

RESIDENTIAL ACCOMMODATION POLICY

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I. GENERAL

A) SCOPE

This policy applies to self-contained residential accommodations defined as Rental Units supplied by the provincial government to an employee and his or her family. Self-contained Residential Units includes houses, duplexes, apartments, condominiums, trailers and trailer pads, and mobile homes. All employees receiving residential accommodation benefits under this policy, including the specific exemptions noted below, are subject to the applicable legislation administered by Canada Revenue Agency (CRA), the [Residential Tenancy Act](#) {SBC 2002} Chapter 78 and the [Residential Tenancy Regulation](#), BC Reg. 249/2008, September 9, 2008 and any subsequent amendments thereof.

The [CRA's Ceiling Amounts for Housing Benefits Paid in Prescribed Zones](#) will be used for determining taxable benefits for employees. For an explanation of the Ceiling Amount, see Definitions.

This policy does not apply:

1. To multiple occupancy accommodation such as bunkhouses or other temporary work crew shelter.
2. Where an employee is required to reside on-site:
 - (a) for security reasons;
 - (b) because the nature of the operation has potential for staff requirements outside normal working hours (e.g., seedling nurseries and fish hatcheries that can be severely impacted by short-term environmental changes without rapid intervention); and
 - (c) for operational reasons on Crown land (e.g., provincial parks, ranger stations).

B) OBJECTIVES

The purposes of the policy on residential accommodation are to:

1. Limit the provision of residential accommodation to government employees where absolutely necessary to achieve program delivery;
2. Ensure consistency in the application of rental charges; and
3. Ensure consistency in the application of utility charges to government employees occupying residential accommodation provided by government.

C) PRINCIPLES

The principles governing residential accommodation policy are:

1. Government employees are normally expected to provide their own accommodation; and
2. Ministries may, at their sole discretion, provide residential accommodation to achieve program delivery in cases where:
 - (a) no suitable accommodation as determined solely by the employing ministry, is available within an acceptable distance from the worksite; and
 - (b) the absence of suitable accommodation will prevent essential staff from being hired.

D) DEFINITIONS

"Accommodation Agreement" means a publication of Shared Services BC (SSBC), Ministry of Citizens' Services documenting the business relationship between SSBC and a ministry.

"Agent" means designated contact person within the ministry providing the employment to the Tenant.

"Allocation of Responsibilities" refers to a schedule, attached as Appendix "A" to this policy describing ministries' and SSBC responsibilities and obligations for the Rental Units in addition to the requirements stipulated in the "Accommodation Agreement".

"Building Occupancy Charges (BOCs)" mean payments by ministries to SSBC (and the private sector) for rental and maintenance of buildings and office accommodation.

"Ceiling Amount" means the CRA's housing benefit ceilings in non-market designated areas that are provided in the [Ceiling Amounts for Housing Benefits Paid in Prescribed Zones \(Form 4054\)](#). The guide lists separate rental and utility rates for houses including trailers and apartments. Non-market designated areas are listed in [Northern Residents' Deductions Places in Prescribed Zones \(Form 4039\)](#).

"Facility Manager" refers to the outsourced Service Provider retained by SSBC to maintain Government owned buildings.

"Landlord" refers to and means a ministry that has entered into a Residential Tenancy Agreement with an employee.

"Ministry" means a ministry having obtained residential housing stock from Shared Services BC, Ministry of Citizens' Services under the Accommodation Agreement.

"Premises" refers to residential accommodations occupied by a Tenant under the Residential Tenancy Act.

"Rental Rates" means the rental rates for employee accommodation.

"Residential Tenancy Agreement" means the tenancy agreement, attached as Appendix "B" to this policy between a ministry (the Landlord) and an employee (the Tenant) stipulating the terms and conditions by which the ministry provides the employee with residential accommodation necessary to achieve program delivery. The Agreement also describes any additional responsibilities of the ministry and the employee Tenant.

"Residential Unit" refers to any self-contained residential accommodation including houses, duplexes, apartments, suites, condominium units, trailers and trailer pads, and mobile homes.

"Residential Accommodation" may be any form of housing provided to a ministry employee under the Residential Accommodation Policy including houses, duplexes, apartments, suites, condominium units, trailers and trailer pads, and mobile homes.

"SSBC" refers to Shared Services BC within the Ministry of Citizens' Services.

"Tenant" refers to and means an employee that has entered into a Residential Tenancy Agreement with a Ministry.

"Utility expenses" means heat, light, power, and water expenses.

II. MINISTRY CONTROL OF RESIDENTIAL UNITS

A) POLICY

1. Ministries have two options for controlling residential accommodation for employees:

- (a) Lease the accommodation units from SSBC.
 - (b) Acquire the accommodation units directly from other sources.
2. Ministries must advise SSBC of their intention to acquire accommodation units directly from other sources.
3. Where the unit is to be acquired or constructed, the construction must be in accordance with residential standards established by SSBC.

III. RENTAL RATES

A) POLICY

1. The monthly rent charged, and any taxable benefit offered, by a ministry to an employee for a residential unit, should be based on the Ceiling Amounts provided by the [CRA in Ceiling Amounts for Housing Benefits Paid in Prescribed Zones \(Form 4054\)](#). If the rental rate paid by the employee tenant is less than the rate stated in the Ceiling Amount, the full difference must be treated as a taxable benefit.
2. Ministries are responsible for providing employee tenants with current information regarding the Ceiling Amount.
3. Rental rates do not include utility charges. Utility expenses are addressed in Utility Expenses.

IV. UTILITY EXPENSES

A) PAYMENT OF UTILITY EXPENSES POLICY

1. The payment of utility expenses is the responsibility of the tenant employee unless otherwise agreed upon between the Landlord and the Tenant and specifically stated otherwise in the Residential Tenancy Agreement.

B) REIMBURSING UTILITY EXPENSES GENERAL

1. Employee tenants may be reimbursed for utility expenses if the employee tenants' annual average utility expenses exceed the stated CRA Ceiling Amount for monthly utility expenses.

C) POLICY

1. The Ministry is responsible for the reimbursement of payments above the Ceiling Amount for monthly utility expenses. Employees must forward documentation supporting the payment of utilities to the appropriate ministry accounts payable office for processing. Refer to the Core Policies and Procedures Manual, Chapter D, for general information on payment processing.
2. The portion of the utility expenses that may be reimbursed by the ministry must be treated as a taxable benefit.

V. RENTAL INCENTIVES

A) SCOPE

1. This policy recognizes that ministries may need the flexibility to provide rental incentives to employee tenants. Rental incentives are reductions in rent from the Ceiling Amounts provided in [Ceiling Amounts for Housing Benefits Paid in Prescribed Zones \(Form 4054\)](#). They may be offered to attract staff to certain remote communities.

B) POLICY

1. Rental incentives can be applied to rental charges only; utility expenses remain the responsibility

of the employee tenant.

2. If the ministries agree to establish a rental rate that is below the rate on the Ceiling Amount, the full difference must be treated as a taxable benefit.

VI. IMPLEMENTING NEW RENTAL RATES

A) RENTAL INCREASES POLICY

1. Employee tenants whose rental rates are below the Ceiling Amount are subject to rental increases in accordance with the [Residential Tenancy Act](#) and the Regulations pursuant to the Act. A ministry with a continuous tenant in place may only raise the monthly rent once in a 12 month period and may not exceed the allowable percentage as determined by the Residential Tenancy Branch from time to time. The Residential Tenancy Act takes precedence over Canada Revenue Agency (CRA) prescribed rental rates. However, the Residential Tenancy Regulations in Sec. 23 (1)(a) provides for a greater rental increase if the rent for the rental premise is significantly lower than the rent payable for other rental premises that are similar to, and in the same geographic area. A ministry may then make application under Section 43(3) of the Residential Tenancy Act for dispute resolution.
2. If the Rental Incentives section is invoked by the ministries and the rental rate paid by the employee tenant is lower than the rate stated on the Ceiling Amount, the full difference must be treated as a taxable benefit.
3. Utility Subsidies Policy
 - (a) Employee tenants whose utilities are being subsidized will have any changes to those subsidies made in accordance with the [Residential Tenancy Act](#) and the Regulations pursuant to the Act.
 - (b) Ministries must not negotiate new tenancy agreements that include a utility benefit.
 - (c) Ministries may reimburse employee tenants for utility charges as described in section IV B) Reimbursing Utility Expenses.
 - (d) All utility subsidies must be treated as a taxable benefit.

VII. LANDLORD'S AND TENANT'S RESPONSIBILITIES

A) GENERAL

1. For purposes of the Residential Accommodation Policy, the ministry is identified as the landlord and the employee is identified as the tenant. Both the landlord and the tenant are subject to the [Residential Tenancy Act](#) and Regulations pursuant to the Act. This legislation and additional conditions are described in the Residential Tenancy Agreement.

B) POLICY

1. The required Residential Tenancy Agreement is contained as **Appendix "B"** attached hereto and forming part of this policy. Any changes to this Residential Tenancy Agreement must be in writing and comply with the [Residential Tenancy Act](#) and will be based on input from user ministries and legal counsel and must receive the prior written approval of the Financial Management Branch, Office of the Comptroller General.

VIII. DISPOSAL OF NON-ESSENTIAL UNITS

A) OWNED OR LEASED BY SSBC

Policy

1. Each ministry must relinquish all surplus residential accommodation to SSBC for reallocation, lease

termination or disposal. Ministries must provide SSBC with appropriate notice where accommodation is no longer required and is subject to the terms and conditions of the Accommodation Agreement.

2. Residential accommodation that does not meet the criteria established by this policy may be deemed non-essential by Treasury Board. Treasury Board may then direct the ministry to relinquish this accommodation to SSBC for disposal. In these circumstances, the ministry will cease providing the accommodation at the earlier of:
 - (a) The next change in tenancy; or
 - (b) One year following the decision of Treasury Board.
3. Where residential accommodation is vacant at the time Treasury Board declares it nonessential, the ministry must give notice of relinquishment to SSBC without delay. If the ministry does not comply, SSBC will apply to the Secretary to Treasury Board for an order of relinquishment.

B) OWNED OR LEASED BY THE MINISTRY

Policy

1. Residential accommodation that does not meet the criteria established by this policy may be deemed non-essential by the ministry. The ministry may then proceed to dispose of the non-essential property.
2. Each ministry must relinquish all non-essential residential accommodation for disposal to SSBC, or to the Integrated Land Management Bureau (ILMB), as follows:
 - a. Tangible Personal Property - SSBC is responsible for residential accommodation (including expropriations for highway expansion and mobile homes or other improvements situated upon that Crown land). Contact SSBC for more information.
 - b. Land -ILMB is responsible for the reallocation, lease termination or disposal of nonessential Crown land, via Ministerial Order, in accordance with Treasury Board Directive 7/90. Ministerial Orders must be forwarded to the attention of ILMB.
 - c. Tangible Personal Property and Land - SSBC may redistribute non-essential residential accommodation elsewhere in government, and must cooperate with ILMB to determine the benefits and appropriateness of joint sales of accommodation and Crown land to maximize the net return to government.

IX. ADMINISTRATIVE REQUIREMENTS

A) POLICY

1. Ministries providing residential accommodation to employees are required to maintain a **Summary Occupancy Report** for each property under lease from SSBC and as attached as **Appendix "C"** and including:

- (a) The type and location of each accommodation;
 - (b) The rationale for each accommodation being provided to employees;
 - (c) Name of all occupants;
 - (d) Commencement date of Agreement;
 - (e) SSBC building occupancy charges (BOCs);
 - (f) The rent paid by the employee tenant;
 - (g) The market rent;
 - (h) Possession date;
 - (i) Security deposit, amount & date paid;
 - (j) Pet Deposit, amount & date paid;
 - (k) Term of Agreement;
 - (l) Copy of the executed Residential Tenancy Agreement;
 - (m) Copy of the Move-in Inspection Report for the Premises;
 - (n) And other information as may be required from time to time.
2. The requirement in **1 (b)** for a rationale applies to all residential accommodation owned or leased by SSBC or by individual ministries.

X. APPENDIX "A" - Allocation of Responsibilities

AS ATTACHED HERETO AND FORMING PART HEREOF

XI. APPENDIX "B" - Residential Tenancy Agreement

AS ATTACHED HERETO AND FORMING PART HEREOF

XII.APPENDIX "C" – Summary Occupancy Report Form

AS ATTACHED HERETO AND FORMING PART HEREOF