

IN THE MATTER between **Northwest Territories Housing Corporation**, Applicant, and
Kimberley Paul, Respondent;

AND IN THE MATTER of the **Residential Tenancies Act** R.S.N.W.T. 1988, Chapter R-5
(the "Act");

AND IN THE MATTER of a Hearing before, **Adelle Guigon**, Rental Officer, regarding a
rental premises located within the **city of Yellowknife in the Northwest Territories**.

BETWEEN:

NORTHWEST TERRITORIES HOUSING CORPORATION

Applicant/Landlord

- and -

KIMBERLEY PAUL

Respondent/Tenant

ORDER

IT IS HEREBY ORDERED:

1. Pursuant to sections 41(4)(a) and 84(2) of the *Residential Tenancies Act*, the respondent must pay to the applicant rental arrears in the amount of \$3,765.00 (three thousand seven hundred sixty-five dollars) in minimum monthly installments of \$100.00 (one hundred dollars) starting in June 2016 and each month thereafter until the rental arrears are paid in full.

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2. Pursuant to section 45(4)(b) of the *Residential Tenancies Act*, the respondent must not breach her obligations regarding authorized occupants under section 5 and reporting of total household income under section 6 of her tenancy agreement again.

DATED at the City of Yellowknife in the Northwest Territories this 2nd day of June 2016.

Adelle Guigon
Rental Officer

IN THE MATTER between **Northwest Territories Housing Corporation**, Applicant, and
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REASONS FOR DECISION

<u>Date of the Hearing:</u>	May 25, 2016
<u>Place of the Hearing:</u>	Yellowknife, Northwest Territories
<u>Appearances at Hearing:</u>	Ella Newhook, representing the applicant Kimberley Paul, respondent
<u>Date of Decision:</u>	May 25, 2016

REASONS FOR DECISION

An application to a rental officer made by Yellowknife Housing Authority on behalf of the Northwest Territories Housing Corporation as the applicant/landlord against Kimberley Paul as the respondent/tenant was filed by the Rental Office March 2, 2016. The application was made regarding a subsidized public housing residential tenancy agreement for a rental premises located in Yellowknife, Northwest Territories. The applicant personally served a copy of the filed application on the respondent March 7, 2016.

The applicant alleged the respondent had permitted an unauthorized occupant to reside with her, accepted rent from that occupant, and failed to report the income. An order was requested to terminate the tenancy agreement and evict the tenant.

A hearing was scheduled for May 25, 2016, in Yellowknife, Northwest Territories. Ms. Ella Newhook appeared representing the applicant. Ms. Kimberley Paul appeared as respondent.

Tenancy agreement

The parties agreed and evidence was submitted establishing a residential tenancy agreement for subsidized public housing between the parties commencing May 19, 2015. I am satisfied a valid tenancy agreement is in place between the parties in accordance with the *Residential Tenancies Act* (the Act).

Occupancy

Section 5 of the tenancy agreement specifies the tenant is not to permit any additional occupants without the prior written consent of the landlord. It was explained at hearing that the purpose of this obligation is to ensure the subsidized public housing program is being used in accordance with its intent, that being to provide subsidized housing to low- and middle-income families. The respondent was provided a two-bedroom apartment specifically to house herself and her 8-year-old son.

Reporting of household income

Section 6 of the tenancy agreement specifies that the tenant is required to report the total household income of all adult occupants of the rental premises as and when requested, and in the form requested, by the landlord. It was established at hearing that the reporting was expected annually, and whenever there were any substantial changes in income.

Subsidized rent

Section 7 of the tenancy agreement specifies that as long as the tenant is not in breach of any of the terms of the tenancy agreement the tenant would be eligible for a rent subsidy calculated based on the total reported household income. Based on the respondent's reported income, her subsidized rent has been assessed at \$365 per month.

Issues

In February 2016 the landlord received an unsolicited email from an individual reporting that he had rented a room from the respondent from October 20 to December 31, 2015. He paid \$350 for October and \$600 for each of November and December. He was unaware at the time that the respondent was a subsidized public housing tenant. He provided copies of text messages between himself and the respondent which supported his allegation. The text messages additionally suggested the respondent intended to continue renting out the second room in her apartment after the complainant's departure, and that she was attempting to hide the income from Income Support.

The landlord's investigation into the respondent's file confirmed she had not requested or received authorization for an additional occupant and she had not reported any additional income either to the landlord or to Income Support. The actions, or lack thereof, constituted fraud of the subsidized public housing system and a substantial breach of the respondent's residential tenancy agreement obligations.

The failure to obtain authorization for an additional occupant and the failure to report the additional household income – both the ‘rent’ received and the income of the unauthorized occupant – constituted breaches of sections 5 and 6 of the tenancy agreement and resulted in the respondent being ineligible for the subsidies she received for the months of October, November, and December 2015 under section 7 of the tenancy agreement. Those subsidies were reversed and the respondent was charged the maximum monthly rent of \$1,625 for each of the three months. This has resulted in rental arrears on her rent account in the amount of \$3,765.

The circumstances were considered extremely serious as they were an apparent attempt to take advantage of a system intended to provide support to those in need. The subsidized public housing program has rules in place to maintain the integrity of the program and ensure it is being provided to those it is designed to support.

The respondent did not dispute the allegations. Conversations with the applicant’s representative after the application was filed enlightened her to the seriousness of her actions. She admitted to consciously having a roommate from October 20th to December 31st, explaining that she had no intention or desire to actually have any roommates after that period. Her expression of intent to the complainant in the text messages was intended as an encouragement for that roommate to expedite vacating her rental premises. Her desire for the short-term roommate stemmed from a serious lack of income which threatened to prevent her providing an enjoyable Christmas for her son. Although she did not report the extra income to the landlord, she did report it to Income Support. She acknowledged having read her tenancy agreement when she signed it, but admits not all the information was retained. She regrets her actions and submits that until speaking with the applicant’s representative she did not appreciate the seriousness of them, nor the potential consequences.

The respondent accepted responsibility for her actions and was prepared to do whatever was necessary to remedy the situation and retain her tenancy. She had no dispute whatsoever with the reversal of subsidized rent for the months of October to December 2015, only requesting a payment plan to resolve the arrears. She was adamant she would never commit this action again, and frankly mortified at her own oversight of the reality of her actions and their potential consequences for her and her son.

The emphasis on the seriousness of the breaches and the respondent's sincere regret and willingness to mitigate the breaches satisfied both myself and the applicant's representative that termination of the tenancy and eviction were not necessary at this time. It was agreed that as long as the respondent did not breach her obligations regarding authorized occupants and reporting of total household income again she could retain her tenancy. It was reiterated and the respondent understood that should this type of incident occur again the landlord would likely be successful in an application for termination of the tenancy and eviction.

Orders

An order will issue requiring the respondent to pay rental arrears in the amount of \$3,765 in minimum monthly installments of \$100 starting in June 2016, and requiring the respondent not to breach her obligations regarding authorized occupants and reporting of total household income again.

Adelle Guigon
Rental Officer