provider rent rolls
- Review of documentation relating to a sample of over-housed households including those with an approved additional bedroom
- Review of a sample of operating agreements between the City and housing providers
- Survey of 230 contacts for housing providers, of which 86 (37 per cent) provided complete responses.

- Research and interviews with other jurisdictions
- Review of literature and audit reports related to social housing
- Other procedures as considered appropriate

**Limitations to our audit**

Our findings and conclusions were based on the information and data available at the time the audit was completed. We used data provided by SSHA and TCHC to perform our analysis, but we are unable to provide assurance on the reliability and accuracy of the data due to weaknesses in business practices and the information system. We comment on these data integrity issues throughout the report. For example, in sections A.1 and D.3 we highlight issues with data in the centralized waiting list information system; and, in section C.3 we note that TCHC's list of vacant units being held for demolition is not up-to-date.

**Compliance with generally accepted government auditing standards**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Exhibit 1: Overview of Roles and Responsibilities for Providing Access to RGI Assistance Using the Centralized Waiting List

**City is the legislated service manager for housing and homelessness services in Toronto**

The *Housing Services Act, 2011* designates service managers to administer a number of social housing programs. Under the Act, the City is the service manager for housing and homelessness services in Toronto.

### **Role of the City as Service Manager**

**SSHA is responsible for administering and funding Toronto's social housing program**

The Shelter, Support and Housing Administration (SSHA) Division carries out the City's duties as service manager under the Act, including:

- managing a centralized waiting list for people applying for rent-geared-to-income (RGI) assistance
- administering the financial assistance given to housing providers so that eligible households pay rent based on their income
- setting "local rules"<sup>37</sup> for RGI assistance, including policies and procedures for who has priority and gets access
- funding subsidized housing programs – the Federal and Provincial governments each provide funding to the City to administer a variety of housing programs and services.

**The City has contracted the administration of RGI assistance to housing providers**

The City has contracted the administration of RGI assistance to housing providers through RGI Service Agreements. Toronto Community Housing Corporation (TCHC) administers RGI assistance for its tenants under an Operating Agreement with the City.

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<sup>37</sup> A "local rule" is a rule for RGI administration established by the City, over and above the provincial rules that are prescribed in the *Housing Services Act, 2011*. For example, the Act allows the City to set rules related to RGI eligibility criteria, including income and asset limits; criteria for granting of priority access to RGI housing; and occupancy requirements.

## Role of Social Housing Providers

### **Social housing providers include TCHC, co-ops and non-profit providers**

Toronto Community Housing Corporation (TCHC), community-based co-operatives and non-profit housing providers have agreements with the City to provide rent-geared-to-income housing units in the social housing system. These landlords, referred to as “housing providers” or “social housing providers”, are responsible for:

- selecting RGI applicants through the centralized waiting list or other approved agreements when social housing units become vacant
- making sure that a household is eligible for RGI assistance
- applying the City’s occupancy standards to determine the suitable size of unit for a household and ensuring RGI households are in the right sized unit
- verifying the household’s income and assets
- calculating how much rent each RGI household will pay based on their income (See Exhibit 2 for an illustrative example of how RGI rent is determined)
- reviewing the household’s ongoing eligibility for RGI assistance and making RGI decisions
- managing the personal information of RGI households
- dealing with instances of fraud

### **City also administers RGI rent supplements for housing through private landlords**

Additionally, there is a rent supplement program whereby RGI housing is provided through private landlords. City staff administer the RGI rent supplement program and use the centralized waiting list to fill vacant housing units on behalf of these landlords.

### **The City flows subsidy funding for social housing assistance directly to housing providers**

In accordance with the Act, the maximum rent payable by an RGI household is 30 per cent of their household income<sup>38</sup>. For all housing providers other than TCHC, the subsidy is based on the difference between a household’s RGI rent and the average market rent. The City flows this subsidy funding directly to housing providers on behalf of RGI households. This is illustrated in Exhibit 2. Subsidy funding for RGI units in TCHC buildings follows a different funding formula. The City is currently developing a new permanent funding model for TCHC’s operating and capital needs.

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<sup>38</sup> Ontario Works (OW) / Ontario Disability Support Program (ODSP) recipients pay RGI rent based on schedules in the Housing Services Act, 2011.

## Accessing RGI Assistance

Applications can be completed online, in-person, or by mail

Applications for RGI housing may be initiated online, completed in person at a number of sites throughout the City where staff and community partners can assist with this process, or by filling out a paper application and mailing it to Access to Housing<sup>39</sup>.

Figure 13 summarizes the main responsibilities of key stakeholders for access to RGI assistance. This includes Access to Housing staff, housing providers, and people needing RGI assistance.

Figure 13: Responsibilities of Key Stakeholders



<sup>39</sup> Certain housing providers are allowed to take applications directly, rather than through the centralized waiting list. These are usually known as “alternative housing providers” and may have specific eligibility criteria.

**Access to Housing screens for basic eligibility which does not include income or asset verification**

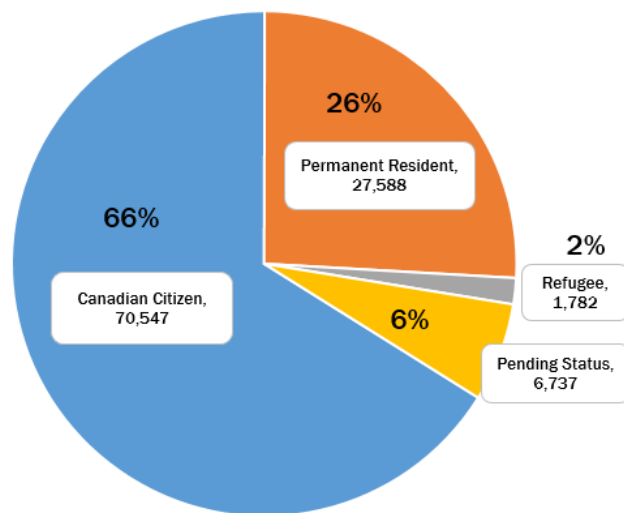
In order to qualify for social housing in Ontario, applicants must meet basic criteria:

- At least one member of the household is 16 years or older;
- At least one member of the household is able to live independently, with or without support services; and
- Each member of the household can prove status in Canada as a Canadian citizen; a permanent resident of Canada; has applied for Canadian permanent resident status; or is a refugee claimant or Convention refugee.

Access to Housing reviews these basic criteria prior to including applicants on the centralized waiting list. Of note, Access to Housing does not review household income and assets when adding applicants to the waiting list<sup>40</sup>.

**Canadian residency status for RGI applicants in Toronto**

**Figure 14: Residency Status in Canada for RGI Applicants**



**Access to Housing determines unit size and eligibility for priority access and modified units**

Access to Housing is responsible for determining the size of housing unit (number of bedrooms) a household is eligible for, based on local occupancy requirements established by the City.

If deemed eligible<sup>41</sup>, applicants are added to the waitlist and receive an acknowledgement letter. From there, the applicant can take a number of next steps as follows:

<sup>40</sup> Income verification does not occur until households are selected for a vacant unit. Housing providers verify income when filling a vacant social housing unit and City staff in SSHA’s Housing Benefits business unit verify income for rent supplement housing units operated by private landlords.

<sup>41</sup> If deemed ineligible, a written decision is sent to households and they are informed of a right to a review.

- Each applicant must choose at least one building where they prefer to be housed. If a choice is not provided by the applicant, City staff will select one for them based on the applicant's current or alternate address. What applicants may not know is that if they only select one building as their preference, they will not receive offers for other equally comparable buildings. The more options an applicant selects, the more likely they will be matched to receive an offer.
- An applicant may also apply to obtain priority access to housing. Having priority status, enables households to get RGI housing assistance much faster than a general application. The City recognizes four types of priority placements (in order of priority):
  1. Special Priority Program is mandated by the Province of Ontario for survivors of abuse and/or human trafficking
  2. Local access priority for households with a member who is terminally ill with life expectancy of less than two years (at the housing provider's option)
  3. Local access priority for over-housed RGI tenants currently living in a unit that is larger than what they are eligible to occupy and who need to be re-housed
  4. Local access priority for homeless, youth who are 16 to 17 years old, and families separated by child protection agencies because of lack of adequate housing (every seventh vacancy must be filled by a household identified in the waiting list information system as having this priority status)
- An applicant may request a modified unit, or an additional bedroom based on special needs for accommodation.

Access to Housing reviews applicant requests, and any referrals or other required supporting documentation, and updates the applicant's information if they are deemed eligible.

**Applicants must keep in touch with Access to Housing at least once a year**

On the City's website and in application forms, applicants waiting for subsidized housing are informed that they are expected to keep in touch with Access to Housing at least once every 12 months and report any changes to their address, phone number, family members' information, and income. Failure to do so may result in the cancellation of their application.



**Confirmation of interest letters are automatically sent to households with no contact in last 18 months**

Access to Housing sends a confirmation of interest letter to those applicants who have not initiated any form of contact in the past 18 months. Once the letter is sent, the applicant has one month to respond by mail, phone or online to confirm their continued interest and to update their information. After all phone numbers on the file have been called, and Access to Housing is unsuccessful in making contact, the file is made inactive.

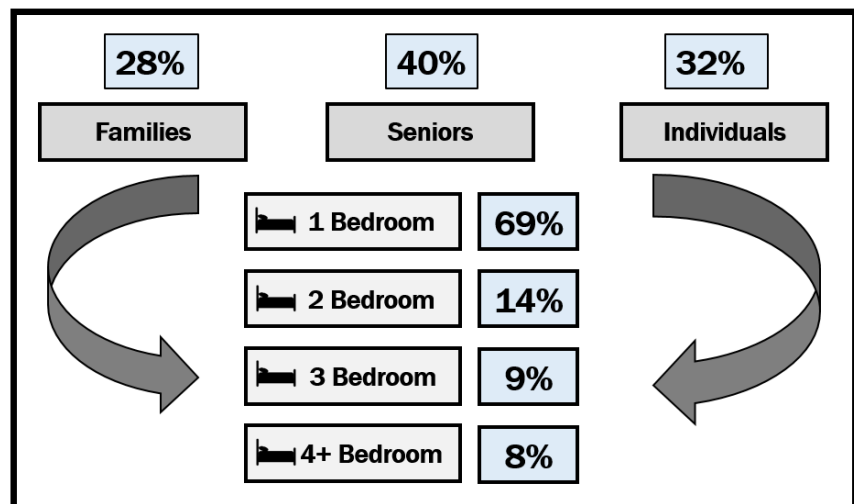
**Inactive files can be reactivated for up to 18 months, otherwise they are cancelled**

After a file is made inactive, an applicant has another 18 months to contact Access to Housing to reactivate their file. If there is no contact within 36 months, then the application will be cancelled. The household would need to reapply with a new application.

**Figure 15: Who is Waiting for RGI and What Housing Unit Size**

**Who is waiting for RGI assistance?**

**What type of housing unit are they eligible to occupy?**



Note: Over one-third of applicants waiting for a one bedroom unit also identified that they would accept a bachelor unit

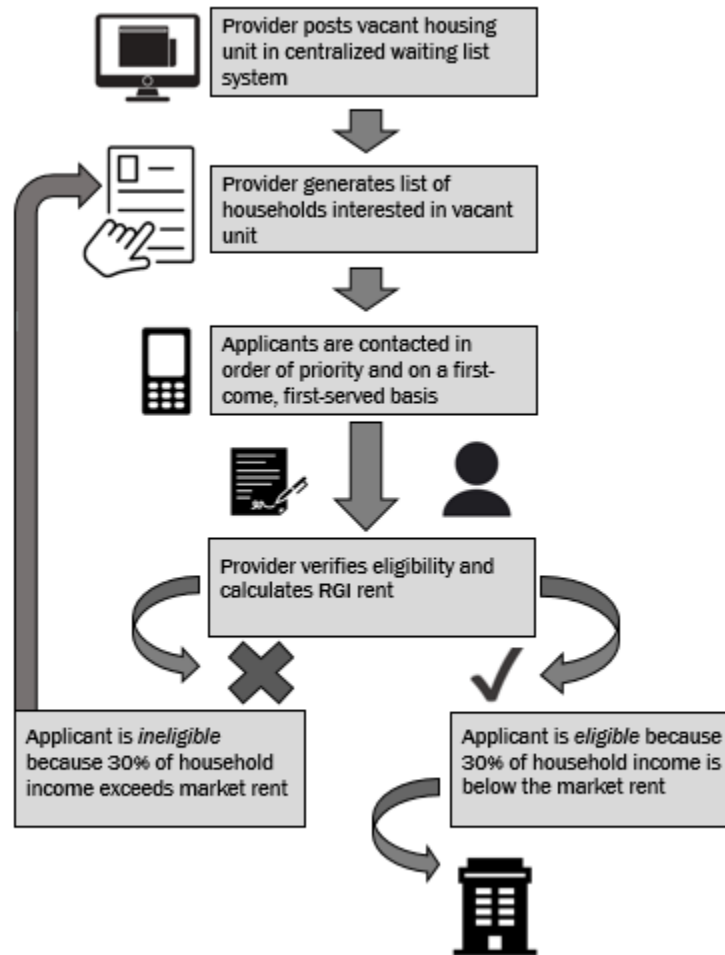
**Housing Providers are responsible for making offers of subsidized housing using the centralized waiting list**

Figure 16 depicts the process that housing providers undertake when a social housing unit becomes vacant. From the centralized waiting list, the provider generates a list of the subset of applicants who have identified the provider's building as one of their housing preferences and proceeds to contact each applicant. The order in which an application appears on the list is based on the date the application was approved and takes into account any priority status.

**Offers are withdrawn when no contact can be made**

If the offer is refused or if a household cannot be reached within 48 hours, the provider moves on to offer the unit to the next applicant on the list and repeats the process until an offer is accepted. At the time of an offer, providers are also responsible for confirming eligibility for subsidized housing, and for calculating the amount of RGI rent to be paid based on verified household income.

Figure 16: Selecting RGI Applicants for Vacant Social Housing Units



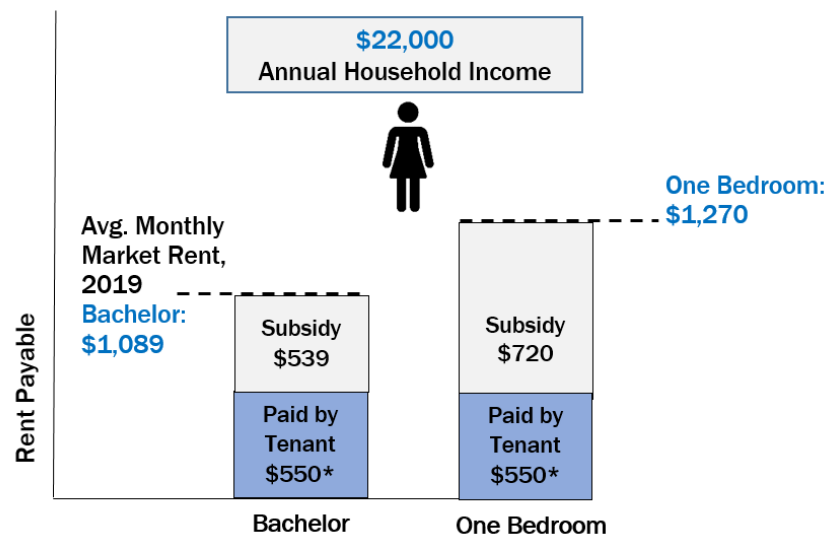
## Exhibit 2: Calculating Rent-Geared-to-Income Assistance

Amount of subsidy is the difference between the RGI rent payable and average market rent

Figure 17 illustrates that the amount of rent payable by an RGI household is derived strictly from household income. For example, a household with an annual income of \$22,000 will pay a maximum rent of \$550. Regardless of the unit, this amount of RGI rent payable does not change.

The subsidy is the difference between the RGI rent payable by the tenant and average market rent. A household with this income occupying a one bedroom housing unit is subsidized by an amount of \$720; whereas, a household with the same income occupying a bachelor is subsidized by an amount of \$539. The subsidy amount varies based on the average market rent for the relevant unit, while the RGI rent payable by the tenant remains constant.

Figure 17: Rent-Geared-to-Income Stabilizes Rent Payable by RGI Tenant



\*Notes:

(1) RGI calculated based on 30% of household income.

(2) OW and ODSP recipients pay RGI rent based on schedules in the Housing Services Act, 2011.

Where 30 per cent of a household's income exceeds the average market rent for a unit, the household would no longer be eligible for RGI assistance on that unit. Furthermore, for each size of unit, the Act sets out the maximum household income to be eligible for RGI assistance, as noted in Table 9.

**Table 9: 2018 Household Income Limits Extracted from Reg 370/11 of the Housing Services Act, 2011**

Item	Service Manager	Area	Maximum annual household income				
			Bachelor unit	1-bedroom unit	2-bedroom unit	3-bedroom unit	4-bedroom unit or larger
43	City of Toronto	Whole service area	\$39,000	\$45,000	\$52,500	\$61,500	\$73,000

### Exhibit 3: Description of Categories for Application Status

The following table provides a description of the status of applications on the centralized waiting list (as at December 31, 2018), as defined for the purposes of this audit

	Category	Description
1.	Eligible & Active Applicants (56%)	<p>Applicants where there has been some form of contact within the last 18 months. Either the applicant has accessed their file or Access to Housing staff have been in contact with the applicant during that time period.</p> <p>This group includes applicants with assets and a status in Canada that expires.</p>
2.	Interest / Eligibility Unknown (26%)	<p>Applicants that have been mailed one or more notices after no contact from them for more than 18 months. The City is attempting to confirm the status of their application. At the time of the audit, additional attempts to contact all phone numbers on file for these applicants was still in process.</p>
3.	Incomplete (6%)	<p>Applicants that are missing key documents or information.</p> <p>Applications with no income information are included in this category.</p>
4.	Housing Benefit Recipients (5%)	<p>Existing RGI tenants who want to transfer to a unit in another building.</p> <p>Also includes existing RGI households living in units that have more bedrooms than they are allowed according to the City's occupancy standards (i.e. they are over-housed). These households are waiting to be re-housed in a suitable unit that they are eligible to occupy based on their household composition.</p>
5.	Inactive (6%)	<p>Applicants that cannot be contacted after an extended period of time, where repeated efforts have been made to reach the household at all contact numbers.</p> <p>Also includes applicants who asked to have their application put on hold for a short period of time.</p> <p>These applications maintain their position on the list but will not receive offers from providers.</p>
6.	Ineligible / Invalid (1%)	<p>Applicants with arrears who do not have a repayment plan and RGI recipients who have income above the maximum household income limit under the Act.</p> <p>Also includes duplicate and test records identified in the data set that are not valid.</p>

## Exhibit 4: Housing Provider Survey Results

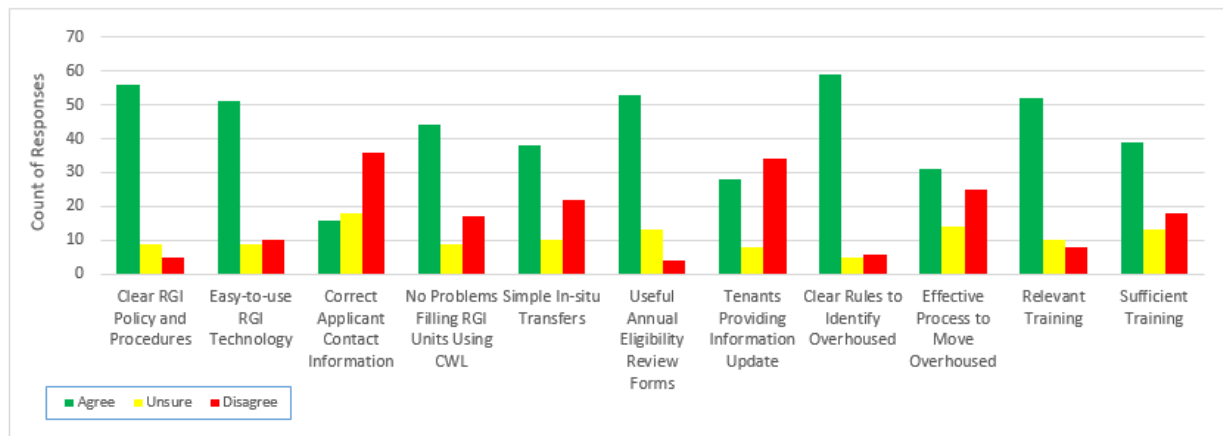
The Auditor General Office conducted an online survey of social housing providers to get their views on how to improve the use of the centralized waiting list. The survey link was emailed to 230 contacts for housing providers; 86 (37 per cent) provided complete responses. The responses we received are summarized below.

Provider Type		
	Number of Respondents	Percentage
Co-operative	30	35%
Not-for-profit	50	58%
Private	2	2%
TCHC	4	5%
<b>Total</b>	<b>86</b>	

### Top 3 Areas of Concern:

1. Applicant contact information on the central waiting list is incorrect
2. Tenants fail to provide information on changes to household composition or income
3. Process to move over-housed tenants to an appropriate sized unit is ineffective

### Level of Satisfaction with Supports Provided by City



## Exhibit 5: Glossary of Terms

Commonly used terms<sup>42</sup> throughout this report are described below.

Term	Description
<i>Average market rent (AMR)</i>	The average market rents as published yearly by the Canada Mortgage and Housing Corporation (CMHC) in the Rental Market Report – Greater Toronto Area.
<i>Alternative housing providers</i>	A social housing provider with a mandate to provide housing to households that are exiting homelessness or require other supports. Supports are provided to maintain stable housing and to achieve community integration.
<i>Annual Information Return (AIR)</i>	Form completed by housing providers on an annual basis to report occupied and vacant units. It provides data to the City to determine amount of subsidy funding and assess performance.
<i>Core housing need</i>	As defined by Statistics Canada, a household where housing falls below at least one of the following housing standards: <ul style="list-style-type: none"> <li>• adequacy - housing not requiring any major repairs</li> <li>• affordability - shelter costs equal to or less than 30 per cent of total before-tax household income</li> <li>• suitability - has enough bedrooms for the size and composition of resident households, according to National Occupancy Standard requirements</li> </ul>
<i>Housing allowance</i>	A fixed-amount housing benefit provided directly to eligible households, usually in the private rental market. It is tied to the household (portable), so it moves where they move. The benefit is intended to ease the household's financial burden but may not completely cover the gap between an affordable rent and the market rent.
<i>Internal transfer</i>	The process by which a household, already receiving RGI and living in a social housing unit, transfers to another social housing unit operated by the same housing provider.
<i>Local rules</i>	A "local rule" is a rule for RGI administration established by the City, over and above the provincial rules that are prescribed in the Housing Services Act, 2011.
<i>Modified unit</i>	A unit which has been altered, or which contains special features, in order to make it accessible to individuals with physical disabilities.
<i>Portable housing benefit</i>	A variable-amount housing benefit provided directly to eligible households, usually in the private rental market. It is tied to the household (portable), so it moves where they move.
<i>Rent geared to income (RGI)</i>	A housing benefit where rent is based directly on the household's income so that they pay no more than 30 per cent of their gross (before-tax) monthly household income towards rent. Rent charges for households receiving social assistance are prescribed by the Act.
<i>Rent supplement</i>	A housing benefit provided directly to private landlords for eligible households living in a specific housing unit. It is tied to the unit (non-portable).
<i>Service manager</i>	The organization or entity responsible for the administration of provincial and federal funding and the planning and management of the housing and homelessness service system. The City is the legislated Service Manager for Toronto.

<sup>42</sup> Most definitions are based on terms as defined in the City of Toronto Housing & Homelessness Services Glossary and the Housing Connections Business Procedure Manual

Term	Description
<i>Special needs unit</i>	Housing with special features to make it accessible to a person with physical disabilities and/or housing that includes provincially-funded support services to help a person live independently.
<i>Suitable housing</i>	Suitable housing has enough bedrooms for the size and composition of resident households according to the City's local occupancy standard requirements.



## **Appendix 1: Management's Response to the Auditor General's Report Entitled: "Opening Doors to Stable Housing: An Effective Waiting List and Reduced Vacancy Rates Will Help More People Access Housing"**

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**Recommendation 1:** City Council request the General Manager, Shelter, Support and Housing Administration Division, to design and implement procedures to ensure compliance with the legislated requirement to review eligibility of applicants on the centralized waiting list for rent-geared-to-income at least once every 24 months after they have been added to the list. Such procedures to ensure:

- a. applicants are advised of the need to maintain contact with the Access to Housing business unit at least once in every 24-month period to ensure their information is kept up-to-date and to re-affirm continued eligibility for rent-geared-to-income assistance
- b. all attempts to contact each applicant are sufficiently tracked so that Access to Housing can identify all applications that should be changed to inactive status and subsequently cancelled
- c. action is taken to make applications inactive and to cancel applications, if there is no response to outreach attempts by City staff in accordance with policies and procedures.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA currently reminds clients to maintain annual contact with SSHA and tracks contact and attempts at contact with applicants in the existing database. Management will address the current backlog in the process by the end of Q4 2019.

Management will also review opportunities to improve the current processes through planned changes to SSHA's new waiting list management system allowing for automated reminders to be sent and for improved data quality and tracking. Implementation of this function is expected for Q4 2020.

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**Recommendation 2:** City Council request the General Manager, Shelter, Support and Housing Administration Division, to review the applicants on the centralized waiting list for rent-geared-to-income and develop meaningful categories to support the effective management, including accurate reporting of the number of active and eligible applicants.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will analyze client profile data to enhance communication and reporting on the different household types and status of applicants on the centralized waiting list starting in Q1 2020.

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**Recommendation 3:** City Council request the General Manager, Shelter, Support and Housing Administration Division, to:

- a. develop clear guidelines for housing providers on the circumstances under which an offer for rent-geared-to-income housing can be withdrawn and not be considered a refusal. Such guidelines to also clearly indicate how to record the reasons for withdrawals or refusals in the centralized waiting list information system
-

**b. implement monitoring procedures to ensure housing providers are not recording refusals of offers as withdrawals such that households can circumvent the Housing Services Act's limit on the number of refusals allowed before the applicant is removed from the centralized waiting list.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will conduct a review of the existing guidelines and training for housing providers and facilitate changes to the RGI administration manual to ensure clear direction on how to record offers made to applicants. Improved guidelines will outline both the categorization and the recording of information on refusals and withdrawals in Q4 2019.

Management will also review the current process to monitor offers made by providers and identify opportunities for improvement through planned changes to SSHA's new waiting list management system in Q4 2020.

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**Recommendation 4: City Council request the General Manager, Shelter, Support and Housing Administration Division, to recommend to the Minister of Municipal Affairs and Housing to consider revising the *Housing Services Act, 2011* to be aligned with the Long Term Care Homes Act regarding refusals of pre-selected housing choices and to only accommodate refusals under clearly defined set of exceptional circumstances.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA supports new proposed flexibility emerging out of the Ministry of Municipal Affairs and Housing consultations on the current three refusal rule, and will review current policy based on consultations outcomes anticipated by Q2 2020.

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**Recommendation 5: City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure that applicants on the centralized waiting list for rent-geared-to-income understand the importance of choosing only those buildings they are willing to move into and the consequences of such choices.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will review and revise current communications with households by the end of Q4 2019. Communication will be revised based on program changes made as part of the roll-out and ongoing management of the choice-based system. Outreach to clients is an important part of the implementation of the system to ensure their understanding and participation as users. Planned changes to SSHA's new waiting list management system will be leveraged to allow clients to access this information more readily.

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**Recommendation 6: City Council request the General Manager, Shelter, Support and Housing Administration Division, to increase the information made available to enable rent-geared-to-income applicants to make better informed choices about buildings they are willing to move into.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will communicate with households as part of the roll-out and ongoing management of the choice-based system. Outreach to clients is an important part of the implementation of the system to ensure their understanding and participation as users. Planned changes to SSHA's new waiting list management system will be leveraged to allow clients to access this information more readily. New information will be available to applicants in Q3 2019 and will continue to be reviewed and revised based on feedback from applicants and other stakeholders.

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**Recommendation 7: City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure applicants for rent-geared-to-income assistance are required to identify:**

**a. the preferred method(s) of contact that will result in a 48-hour response such as phone, email, or mobile messaging**

**b. an alternate contact person or support organization in Canada designated to respond on their behalf, if necessary.**

**Management Response:**  **Agree**       **Disagree**

Management agrees with this recommendation. Having accurate contact preferences of households is integral to the efficient management of the centralized waiting list. Planned changes to SSHA's new waiting list management system, expected in Q4 2020, will further enhance the setting and updating of communication preferences.

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**Recommendation 8: City Council request the General Manager, Shelter, Support and Housing Administration Division, to review additional steps to cost-effectively enhance how Access to Housing communicates with and reminds applicants on the centralized waiting list for rent-geared-to-income to keep their application information accurate and up-to-date.**

**Management Response:**  **Agree**       **Disagree**

Management agrees with this recommendation. SSHA will review additional steps by the end of Q1 2020, including opportunities to enhance communications through planned changes to SSHA's new waiting list management systems including enabling automated reminders. The new choice-based model is designed to engage applicants to play a more active role, including logging into the online system regularly to review listings and having correspondence to applicants shared via self-service portals.

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**Recommendation 9: City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City Solicitor, to review and implement technology-based communication methods that allow the Division to more efficiently and cost-effectively:**

**a. serve notice of decisions related to household applications on the centralized waiting list for rent-geared-to-income**

**b. make contact with applicants to confirm their ongoing interest, update their address, phone number, income, housing preferences, and other information.**

**Management Response:**  **Agree**       **Disagree**

Management agrees with this recommendation. SSHA will review additional steps by the end of Q1 2020, including opportunities to enhance communications through planned changes to SSHA's new waiting list management systems including enabling automated reminders. The new choice-based model is designed to engage applicants to play a more active role, including logging into the online system regularly to review listings and having correspondence to applicants shared via self-service portals.

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**Recommendation 10: City Council request the General Manager, Shelter, Support and Housing Administration Division, to**

a. review the City's local priority rules for selecting households from the waiting list for rent-geared-to-income and recommend to City Council any additional priority rules that should be adopted to support selection of households based on an applicant's level of need; and

b. where additional priority rules are established, ensure the waiting list information system supports selection based on these priorities; and, if necessary, develop a process to perform an objective assessment of each applicant's need for rent-geared-to-income assistance in order to determine their priority in being selected from the centralized waiting list.

Management Response:  Agree       Disagree

Management agrees with this recommendation. SSHA recognizes the housing context in the City of Toronto has changed since 2002. A review of local priorities related to housing benefits and access to subsidized housing would be beneficial in ensuring the City is responding to current housing needs. Consultations are anticipated to begin in 2020 with implementation in 2021.

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**Recommendation 11: City Council request the General Manager, Shelter, Support and Housing Administration Division, to establish local rules for:**

a. asset limits for rent-geared-to-income recipients

b. total household income limits and prioritize access to rent-geared-to-income assistance based on household income.

Management Response:  Agree       Disagree

Management agrees with this recommendation. SSHA will support the establishment of an Asset Limit emerging out of Ministry of Municipal Affairs and Housing consultations on legislative changes. SSHA is concurrently reviewing local rules for income and assets and, based on findings and consultation outcomes, will bring forward recommendations to Council for their consideration by the end of Q2 2020.

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**Recommendation 12: City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Medical Officer of Health, to review the types of housing preferences or restrictions for preferred rent-geared-to-income housing units to assess if there is a bona fide need to accommodate and develop local rules to manage such requests.**

Management Response:  Agree       Disagree

Management agrees with this recommendation. Planned changes to SSHA's new waiting list management system and the introduction of the choice-based program will support the implementation of this recommendation. SSHA will consult with the City's Medical Officer of Health in Q4 of 2019 to review and revise the approach to accommodations with any changes phased in by the end of 2020.

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**Recommendation 13: City Council request the General Manager, Shelter, Support and Housing Administration Division to consider establishing local rules prioritizing access to rent-geared-to-income assistance for those households that currently do not receive rent-geared-to-income assistance or reside in social housing.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendations. SSHA will assess and report on the impact of distinguishing between recipients and non-recipients of RGI assistance when, as directed by the Auditor General's recommendation 10, SSHA reports back to council on consideration of local priority rules in 2021.

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**Recommendation 14: City Council request the General Manager, Shelter, Support and Housing Administration Division, to ensure greater integration of services and supports is provided for vulnerable clients in the shelter system as they transition from homelessness to stable housing including confirming that those experiencing homelessness receive appropriate priority status on the centralized waiting list for rent-geared-to-income.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. SSHA will continue to build on the Coordinated Access to Housing system, funded in part by the provincial Home For Good and the federal Reaching Home programs. The system provides enhanced integration of housing and homelessness services including access to housing allowances and rent-geared-to-income support for people transitioning to housing from emergency shelter and street outreach programs and is coordinated through the use of a single point of referral.

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**Recommendation 15: City Council request the General Manager, Shelter, Support and Housing Administration Division, to review and, if appropriate, report to City Council through the Planning and Housing Committee on how the City can meet the mandated rent-geared-to-income assistance service level prescribed in the *Housing Service Act, 2011*. This review should consider how portable housing benefits can be used where vacancies in the physical social housing stock are limited, and determine how much funding would be needed as well as the source of such funds in order to come into compliance.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. SSHA has contacted housing providers to identify proposed actions to increase the number of units occupied by RGI households. Formal direction will be issued by the end of Q4 2019. As part of this review, SSHA will explore how portable housing benefits can be useful and report back as appropriate.

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**Recommendation 16: City Council request the General Manager, Shelter, Support and Housing Administration Division, in collaboration with the Chief Executive Officer, Toronto Community Housing Corporation, to ensure that a maximum number of social housing units are being used for housing and to complete a review of all housing units that are used for other purposes; and, establish a process that requires service manager approval prior to the removal of any housing units from service.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. The City is engaged with TCHC on the development of an action plan related to RGI service level standards and the status of vacant units. The plan and the required process will be in place in Q1 2020.

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**Recommendation 17: City Council request the General Manager, Shelter, Support and Housing Administration Division to:**

- a. work, in collaboration with the Chief Executive Officer, Toronto Community Housing Corporation, to develop an interim process to efficiently and publicly post information on buildings with hard-to-rent vacancies to support applicants in making more informed housing choices
- b. leverage any existing solutions with City and agency partners to provide support for rent-geared-to-income applicants to access the internet at various city sites such as, emergency shelters, social services offices, local libraries, and community centres.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will work with TCHC to target vacant hard-to-rent units and develop a process to post this information publicly. This interim process will be used in 2019/2020 while SSHA continues to work on implementation of its planned changes to the new waitlist management system, expected for 2021.

To ensure alignment with existing City corporate initiatives, SSHA will work with City partners, including Corporate Information & Technology Division, to leverage existing programs and strategies to increase public internet access for online information on City services for residents.

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**Recommendation 18: City Council request the General Manager, Shelter, Support and Housing Administration Division, to review and revise the local rules in order to effectively re-house over-housed rent-geared-to-income tenants into a suitable housing unit. In conducting the review, the Division consider:**

- a. evidence available on the number of preferences that will support efficient and timely re-housing of an over-housed household including benchmarking with other jurisdictions
- b. implications of imposing an over-housed surcharge on households who refuse to be re-housed in a timely manner.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will review the local rules and the feasibility of adding surcharges by the end of Q2 2020 for over-housed RGI tenants to support their timely transfer to suitable units.

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**Recommendation 19: City Council request the General Manager, Shelter, Support and Housing Administration Division, to develop system controls to automatically determine the maximum number of bedrooms a rent-geared-to-income applicant is eligible for based on household composition and the City's occupancy standards.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. Planned changes to SSHA's new waiting list management system will address this requirement. The system will identify unit size for applicants and track where exceptions are authorized based on city rules by the end of Q4 2020.

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**Recommendation 20: City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Medical Officer of Health, to:**

- a. identify the medical circumstances that would warrant a rent-geared-to-income household to have more bedrooms than specified in the local occupancy standards and update local rules accordingly
- b. develop and implement a process to review and approve requests for an additional bedroom to accommodate medical conditions, including documentation that should be obtained to support such requests, based on criteria to be included in local rules.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will consult with the City's Medical Officer of Health in Q4 of 2019 to support the development of a process to review and approve requests for additional bedrooms based on medical conditions, to be implemented by the end of 2020.

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**Recommendation 21: City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the Chief Executive Officer, Toronto Community Housing Corporation, to consider the feasibility of using TCHC vacant units held for revitalization to meet the demand for emergency shelter as an alternative to hotels or other temporary shelter options.**

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will investigate the complex issues associated with implementation of this recommendation and will work with Toronto Community Housing Corporation to determine the legal, financial, operational and capital development implications of using units earmarked for revitalization.

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**Recommendation 22: City Council request the General Manager, Shelter, Support and Housing Administration, to implement and ensure compliance with procedures to oversee rent-geared-to-income households not selected from the centralized waiting list, including procedures and controls to:**

- a. identify and review all current referral agreements to develop a comprehensive inventory of agency referral agreements and the respective number of housing units to be filled through referral agreements
- b. ensure all current and future referral agreements are approved by the City
- c. ensure there is a record of all households that are granted rent-geared-to-income assistance and housed through any alternative arrangement in the centralized waiting list information system.

**Management Response:**  Agree       Disagree

Management agrees with this recommendation. SSHA will conduct a review of referral agreements, establish an approval process and improve tracking and monitoring processes by Q2 2020.

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**Recommendation 23: City Council request the General Manager, Shelter, Support and Housing Administration, to enforce the regular review of housing providers and ensure they are completed as required in compliance with policies and procedures and to take corrective action to address any problems identified in the course of such reviews.**

**Management Response:**  Agree       Disagree

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Management agrees with this recommendation. SSHA has put a plan in place to clear up the current backlog of housing provider reviews by Q4 2020. A review protocol and reporting mechanisms have been developed that will assist management ensure that housing provider reviews are completed as scheduled.

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**Recommendation 24: City Council request the General Manager, Shelter, Support and Housing Administration, to ensure the internal controls to review rent-geared-to-income housing providers are reviewed and strengthened to address weaknesses identified from the occurrence of fraud.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. A review protocol and reporting mechanisms have been developed to ensure that housing provider reviews are completed as scheduled. SSHA will also consider, by the end of 2019, how available remedies under the Housing Services Act, 2011 can be best utilized to ensure housing providers are in compliance with the Housing Services Act.

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**Recommendation 25: City Council request the General Manager, Shelter, Support and Housing Administration Division, to strengthen internal controls which ensure households on the centralized waiting list and those receiving rent-geared-to-income are eligible.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. Planned actions will ensure that the standards are met. Eligibility assessments will be reviewed and strengthened, based on approved program changes, for implementation by the end of Q4 2020.

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**Recommendation 26: City Council request the General Manager, Shelter, Support and Housing Administration Division, to review how, going forward, the City, as service manager, may be able to centralize and integrate initial and ongoing eligibility reviews and income verification for all housing subsidy programs currently dispersed amongst multiple groups (Access to Housing, other City business units, Toronto Community Housing Corporation, and eventually other housing providers) for greater efficiency and oversight.**

**Management Response:**  Agree  Disagree

Management agrees with this recommendation. SSHA will review opportunities presented through the province's proposed changes to RGI calculation, as well as the potential to integrate other income tested programs in the City of Toronto. As a partner in Human Services Integration, SSHA will be involved in HSI's review of the feasibility and value add of centralized income verification processes; the results of which can help advise SSHA's review of eligibility and income verification processes for housing subsidy programs.

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**Recommendation 27: City Council request the General Manager, Shelter, Support and Housing Administration Division, in consultation with the City's Chief Information Officer, to ensure:**

**a. that progress is made to select a vendor and develop an implementation plan for the new choice-based system for selecting households to receive rent-geared-to-income assistance**

**b. the new technology includes appropriate system access controls, input and validation controls to prevent data entry errors**

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c. exception monitoring controls are developed, including regular reports to support the detection of errors or irregular activity.

Management Response:  Agree       Disagree

Management agrees with this recommendation. Management will continue working closely with Corporate I&T and the City's Chief Information Officer to develop the requirements for SSHA's new waiting list management system. System Access Controls and other best practices will be adopted to support business practices for implementation in Q4 2020.

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**Recommendation 28: City Council request the General Manager, Shelter, Support and Housing Administration Division, to collaborate with the General Managers of Employment and Social Services and Children's Services divisions to ensure implementation of the Human Services Integration project achieves service efficiencies in administering these income based subsidy programs. In the short term, this will include one income assessment process and in the longer term this should be expanded to include other common functions. The implementation should include a rationalization of resources.**

Management Response:  Agree       Disagree

Management agrees with this recommendation. The Human Services Integration Project is a collaborative project overseen by a steering committee which includes the General Managers of Shelter, Support and Housing Administration, Children's Services and Toronto Employment and Social Services. Part of the project work involves the identification of common functions that could be more efficiently delivered through integrated processes. A review of the feasibility and value add of a centralized income verification process including the possibility of agreements with the Provincial and/or Federal governments or other third parties was recently initiated. It is anticipated that recommendations regarding this will be ready in Q1 of 2020.

**AUDITOR  
GENERAL**  

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**TORONTO**

