

5

MANAGING HOUSING PROVIDER PERFORMANCE ACTIVITY REPORT FOR THE YEAR 2008

The Community Services and Housing Committee recommends the adoption of the recommendation contained in the following report dated April 2, 2009, from the Commissioner of Community and Health Services.

1. RECOMMENDATION

It is recommended that:

1. This report be received for information.

2. PURPOSE

This report provides information regarding Housing and Long Term Care Branch's activities to manage housing provider performance in 2008.

3. BACKGROUND

Under the *Social Housing Reform Act, 2000* the Region is responsible to ensure that social housing providers manage their operations well and in compliance with legislation.

The Region's social housing portfolio consists of 43 housing providers including Housing York Inc., who collectively operate 73 housing complexes. Approximately 6,000 households reside in social housing in York Region. It is home to thousands of York Region seniors and families. Some of these residents have disabilities, most have very limited incomes and all rely on the affordable housing provided to them.

4. ANALYSIS AND OPTIONS

The Region measures and manages housing providers' performance

The Region measures and manages housing provider performance through:

- Operational reviews.
- Rent-geared-to-income (RGI) program administration reviews.
- Housing providers' RGI decision reviews.
- Training and technical support.

4.1 Measuring housing provider performance through operational reviews and RGI program administration reviews

Regional staff conduct operational reviews to assess housing provider compliance with legislative and program requirements. Operational reviews are typically conducted on a three – five year cycle, but can occur more frequently if the Region has concerns about a housing provider's performance. The Region uses a risk-based decision process to determine the frequency of reviews. Some of the indicators of concern include financial issues, often noted in the provider's Annual Information Return, board governance issues, concerns around asset management and non-compliance with legislative requirements.

During an operational review, the Region examines and evaluates all aspects of the housing provider's operations, with particular attention to board governance, fiscal management, RGI program administration and asset maintenance management. To ensure appropriate allocation of RGI subsidies, in addition to regular operational reviews, the Region completes periodic reviews of housing provider RGI program administration.

Subsequent to each review, regional staff prepare a report identifying any aspects of the housing provider's performance that must be corrected. The report also recommends best practice process improvements for consideration by the housing provider's Board of Directors. The housing provider is required to provide the Region with a plan to address all legislated and local rule issues identified in their report. Regional staff attend board meetings and provide training and other resources as required to resolve issues and improve performance.

In 2008, the Region conducted eight housing provider operational reviews and five RGI program administration reviews as illustrated in Table 1. Most of the housing providers reviewed are performing quite well.

Table 1
Housing Provider Performance Reviews: 2008 Activity

Review Type	Number of Reviews
Operational Reviews	8
RGI Program Administration Reviews	5

York Region helps weak housing providers to improve performance

If an operational review identifies serious legislative non-compliance or unsustainable operational practices, the Region may issue a notice to the housing provider advising them that they are in breach of their obligations under the *Social Housing Reform Act, 2000*. When a housing provider is under notice, the Region has additional powers to intervene in the housing provider's operations as required. The housing provider remains under notice until such time as the identified issues are resolved.

As of December 31, 2008, there was one housing provider under notice and one housing provider in receivership. Details of the receivership have previously been reported to Council. Since the last Managing Housing Provider Activity Report, Clause No. 9 of Report No. 3, adopted by Council on April 24, 2008, three of the then reported providers under notice have improved operations to a satisfactory level and are no longer under notice.

The Region aspires for the continuous operational improvement of all housing providers with the particular goal of bringing the operations of housing providers under notice up to an acceptable standard. Regional staff work with all housing providers, in particular those under notice, to develop management plans to improve financial management, strengthen corporate governance, better asset maintenance management, improve RGI program administration and ensure legislative and local rule compliance. Regional staff regularly attend housing providers' board meetings, monitor financial reports, work with the providers' property management staff and provide one-on-one coaching as needed.

If a housing provider is not making satisfactory progress, the *Social Housing Reform Act, 2000* empowers the Region to implement significant remedies, including appointment of a Receiver. Since receiverships are costly, the Region actively seeks alternative resolution mechanisms.

For example, when the Region determined that the well-intentioned, but inexperienced Board of Directors of the one housing provider on notice simply did not have the capacity to fulfill their obligations without extensive, on-going support, the Region worked with the Cooperative Housing Federation of Toronto to engage a board mentor to provide the intensive leadership training and support required. Although this housing provider remains as a housing provider on notice they have made and continue to make consistent progress. Specific areas of improvement include: update of the corporate by-laws and policies, board succession planning, increased member participation and additional subsidies for much needed capital repairs.

4.2 Reviewing housing providers' RGI decisions to ensure appropriate RGI program administration

The *Social Housing Reform Act, 2000* entitles any member of an RGI household to ask the Region to review any RGI decision made by their housing provider. There are two principle types of reviews: RGI calculation reviews and RGI termination reviews. The reviews ensure appropriate RGI program administration while providing a valuable quality control mechanism that enables the Region to further monitor housing providers' RGI program administration.

RGI calculation reviews

Although housing providers make thousands of RGI calculation decisions each year, in 2008, there were only 38 RGI calculation decision review requests. Of the 38 reviews

conducted 15 (38%) resulted in a new decision. The Region's Housing Programs' staff followed up with the housing providers to review the corrected calculations, providing supplementary training as needed.

Termination decision reviews

The *Social Housing Reform Act, 2000*, requires tenants receiving RGI assistance to provide updated income and household composition information regularly.

If for any reason a tenant fails to provide information as required, the housing provider must terminate RGI assistance.

Tenants who lose their assistance typically lose their homes. This is a harsh consequence for failing to provide complete documentation. The Region uses the review process as a means to give tenants a second chance to retain their assistance and their housing.

When a tenant requests a review of an RGI termination decision, the Region gives the tenant an opportunity to submit the outstanding documentation. Since the *Social Housing Reform Act, 2000* allows the reviewer to change the decision, if the tenant provides the information, the Region reinstates the RGI assistance.

In 2008, there were 13 requests for review of RGI termination decisions. The Region reinstated RGI assistance for the 7 households that provided their required information. Table 2 provides a summary of the review activity.

Table 2
Housing Providers' Decision Reviews: 2008 Activity

Original Decisions	Total Reviews Conducted	Upheld Decisions	New Decisions
RGI Calculations	38	23	15
Loss of Subsidy	13	6	7

4.3 Working with housing providers through training and support to enhance performance

Identified housing provider training needs

In 2008, Housing Program's staff identified a number of housing provider training needs designed to educate on legislative changes, to improve corporate governance, and to improve rent-geared-to-income calculations. In 2008, the Region continued to provide written resources to housing providers to assist in understanding and fulfilling their legislative obligations. For example, specific updates included treatment of Registered

Retirement Savings Plans for RGI calculation purposes, dangers associated with a flood, and *Personal Information Protection and Electronic Documents Act* reminders.

4.4 Consulting with housing providers

The Region maintains positive working relationships with housing providers by regularly consulting with a reference group comprised of housing provider representatives and by periodically hosting events to recognize the contribution of volunteer boards and enhance provider performance.

5. FINANCIAL IMPLICATIONS

The Region's social housing portfolio is a valuable community asset with an estimated replacement cost of approximately \$1.0 billion. Most importantly, social housing provides homes for approximately 6,000 York Region households. The Region provides annual subsidies to housing providers, with a 2008 budget of approximately \$35.0 million.

The Region's housing provider performance management strategy gives housing providers tools to continually enhance their performance and enables the Region to identify any emerging operational issues before they become major problems. Regional staff work closely with weak performers, supporting the development and implementation of management plans designed to return the corporation to financial and organizational health.

6. LOCAL MUNICIPAL IMPACT

Social housing communities are found in every municipality of the Region. Effective measurement and enhancement of housing provider performance ensures that they continue to provide valuable services in their communities.

7. CONCLUSION

Most of the housing providers are performing well. The Region's risk-based strategy, including operational and rent-geared-to-income reviews, assist the Region to monitor and manage housing provider performance. The Region's goal is to continuously support housing providers and assist in improving their performance.

For more information on this report, please contact Sylvia Patterson, General Manager, Housing and Long Term Care at Ext. 2091.

The Senior Management Group has reviewed this report.