

The Regional Municipality of York

Housing York Inc.
December 13, 2017

Report of the
General Manager

Tenancy Management Policy

1. Recommendation

It is recommended that:

1. The Board of Directors approve the proposed Tenancy Management Policy set out in Attachment 1 and rescind the Collection of Tenant Accounts, Eviction Prevention and Bad Debt Write-off policies.

2. Purpose

This report proposes a Tenancy Management Policy (Attachment 1) for approval by the Board of Directors. The proposed policy consolidates and updates existing policies on rent collections, eviction prevention and bad debt write-offs.

3. Background

Most tenancies are successful and Housing York only intervenes when a resident does not fulfill their tenancy obligations

Most Housing York residents have stable, successful tenancies. They pay their rent, take reasonable care of their homes, follow the rules in their lease and co-exist peacefully with their neighbours. Unfortunately, this is not universally the case and sometimes Housing York has to intervene in a tenancy.

The proposed Tenancy Management Policy provides a framework for Housing York to follow when a resident is not fulfilling their tenancy obligations. The Tenancy Management Policy, if approved, will replace the Collection of Tenant Accounts, Eviction Prevention and bad debt write-off policies. The proposed policy also sets out Housing York's responsibilities in managing tenancies as a responsible and caring landlord.

The Residential *Tenancies Act*, 2006 protects residents

The *Residential Tenancies Act*, 2006 (the Act) governs landlord and tenant relations. The primary purpose of the Act is to protect tenants and to provide an adjudication process for landlord and tenant disputes.

The Act is enforced through the Landlord and Tenant Board. Tenants may appeal if they believe their landlord has acted unfairly, and landlords may obtain orders requiring tenants to fulfill their obligations. Housing York uses the Landlord and Tenant Board processes to preserve tenancies by obtaining orders that require residents to fulfill their obligations. In limited circumstances, Housing York also obtains eviction orders from the Landlord and Tenant Board.

If the landlord can demonstrate that a tenant has consistently failed to fulfill their obligations, the Landlord and Tenant Board may grant an eviction order. In the case of rent arrears, the eviction process takes a minimum of three months, with most cases taking four to six months. The eviction order process provides multiple opportunities for the tenant to preserve their tenancy and avoid eviction, including until the day that the sheriff enforces the eviction order.

As a responsible landlord, Housing York complies with the tenant selection and accommodation requirements of the Ontario Human Rights Code

The Ontario Human Rights Code prescribes the information that a landlord is permitted to consider when deciding whether or not to offer housing to a prospective tenant. Landlords may only consider income information if the landlord also considers credit references and rental history. Income information may be used on its own if it is the only information provided by the prospective tenant, or if it is being used to determine eligibility for a rent subsidy. Landlords cannot use an income ratio to determine whether a tenant can afford the rent unless the tenant will be paying a geared-to-income rent. As a result, some of Housing York's market households pay a high percentage of their income towards rent. These households are at risk of eviction if their circumstances deteriorate and they do not pay the rent.

Housing York also complies with the requirement to accommodate people with disabilities. At times, balancing the needs of an individual resident and the well-being of the community can be challenging. For example, a resident whose unit is a fire hazard due to hoarding may have a mental health related disability that makes it difficult for them to meet safety standards. The resident has a right to accommodation of their disability. However, Housing York also has an obligation to ensure that the property is safe for the resident, and other residents of the building. In these circumstances, Housing York accommodates the resident by referring them to supports and assisting with returning the unit to a safe condition. In the majority of cases, this approach is effective. In cases where the

resident refuses assistance and the unit continues to be unsafe, Housing York will apply to the Landlord and Tenant Board to request an order compelling the resident to correct the issue. If the resident does not comply with the order, the result may be an eviction.

As a caring landlord, Housing York connects residents to homelessness prevention programs and other supports to help sustain tenancies

When a resident is experiencing difficulty, Housing York offers to connect them to services provided by the Region and by community partners. The resident has the right to choose to accept or decline supports, and some residents do refuse. In these instances, if the resident is creating a health and safety risk or negatively impacting other residents, an application to the Landlord and Tenant Board for an order requiring the resident to address an issue may be the catalyst for the resident to accept the help they need.

Residents having difficulty paying rent are referred to homelessness prevention programs. These programs offer financial support for York Region residents at risk of eviction. Eligible residents may receive rent arrears assistance if their tenancy will otherwise be sustainable if the arrears are paid.

4. Analysis and Implications

The proposed Tenancy Management Policy provides a consistent framework for Housing York to follow when a resident is not fulfilling their obligations

Housing York is proactive in working with residents to resolve issues, with the goal of minimizing evictions. Housing York uses the Landlord and Tenant Board process to hold residents accountable to fulfill their tenancy obligations. The proposed Tenancy Management Policy provides Housing York with a framework that aligns with its mission to be both a responsible and caring landlord.

The Tenancy Management Policy (Attachment 1) will replace the Eviction Prevention Policy approved in [March 2005](#) and establishes a guiding framework for the three general issues that put tenancies at risk:

- **Arrears:** Housing York recognizes that many residents have low income and paying even an affordable rent can be difficult when other expenses arise. Responding quickly when a resident account falls into arrears provides an opportunity to connect the resident with income support programs; reinforces the importance of timely rent payment

and mitigates the risk that the resident may fall so far behind that they are unable to catch up and preserve their tenancy.

- **Interference with the rights of other residents and/or Housing York:** Housing York recognizes that some residents may face barriers that impact their ability to maintain a successful tenancy. In some cases, these barriers result in behaviours that put Housing York or other residents at risk. Housing York offers referrals and assists with connecting residents to appropriate supports where available, subject to the resident's consent. The proposed Tenancy Management Policy provides for use of the Landlord and Tenant Board process for these residents only if the resident fails to resolve the issue that is jeopardizing their tenancy.
- **Illegal activity and significant breaches of the lease agreement:** Housing York strives to maintain inclusive communities that everyone would be proud to call home. Illegal activity can have significant, negative impacts on the community as a whole. Housing York will pursue eviction when there is evidence of significant illegal activity. In addition, Landlord and Tenant Board processes will also be used to require tenants to remedy significant breaches of their lease agreements, such as permitting smoking in a non-smoking unit.

From November 1, 2016 to October 15, 2017 Housing York staff managed 59 cases at the Landlord Tenant and Tenant Board. Housing York was able to preserve 54 of the tenancies through compliance orders and enforceable repayment plans. Only five applications resulted in evictions. As part of the eviction process, Housing York offers the resident referrals to assist them with identifying relocation options. Particular attention is given to coordinating the transition of residents who are vulnerable and may need transfer to a different form of housing.

Former resident accounts will be forwarded to the Region's third party collection agency

Housing York will continue to proactively manage resident accounts during the tenancy. While efforts will be made to refer residents to appropriate financial supports, sometimes a tenancy is not sustainable and the Landlord and Tenant Board will provide an eviction order. Residents anticipating an eviction will often stop paying rent, accumulating significant arrears while Housing York works through the Landlord and Tenant Board process. Others abandon the unit, which can also require Housing York to go through an additional process to regain legal possession of the unit. In rare cases, the unit is left with significant damages and Housing York incurs extraordinary costs in preparing the unit for the next resident.

Tenancy Management Policy

When a tenancy ends, Housing York will finalize the resident's account, including any damage repair costs. Accounts of residents with outstanding balances will be forwarded to the Region's third party collections agency. The account information is also provided to the Provincial social housing arrears database, as applicants owing arrears to any social housing provider are not eligible for subsidized housing waiting lists anywhere in Ontario unless they are complying with a repayment agreement.

At present, former resident accounts are forwarded to collections only if the Region's internal collection efforts are unsuccessful. The Region has determined that the cost of operating an internal collection process can exceed the value of funds collected and therefore are no longer pursuing collection of former tenant accounts. Instead, HYI staff will make one attempt to locate the resident for collection and then the account will be forwarded to the Region's contracted collection agency. As the collection agency is paid a portion of funds recovered, no additional costs are incurred if the account is not collected.

Housing York will annually write-off former tenant accounts unlikely to be collected

The Board approved the current Collections of Tenant Accounts Policy in [June 2004](#) and updated the bad debt write-off approval authorities in [December 2007](#). The General Manager is currently authorized to approve all write-offs up to \$6,000 per resident account, and Board approval is required for write-offs exceeding \$6,000.

The new Tenancy Management Policy proposes updated write-off criteria to simplify the annual year-end financial process. Former resident accounts with no repayment after one year in collections are proposed to be written-off by Housing York's Chief Financial Officer at year-end. Outstanding accounts resulting from the death of a resident and accounts with a total outstanding balance of less than the minimum value required for acceptance by the collection agency (currently \$100) will be written off in the year in which the tenancy ended.

Each year the Board will receive an update on tenancy management measures

Housing York will refine current operating procedures to support continued implementation of the Tenancy Management Policy. Housing York will also work with its partners, including Regional staff responsible for homelessness prevention and community services, to enhance processes that connect residents at risk to appropriate services to preserve their tenancies.

Housing York will provide an annual tenancy management update to the Board, including a summary of bad debt write-offs and eviction activity.

The Tenancy Management Policy supports Housing York's vision and mission statements and *Achieving New Heights Through Innovation and Sustainability*, Housing York's 2017 to 2020 Plan

The proposed Tenancy Management Policy supports the key directions from Housing York's 2017 to 2020 Plan of strengthening community health by ensuring residents are connected to supports, and building long-term financial sustainability by ensuring resident revenues are managed responsibly.

The policy update also aligns with the vision and mission statements presented to the Housing York Board in November 2017. By actively managing issues as they arise, as a responsible and caring landlord, Housing York works with residents to minimize their rent arrears, resolve safety issues, and maintain communities that everyone would be proud to call home.

5. Financial Considerations

Rent revenue accounts for 52 per cent (\$20 million) of Housing York's operating revenue. The remaining 48 per cent (\$18 million) is comprised of government subsidies and non-rental revenues. Housing York depends on rent revenue to operate and accordingly holds residents accountable to pay their rent. The Tenancy Management Policy will support Housing York in responsible rent collection processes.

6. Local Municipal Impact

The proposed Tenancy Management Policy will support Housing York in fulfilling its responsibilities as a provider of social and affordable housing in all nine local cities and towns.

7. Conclusion

The proposed Tenancy Management Policy consolidates and updates existing policies on rent collections, eviction prevent and bad debt write-offs in alignment with Housing York's mission and vision. The policy provides a consistent and transparent framework for staff and residents. Going forward, the Board of Directors will be updated annually on progress in implementing the policy.

Tenancy Management Policy

For more information on this report, please contact Rick Farrell, General Manager at 1-877-464-9675 ext. 72091.

The Senior Management Group has reviewed this report.

Recommended by:

Approved for Submission:

Rick Farrell
General Manager

Katherine Chislett
President

November 22, 2017

Attachment (1)

#7890724

Accessible formats or communication supports are available upon request



Operational Policy

Number: 2017-03

Policy Approval Date: December 13, 2017

Policy Effective Date: January 1, 2018

Subject: **Tenancy Management Policy**

Legal Authority: *Residential Tenancies Act, 2006 (RTA)*

Purpose: As a responsible and caring landlord, Housing York holds residents accountable to fulfill their obligations and connects them to supports as needed to sustain their tenancies.

The Tenancy Management Policy identifies the responsibilities of Housing York and its residents under circumstances where residents may not be fulfilling their obligations under lease agreements. The policy provides Housing York staff with a framework for upholding Housing York's responsibilities under the *Residential Tenancies Act, 2006* and as a provider of social and affordable housing.

Resident Responsibilities: Residents pay their rent and related charges and any directly billed utilities on time and in full.

Residents take care of their homes, maintaining a reasonable state of cleanliness, complying with the terms of their lease, preventing damage, informing Housing York of needed repairs and cooperating with Housing York's maintenance and repairs program.

Residents and their guests are good neighbours, respectful of the property, each other and Housing York staff.

Housing York's Responsibilities:

As a responsible landlord

- Housing York holds residents accountable to fulfill their responsibilities. When necessary, Housing York uses the provisions of the *Residential Tenancies Act, 2006* to require residents to meet their obligations.
- Housing York complies with regulatory requirements and ensures that residents' homes are well-maintained.

As a caring landlord

- Housing York considers whether residents need supports to enable them to sustain their tenancies. Housing York connects residents to Regional and community services as available, including homelessness prevention programs, social work supports, and mental health services.
- Housing York promotes safe, inclusive communities. Housing York uses the provisions of the *Residential Tenancies Act, 2006* to address behaviours of residents who put their neighbours, their community, or Housing York at risk.

Tenancy Management Approaches:

Arrears Management

- Housing York will use the processes provided in the RTA to hold residents with outstanding accounts accountable to pay their rent and any other applicable charges in full and on time.
- If the resident defaults on a repayment plan negotiated with Housing York, Housing York will seek an enforceable payment order through the Landlord and Tenant Board (LTB). If the resident then defaults on an LTB order, Housing York will seek eviction.
- Housing York will work with its partners to connect residents with income supports and other programs that may assist them with their financial obligations.

Interference with the rights of Housing York and/or other residents

- Resident behaviours, such as hoarding, failing to participate in pest control programs, or aggressive actions can put other residents and/or Housing York at risk. When Housing York identifies these issues, residents will be offered referral to Regional and community resources to assist them. If the risk cannot be satisfactorily mitigated through supportive interventions, or if the resident refuses supports, Housing York will use the processes provided in the RTA to require the resident to address the issue. If the issue persists, Housing York will seek an eviction order.

Illegal activity and significant breaches of the lease agreement

If Housing York has evidence that a resident has committed an illegal activity on a Housing York property, or has fraudulently received a rent subsidy, Housing York will initiate LTB proceedings, which may result in eviction. While the LTB does not require a criminal conviction to grant an eviction order, Housing York must be able to support the application. Supporting information can include Police reports, witness statements from other tenants, photographs or video recordings.

Housing York may also initiate LTB proceedings for significant, persistent violations of the lease agreement, for example, recurring smoking in a unit with a non-smoking lease.

Eviction Management:

As part of the eviction process, Housing York will offer the resident referrals to assist them with identifying relocation options.

Collections:

When a tenancy ends, Housing York will finalize the resident's account and attempt to notify the resident of any outstanding balances.

Housing York will provide the resident's name and account balance information to the Region's Housing Access Centre for inclusion in the province wide arrears database. Housing York will enter into repayment agreements with former residents who subsequently request a repayment plan as a means of qualifying to apply for subsidized housing in Ontario.

Former resident accounts will be forwarded to the Region's third party collection agency.

Bad Debt Write-off:

Outstanding accounts resulting from the death of a resident and accounts with a total outstanding balance of less than the minimum value required for acceptance by the collection agency (currently \$100) will be written off in the year in which the tenancy ended.

At the end of the fiscal year, the Chief Financial Officer will review outstanding former resident accounts and write off accounts that have had no payment activity for at least a year.

Reporting Requirements:

Housing York will report to the Board annually on the implementation of this policy. The report will include information such as bad debt write-offs and eviction activity.

Procedures:

Housing York will establish operating procedures to support the implementation of the Tenancy Management Policy in consultation with Regional partners responsible for homelessness prevention programs and community support referrals.