



Report To:	Property Committee
From:	Donna Stewart, Director of Integrated Social Services and Rhonda McCauley, Social Housing Program Supervisor
Date:	June 19, 2019
Re:	Single Family Property Sales & Impact on Tenancy – Issue Report

## **Purpose**

This report speaks to the three (3) single family dwellings in Espanola following the recommendations of the Board in May 2019.

## **Background**

At the May 23, 2019 Board Meeting, [Resolution 19-41](#) was adopted and directed Manitoulin-Sudbury DSB staff to explore specific options with respect to the single-family dwellings in Espanola. These options were as follows:

### Option 1

With single-family units, offer the first opportunity to in-situ tenants with support from the DSB's Home Ownership Program to purchase the properties.

### Option 3

Inform the residents of the intention to sell the property and begin to relocate as units become available.

## **Report**

DSB staff have met with residents of these rental homes to discuss the DSB's intention to sell the properties and discuss the option to be offered the first opportunity to purchase the properties. Residents have been provided with information pertaining to the Home Ownership Program and have all indicated a desire to purchase their homes.

Residents are currently exploring their options for financing through their financial institution.

Residents will then advise the DSB of their eligibility for financing and the homes will be offered for purchase to existing tenants at fair market value as determined by the CAO through a real estate evaluation. Existing tenants will be offered support through the Home Ownership Program if they qualify.

Should any of the residents fail to qualify for financing, the home(s) will be put up for sale immediately at fair market value. Each resident will be offered relocation within the local portfolio if available, and/or Direct Shelter Subsidy (DSS) where they qualify for this program.

For any properties that undergo private sale, the tenants will be apprised of next steps based on the intentions of the purchaser(s).

### **Residential Tenancy Act: Rental Properties with less than 3 Rental Units**

Should an agreement of Purchase and Sale be offered to the DSB by a private purchaser and the property still have a resident under lease, the tenancy needs to be considered as follows:

The Residential Tenancies Act stipulates the following with respect to properties under tenancy which are being sold:

#### **Notice current Landlord DSB**

The Landlord of a property that has no more than three (3) residential units has entered into an agreement of purchase and sale for the property and they, their care giver, or one of their family members wishes to move into the rental unit.

The tenant may be given notice by the current landlord which is a minimum of 60 days and must be dated at the end of the month.

Should the purchaser not follow through and move themselves, their family member, or their care giver into the unit, the tenant may file application to the Landlord & Tenant Board that the Landlord Gave Notice in Bad Faith (T5). Should the Landlord & Tenant Board find in favour of the tenant, the fine could be up to \$25,000, and would be the responsibility of the District Services Board as the Landlord issuing the Notice to Vacate.

Should the purchaser follow through, there is no liability so long as they reside in the unit for a period of not less than 1 year.

#### **Notice by the Purchaser**

The tenant may be given notice by the purchaser, which is also a minimum of 60 days and must be dated at the end of the month. This is the same notice as above, however the reason for giving the notice is different. If the purchaser is giving the tenant notice for this reason, then the purchaser must additionally either pay the tenant an amount equal to one month's rent as compensation, or offer the tenant another rental unit that is acceptable to them.

If tenant is paid compensation it must be paid on or before the termination date in the notice.

Any dispute that results in Notice Being Given in Bad Faith, would not be the responsibility of the DSB, but that of the purchaser, and therefore results in no liability to the DSB.

## **Conclusion**

The DSB wants to ensure that the residents of the Single-Family Dwellings are continually informed of the progress with respect to their homes and the intention to sell.

It is our hope that as many of the current residents as possible are able to purchase the homes and will support them through current funding streams such as the Home Ownership Program.

For those residents who may not qualify for mortgage funding, the DSB will offer relocation if available in other DSB Units and/or access to the Direct Shelter Subsidy Program where the tenant is eligible.

Staff are recommending that the CAO have the authority to engage a Real Estate Agent to perform an evaluation of all three single family properties to determine their fair market value. These evaluations will then be used to offer the units to existing tenants if they qualify for financing or be used to list the properties with Real Estate for sale.

It should be noted, that for any home sold in the private market, the existing tenant will be offered relocation if available. However, should relocation not be available, the tenant refuses relocation, or relocation does not occur prior to an offer to purchase, the tenancy will remain, and the purchaser will be required to assume responsibility for retaining or ending the tenancy based on the Residential Tenancies Act.