

Toronto Community Housing



TCHC's Q3 2023 Operational Performance Measures

Item 7A

November 27, 2023

Tenant Services Committee

Report: TSC:2023-46

To: Tenant Services Committee ("TSC")

From: Acting Chief Operating Officer

Date: October 31, 2023

PURPOSE:

The purpose of this report is to provide the TSC with information regarding operational performance metrics for Q3 2023.

RECOMMENDATIONS:

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

REASONS FOR RECOMMENDATIONS:

Attachment 1 to this report provides a comprehensive overview of Toronto Community Housing Corporation's ("TCHC") operational performance for the third quarter of 2023. The report highlights key aspects of TCHC's efforts to enhance efficiency, reduce vacancies, manage arrears, and improve the Client Care call centre, community safety, and pest management. The report's key findings include:

Vacancy Management:

- TCHC achieved an overall vacancy rate of 1.43% at the end of September, surpassing the Service Manager target (2%) by 29%.
- TCHC is dedicated to reducing the amount of time spent on preparing vacant units for new tenants. As of Q3 2023, two of the four kaizens from the Lean Project Review of our vacancy management are

complete, specifically addressing the reduction of unit availability delays and the reduction of start delays in vacancy management.

Arrears Management:

- TCHC adopts a proactive approach to prevent the accumulation of arrears, and we are partnering with the Office of the Commissioner of Housing Equity (“OCHE”) for process revisions and staff training.
- The total residential rent and parking arrears increased by \$498,520 from Q2 2023; **2,313 accounts are no longer in arrears (with a balance of \$2.3M paid back to TCHC).**
- Unmanaged arrears decreased, while initiatives like a revised Stage 1 N4 checklist and training sessions are being introduced to continue to address challenges in the arrears collection process.

Commercial Arrears Management:

- An increase in commercial arrears can be attributed to annual Tax, Maintenance, and Insurance (“TMI”) reconciliations.

Client Care:

- Seasonal shifts led to an increase in maintenance requests related to pest control.
- Client Care is launching a Closing the Loop initiative to enhance resident feedback and service quality.

Community Safety:

- Crimes against persons and property showed increases, with reported crimes against persons up by 19 incidents (6%) and crimes against property up by 10 (2%) compared to Q2 2022.
- Fire incidents with undetermined causes accounted for 46% of cases, emphasizing the complexity of establishing fire origins.

Pest Management:

- TCHC is committed to refreshing the pest management strategy to align with tenant expectations, focusing on education, site risk assessment, improved vendor communication, and tenant support.

See Attachment 1 to this report for further details. The strategies and initiatives outlined are aimed at enhancing the overall living experience for

TCHC residents while addressing challenges and driving positive outcomes.

SIGNATURE:

“Nadia Gouveia”

Nadia Gouveia
Chief Operating Officer (Acting)

ATTACHMENT:

1. Q3 2023 Operational Performance Measures

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Q3 2023 Operational Performance Measures

VACANCY

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Non-Rentable Vacant Units	1,745	1,738	↓ -0.40%	
Rentable Vacant Units	613	613	→ 0.00%	
Vacancy Rate (Percent)	1.43%	1.43%	→ 0.00%	

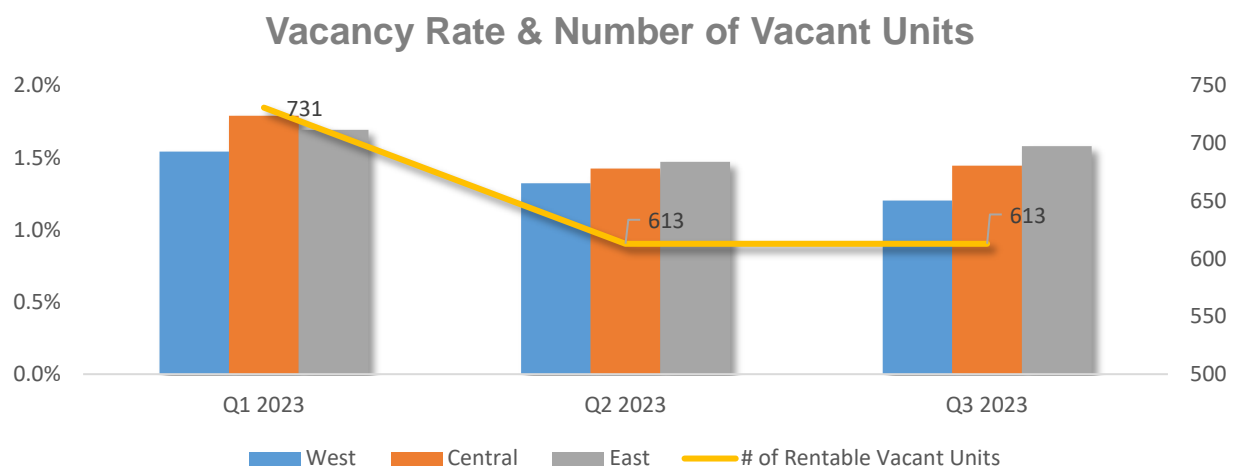


Figure 1: Vacancy Rate & Number of Vacant Units

The overall vacancy rate for Toronto Community Housing Corporation (“TCHC”) at the end of September was 1.43% (29% favourable against the Service Manager’s target of 2%). TCHC is dedicated to reducing the turnover time of rentable vacant units as part of operational efficiency efforts. Multiple strategies, such as choice based rentals, are starting to become stabilized and have helped to consistently keep vacancy rates below target.

TCHC is dedicated to reducing the amount of time spent preparing vacant units for new tenants. In Q4 2022, the vacancy process underwent a LEAN review to identify areas for improvement in the vacancy process. A LEAN review involves a comprehensive assessment of organizational processes to uncover opportunities for streamlining and efficiency. The review revealed four kaizens¹, which are focused on making rapid improvements

¹ Kaizen, in the context of lean review, is the practice of making continuous, incremental improvements in processes or services to enhance efficiency and quality.

to expedite unit turnovers. As of Q3 2023, two of the four kaizens are complete, specifically addressing the reduction of unit availability delays and the reduction of start delays in vacancy management. The completion of the last two kaizens is scheduled to be complete in Q4 2023.

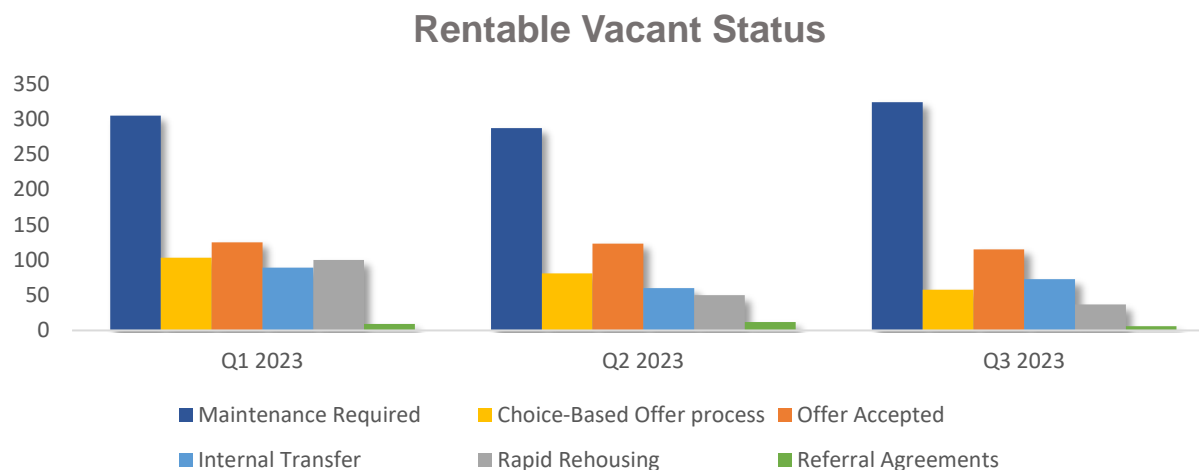


Figure 2: Rentable Vacant Status, Q1 to Q3

There were 613 rentable vacant units in both Q2 and Q3 2023, a decrease of 118 units from Q1.

Of the 613, 53% (324 units) required maintenance:

- In September, 53% (171 units) in the Move-Out Unit Turnover program that required maintenance were completed within 60 calendar days from the move-out date. Changes in scope following an on-site assessment of the unit after the tenant moves out is a significant source of delay in unit readiness.
- The centralized support team has initiated monthly seminars with regional managers and supervisors to thoroughly examine any vacant units requiring maintenance over 60 days, offering additional support in taking effective actions including training, which will take place in late Q4 2023.
- To make the move-out process more efficient, TCHC has made a significant change to the process, effective July 31, 2023: we have reduced the number of steps Tenant Service Coordinators (“TSC”) need to complete when processing a move-out, with the goal to simplify and improve the unit turnover process.

Rapid Rehousing²

TCHC is on track to meet its 2023 Rapid Rehousing target of 450 households housed, with 314 units filled (518 tenants housed) as of September 2023.

- In partnership with the City's Shelter, Support & Housing Administration division and the Housing Secretariat, TCHC ensures that individuals and families facing homelessness receive the necessary assistance to secure stable housing quickly.
- Once housed, the City's Coordinated Access team connects these households to support services tailored to meet their needs, fostering housing stability and long-term well-being.

Non-Rentable Vacant Units

Non-Rentable Vacant Units by Category, Q3 2023

	# of Non-Rentable Units	% of Total Non-Rentable Vacant Units
Repairs in Progress	484	27.85%
Accessibility Needs	22	
Contractor Storage	2	
Demand Capital Required less than 25000	35	
Planned Capital Repairs Required greater than 25000	327	
Fire	25	
Flood	5	
Pending Transfer or Sale	68	
Revitalization	1095	63%
Demolished	189	
Hold for Demolition	640	

² The Rapid Rehousing initiative ("RRHI") began in April 2020 in partnership between the City of Toronto and TCHC. Its purpose was to address homelessness during the COVID-19 pandemic by relocating individuals to rent-geared-income ("RGI") housing at TCHC. The program has been renewed annually, currently in its fourth year, with increasing targets. TCHC's Community Resolution team identifies available units, coordinates the delivery of furniture and household goods, conducts RGI eligibility reviews and coordinates lease generation, monitors tenancies and supports a case management model with seven centralized Community Service Coordinators.

	# of Non-Rentable Units	% of Total Non-Rentable Vacant Units
Relocation - Confirmed	60	
Under Construction	206	
Tenant and Staff Use	159	9.15%
Agency Office Use	4	
Legal Proceedings	7	
Recreation Purposes	41	
Staff Use	107	
Total Non-Rentable Units	1738	

In collaboration with the City, TCHC is undertaking an in-depth review of non-rentable units, which includes a review of the units in residential use and a review of units in revitalization. The review will encompass the length of time each unit has remained in these categories along with the definitions associated with them. In addition, a process is in place that requires the City to review requests for units to be taken offline, prior to being removed from circulation. As a result of the review process and additional oversight, the number of non-rentable units is expected to decrease in the coming quarters.

There are 1,738 Non-Rentable Vacant units as of September, which is a decrease of seven units from Q2 2023.

- 1,095 (63%) units are part of TCHC's revitalization projects. There was a decrease of 18 units on hold for relocation due to the partial completion of Phase 3 of Regent Park.
- 484 (27.85%) units require significant repairs. This category includes units undergoing renovation through our accessibility program, as well as units requiring significant capital repair.
- Additional steps are being developed and implemented to ensure units are prepared for rental and promptly reintroduced into the rental pool, including completing an Occupancy Standard Checklist Form by site staff, conducting unit status reviews, obtaining final approval from the General Manager, and updating necessary records for seamless unit re-entry.

ARREARS

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Rental Arrears - RGI	\$16.2M	\$16.2M	↑ 0.12%	
Rental Arrears - Market	\$7.1M	\$7.5M	↑ 4.57%	
Tenant Parking Arrears - RGI	\$1.6M	\$1.7M	↑ 7.13%	
Tenant Parking Arrears - Mark	\$462K	\$499K	↑ 8.17%	
Maintenance/Legal Balance	\$906K	\$940K	↑ 3.78%	
Other	\$913K	\$1.0M	↑ 9.68%	
Retroactive Balance	\$786K	\$792K	↑ 0.84%	
Non Tenant Parking	\$26K	\$36K	↑ 36.39%	
Total	\$28.0M	\$28.6M	↑ 2.28%	

Rent and Parking Collection Rates

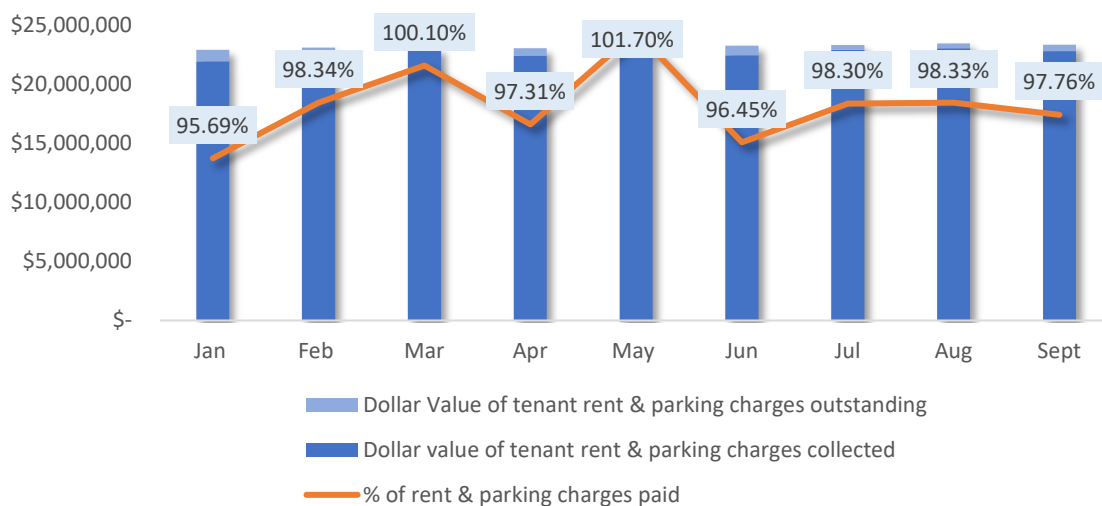


Figure 3: Rent and Parking Collection Rates, 2023

In September, TCHC collected 97.76% of the rent and parking charges due, with the 2023 average collection rate of 98.22%. However, it's important to note that due to the scale of TCHC, the outstanding rent collection of 2.24% still amounts to \$522,229 in the month of September.

TCHC has increasingly adopted a multifaceted approach to prevent rent and parking arrears from accumulating. In partnership with the Office of the Commissioner of Housing Equity (“OCHE”), management is undertaking revisions to the Arrears Collection Process, set to be implemented in Q2 2024, to streamline and simplify the process, and training staff to equip them with the skills needed to engage with tenants to proactively address arrears as soon as possible. By prioritizing early intervention, TCHC is working to identify potential issues and offering support to tenants at the

earliest signs of financial difficulty. Furthermore, a strong focus on compliance with the rent collection process will ensure that payments are consistently monitored and managed.

of Accounts & Average Arrears per ACP Stage

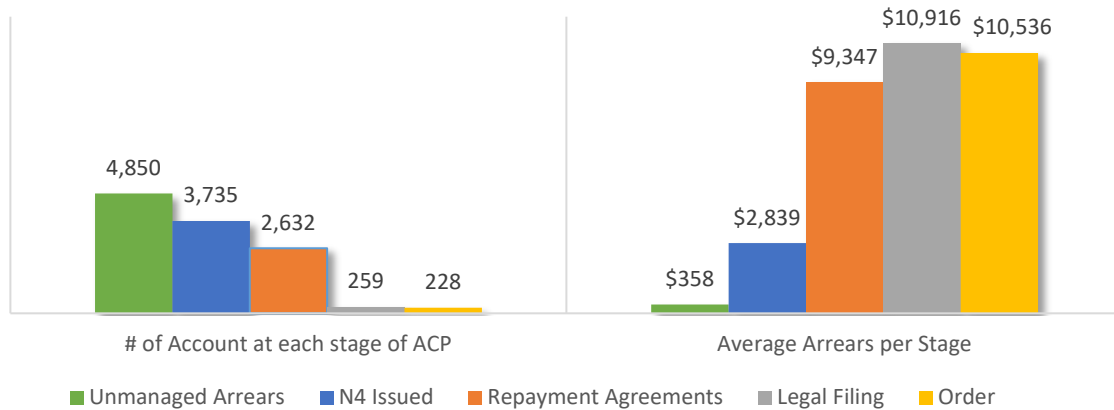


Figure 4: Number of Accounts and Average Arrears per ACP Stage, September 2023

In Q3 2023, total residential rent and parking arrears increased by \$498,520 from Q2.

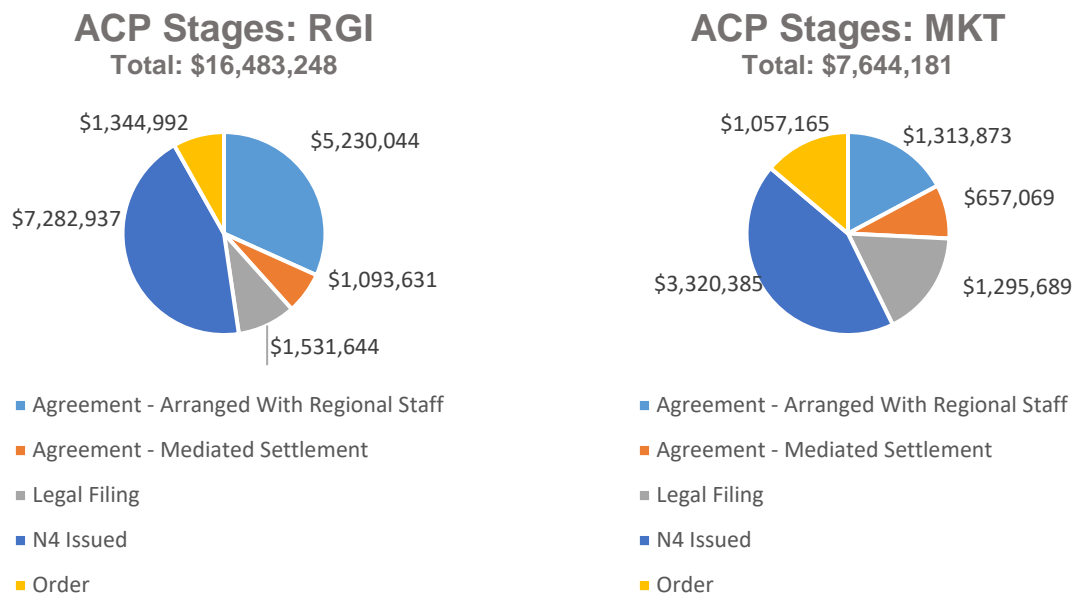
- There were 312 new arrears accounts from Q2 to Q3 2023 (with a total balance of \$14K), while 69% of households were in good financial standing (percentage of households that are current with rent and parking charges).
- **There were 2,313 accounts no longer in arrears (with a balance of \$2.3M paid back to TCHC).**
- As a result of TCHC's emphasis on a proactive, preventative approach to arrears, the amount of arrears in the Legal Filing stage decreased by \$938,796.76 (-110 accounts), while arrears in the Repayment Agreement stages increased by \$1,260,973 (+132 accounts).

Unmanaged arrears decreased by \$422,089 (\$-1,405,574 Market, \$983,485 RGI).

- **Of the unmanaged arrears, 13% (\$229,757, 2,996 accounts) are made up of balances under \$186.** TCHC has historically refrained from legally pursuing arrears unless the balance is more than the minimum fee for filing with the Landlord Tenant Board (which is

\$186), however regional staff continue to engage with tenants over small balance arrears.

- Additional support is being developed to help manage the remaining 87% of files in this arrears category, including:
 - the implementation of a revised Stage 1 N4 checklist³ as a screening tool that ensures a specific set of criteria, standards and requirements are met during the initial stages of the arrears collection process;
 - training sessions for staff that are led by OCHE and informed by OCHE recommendations from previous files;
 - coaching and mentoring TCHC staff; and
 - assigning Early Resolution Officers (“ERO”) to specific regions to foster positive relationships between TSCs and EROs.



An ongoing analysis of Market Rent arrears is being completed to identify arrears resulting from Loss of Eligibility, however TCHC adopts the same strategies in the recovery of RGI tenant arrears and Market tenant arrears. Furthermore, market rental arrears in Q3 constituted 26% of total arrears, aligning with the percentage of rental revenue derived from market rentals, which stands at 24%

³ A Stage 1 N4 checklist is a document that TSCs use when a tenant falls into arrears and after an N4 – Notice to end tenancy early for non-payment of rent has been served. The checklist is used as a high-level cover page when sending files to OCHE for intervention for tenants who are in arrears so they can get an overview of the file from this one document. It is also used by the RTA-legal team when filing the arrears at the Landlord Tenant Board

COMMERCIAL ARREARS

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Commercial Rental Arrears	\$3.2M	\$3.4M	↑ 5.56%	
Commercial Parking Arrears	\$28K	\$26K	↓ -4.93%	
Total	\$3.2M	\$3.4M	↑ 5.47%	

Commercial Arrears: Q2 and Q3 2023

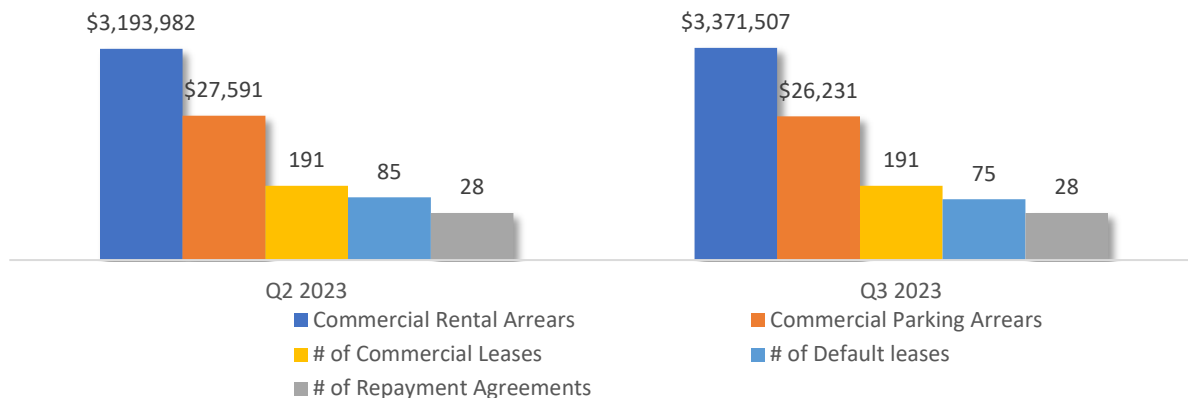


Figure 5: Commercial Arrears. Q2 and Q3 2023

The increase in commercial arrears in Q3 2023 is a result of the annual Tax, Maintenance, and Insurance (“TMI”) reconciliations sent to retail tenants at the end of Q2 2023 and head lease tenants in mid-August.

Commercial rents commonly consist of Minimum Rent, Operating Costs, and Realty Taxes plus HST. The lease specifies Minimum Rent increases whereas Operating Costs and Realty Taxes (and in some instances, check meters are in place for utilities, water, and hydro charges) undergo annual adjustments via TMI reconciliations. Any overpayments are applied to the account as a credit to be used against future monthly charges, and any underpayments are invoiced as part of that TMI reconciliation. This practice leads to adjustments in subsequent monthly amounts. While payments are typically due within 30 days, disputes sometimes arise, with tenants requiring additional evidence prior to payment agreement. In certain cases, tenants might make a request to pay in installments.

CLIENT CARE

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Tenant Call Volume	84,757	88,597	↑ 4.33%	
Average Response Time (Min)	2.59	3.49	↑ 25.98%	

As we transitioned from Q2 to Q3, there were notable changes in call volume and response time due to varying factors. The improved weather in Q3 resulted in an increase in maintenance requests related to pest control, while the increase in fires and crimes resulted in the increase of emergency calls.

The decrease in service levels related to average response time is a result of the increase of 3,840 calls received by Client Care staff from Q2 to Q3 2023.

Client Care Call Categories

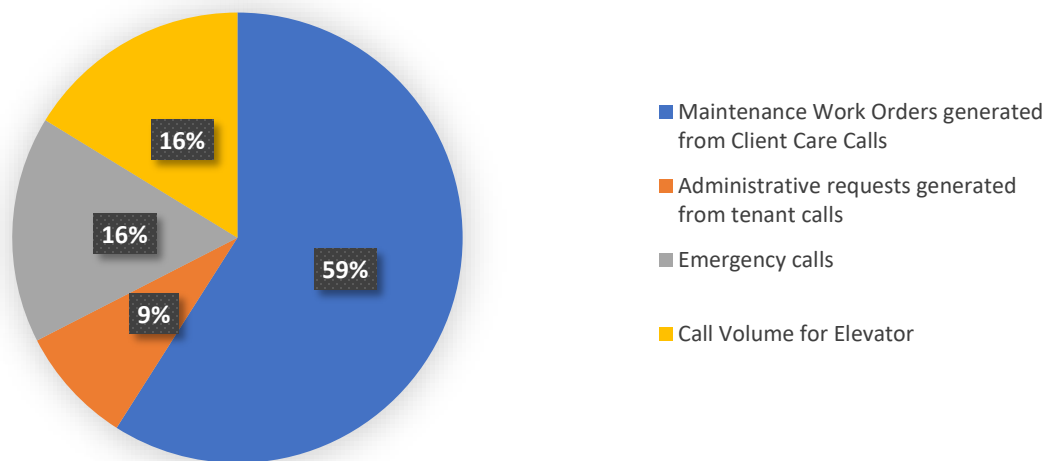


Figure 6: Client Care Call Categories, Q3 2023

Client Care will complete the planning for the renewed Closing the Loop initiative in Q4 2023 and will launch implementation of the program in Q1 2024, designed to empower residents through a resident feedback/survey mechanism that will track satisfaction and quality of repairs. This program will incorporate staff from Client Care, Client Care Dispatch, Vendor Management and Asset Management who will monitor the overall service experience.

The purpose of the initiative is:

- Monitoring maintenance related work orders from residents.
- Tracking the types of work order requests received.
- Capturing trends in response time and completion rates.
- Implementing a follow-up process to contact residents and gain feedback on completion of work orders, quality of workmanship,

identifying services gaps, and highlighting concerns through resident feedback.

COMMUNITY SAFETY

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Crimes Against Property	634	644	↑ 1.55%	
Crimes Against Persons	313	332	↑ 5.72%	
Fire Incidents	75	69	↓ -8.70%	

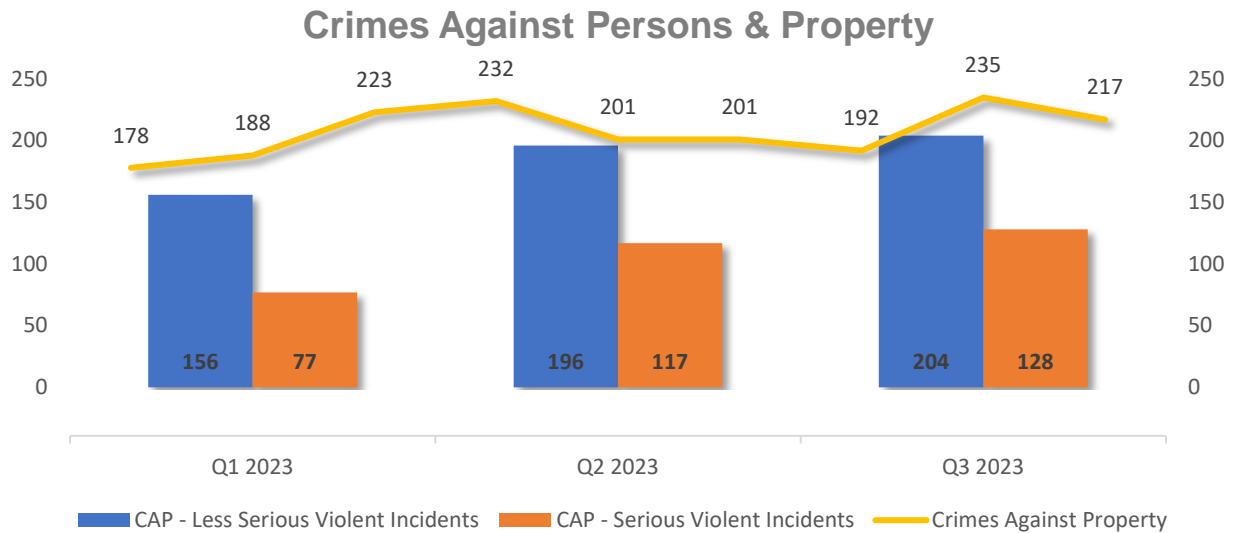


Figure 7: Crimes Against Persons and Property, Q1 to Q3 2023

In Q3 2023, there was an increase in overall crimes against persons by 19 (6%) incidents compared to Q2 2023. In July 2023, there was an increase in assaults and in July and September, there was an increase in Assault with Weapon, Robbery and Discharge Firearm incidents.

In Q3 2023, there was an increase of 10 (2%) incidents of reported crimes against property compared to Q2 2023. Property crimes increased due to the number of mischief incidents in the West Region.

The Community Safety Unit’s (“CSU”) efforts to reduce and prevent crime on TCHC properties continue through safety audits that provide recommendations for site staff to implement to enhance the safety of the neighborhood for tenants. The audits incorporate Crime Prevention through Environmental Design (“CPTED”) principles to guide recommendations that support a safer environment.

Fire Incidents by Category

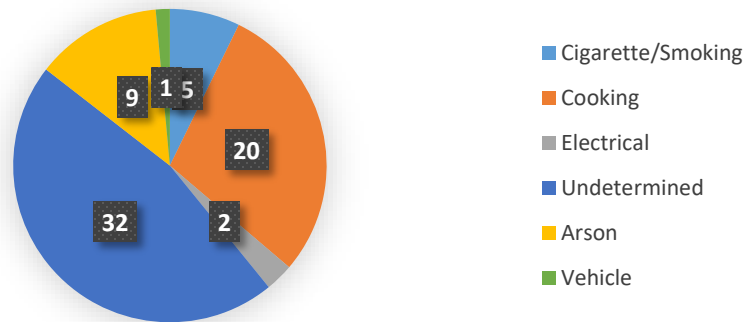


Figure 8: Fire Incidents by Category, Q3 2023

“Undetermined cause” accounted for 46% of the fire incidents in Q3 2023, a decrease of three incidents from Q2. A fire's cause is defined as the circumstances and conditions that bring together the ignition source. Establishing the cause is a complex process that requires the collection, analysis, and testing of competent data. “Undetermined” means that fire investigators could not determine with 100% certainty what the source of the fire was.

Fire and Life Safety (“F&LS”) is actively involved in several key initiatives including:

- Collaborating with Toronto Fire Services to provide additional education for tenants and training for employees. These efforts align with Fire Prevention Week taking place from October 7 to October 14, 2023.
- F&LS Inspectors have been active in the communities, ensuring compliance with fire systems, fire safety boxes, and other regulatory requirements.
- The Community Safety Unit Fire Field Intelligence Officer has been supporting F&LS in educating tenants about fire alarm pull stations and working with contractors and vendors to reduce the accidental fire alarm (smoke detector) activations.

PEST MANAGEMENT

Summary	Q2 2023	Q3 2023	Difference	2023 Trend
Demand Pest Treatment	8,467	9,152	↑ 7.48%	

Types of Demand Treatments

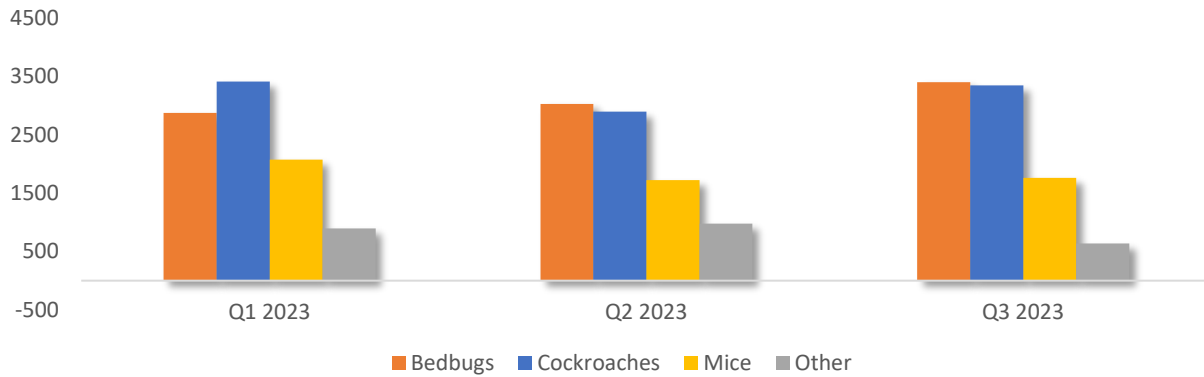


Figure 9: Demand Treatments by Region, Q1 to Q3 2023

Demand Treatments by Region

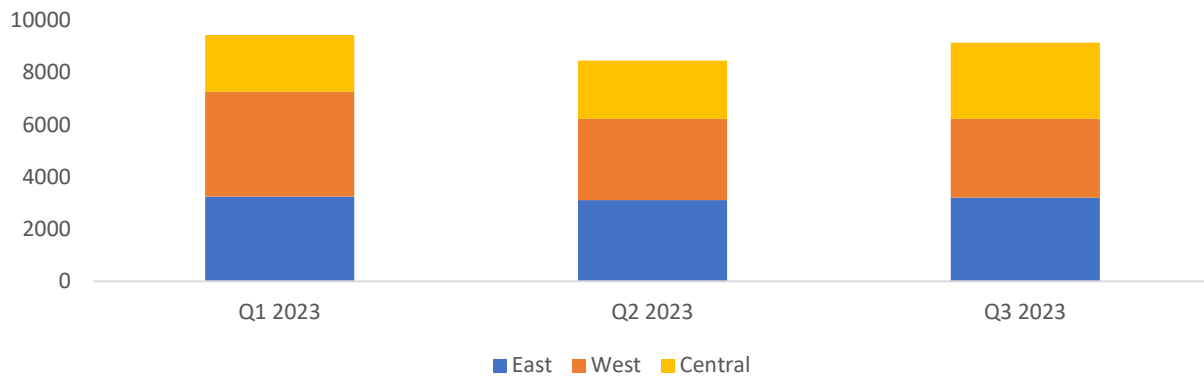


Figure 10: Demand Treatments by Region, Q1 to Q3 2023

The rise in pest treatments during Q3 2023 can be attributed to the timing of the roll out of the 2023 Annual Unit Inspection (“AUI”) process. This process enables staff to flag a wide range of in-unit concerns for follow-up and this has resulted in a higher than usual number of requests for pest treatments. It is anticipated that this increase will continue into Q4 2023 as the AUI process proceeds to completion before the end of the year.

At the TSC meeting held on June 13, 2023, TCHC committed to refresh the pest management strategy and align it with tenants' expectations.

The Refresh will include:

- the creation of updated Education and Training materials for both staff and tenants to manage and prevent infestations;
- identifying sites that may be at high risk due to increased treatment trends;
- increased communication with vendors to address identified issues; and
- increased support to tenants so that infestation does not reoccur.

The indicators of success for the Refresh will be a reduction in repeat treatments, however it is expected that TCHC will initially experience an increase in pest control requests as tenants will be equipped with additional education on early indicators of infestation.

Glossary of Terms

Term	Definition
Arrears Collection Process (“ACP”)	The process through which staff collect outstanding payments from tenants
Unmanaged Arrears	Arrears that are outside of the arrears collection process
Managed Arrears	Arrears that are in the collection process (N4 issued, Order, Legal Filing)
N4 issued	An N4 is a legal notice from the Landlord and Tenant Board (“LTB”) to end tenancy for non-payment of rent
Order	Arrears for which staff have received an order from the Landlord and Tenant Board
Legal Filing	Arrears which TCHC has filed for enforcement at the Landlord and Tenant Board
Repayment Agreement	Arrears for which staff or OCHE have negotiated a repayment of the outstanding balance
Vacancy rate	The percentage of units that are vacant
Rapid Rehousing	Rapid Rehousing Initiative to identify vacancies to be made available immediately to people experiencing homelessness in Toronto
Internal Transfer	Unit is used for overhoused or Crisis Transfer
Crisis Transfer	Where a household is facing direct, immediate, elevated, and acute risks to their health and/or safety that would be addressed if they moved to a different TCHC unit
Agency	Unit is used for agency related offers/referral agreements
On Offer	Offer made to applicant and waiting for a response
Maintenance Required	Unit has become vacant and minor maintenance is required or unit must be inspected to determine the level of maintenance required
Offer Accepted	Units that have been accepted by applicants and are in the process of signing a lease or have been leased for a future date

Choice-Based Offer process	Unit is available for an offer to be made or can be reserved for transfer or relocation, unit where an offer made to applicant and waiting for a response, unit has been sent to centralized waiting list
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