

Purpose

The purpose of this report is to seek Council's approval, acting as Shareholder and Board of Directors for the Greater Sudbury Housing Corporation, to execute the 2019 write off of former tenant balances in accordance with established policies and procedures.

Background

GSHC was established as a local housing corporation under the *Social Housing Reform Act*, 2000, SO 2000, c.27; and was regulated by the policies, procedures, standards, and objectives prescribed in the Ontario Housing Corporation Manuals. Section 02-01-06 of the Administrative Manual provides direction on write off of former tenant balances and indicates that all balances of former tenants, who vacated their units on or before June 30th of the current year with their balances as of October 31st be written off at year end. In accordance with this policy, the Greater Sudbury Housing Corporation (GSHC) has identified 183 former tenant accounts valued at \$502,240 to be written off. A summary of the balances for each property as of October 31st is included in Appendix A.

This request is deemed to comply with the CGS Accounts Receivable and Collections Policy as all efforts for collections have been exhausted. Accounts are earmarked for write-off when no repayment agreement exists and no payments have been received in the last six months. 157 of the former tenant accounts with balances in excess of \$170 have been forwarded to collection agencies in accordance with policy and procedures. Any recoveries as a result of the collection process will be processed to reduce the write-offs.

Tenant Arrears Process

CGS staff follow the GSHC Rent Arrears Collection Policy that complies with the Residential Tenancy Act to minimize the accumulation of arrears on current tenant accounts. A copy of this policy is attached as Appendix B.

GSHC has experienced a significant rise in arrears in former tenant balances as a result of tenancies going to Market Rent due to a loss of subsidy and the significant delays to obtain orders for evictions from the Landlord and Tenant Board. Staff are attempting to mitigate tenant arrears through pilot projects with Social Services and the Service Manager. The Social Service pilot endeavours to protect tenancies and avoid evictions for non-payment of rent and loss of subsidy. A copy of the pilot project guidelines is attached as Appendix C. The pilot project with the Service Manager provides an opportunity to extend the Annual Review deadlines by 30 days and reduce the number of tenancies losing subsidy.

Staff continue to monitor the success of the pilot projects and review best practises with other housing providers in order to reduce rent arrears and former tenant write offs.

Conclusion

The Greater Sudbury Housing Corporation has an annual budget for former tenant write-offs. Tenants who lose subsidy and are charged market rent for a period of time prior to their move out, results in higher rent charges than the budgeted rent geared to income revenues. At year end, the Corporation reviews these revenues and records a provision for potential uncollectable tenant accounts. This \$502,240 former tenant write-off has been fully provided for between the annual budget and the allowance for doubtful accounts. There is no financial implication for this write-off of former tenant balances.

In addition, the amounts will remain owing on the Provincial Data Base and collection efforts will continue through the aid of collection agencies. In accordance with the Housing Services Act, 2001 *O.Reg. 367/11*, s. 26 (1) (a) and (c) debtors will remain ineligible for rent-geared-to-income assistance in any housing project in Ontario for arrears in rent and any amount for damaged caused by a member of the household.