

DECISION/DIRECTION NOTE

Title: Write off Miscellaneous Receivables for former tenants

Date Prepared: April 2, 2020

Report To: Regular Meeting of Council

Councillor and Role: Deputy Mayor Sheilagh O'Leary, Housing

Ward: N/A

Decision/Direction Required: Write off uncollectable amount of \$149,526.32

Discussion – Background and Current Status:

From time to time, tenants will vacate their Non Profit Housing (NPH) unit owing the City money. Sometimes former tenants will owe the City for rental arrears, repairs that were outside average wear and tear, or leave the unit in terrible condition or a combination of scenarios. A letter and/or statement of account itemizing the amount owing and all the details, is sent to each former tenant, if we have a forwarding address or email.

The table below shows the amounts left owing, sorted by year the tenant vacated. Efforts have been made to collect outstanding amounts however due to reasons such as no forwarding address, change in phone numbers and the fact that many former tenants live on low- or fixed-income, collections have not been successful.

Former Tenant Write Offs By Year	
YEAR	\$
2005	\$69.54
2008	\$101.70
2009	\$2,223.44
2010	\$1,109.85
2011	\$21,948.12
2012	\$9,589.00
2013	\$12,307.32
2014	\$10,107.81
2015	\$17,597.57
2016	\$16,262.05
2017	\$31,484.40
2018	\$26,725.52
TOTAL	\$149,526.32

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For NPH staff, the collection process may be different depending on the individual circumstances. The first attempt to collect arrears is to work with the former tenant to arrange a collection process. If this is not successful, staff will get a hearing with Residential Tenancy. This will formally outline a payment plan with the former tenants. With current collections, this step has been successful.

The last resort is to register the amount owing with Credit Recovery Limited. This is the enforcement part of the process; however, this too is not a guaranteed collection. If the former tenant changes address, workplace or phone number at this step, collection may not be successful.

On January 1, 2019, the Residential Tenancy Act changed the timeline of collecting money owing to landlords from former tenants. The Act now states that a landlord has 12 months from the time a tenant vacates to start a collection process. This is down from 24 months therefore write off are recommended up to and including 2018.

Key Considerations/Implications:**1. Budget/Financial Implications:**

Currently, the amounts outstanding that are uncollectable total \$149,526.32
The effect of this will be minimal as they have been included in previous years provisions for uncollectable amounts. Every year, there is an allowance for doubtful accounts and because most of these amounts are old, they have already been accounted for. Therefore, the impact for 2020 will be minimal.

2. Partners or Other Stakeholders:

Residential Tenancy
Credit Recovery Limited
Former Tenants

3. Alignment with Strategic Directions/Adopted Plans:

Aligns with An Effective City

4. Legal or Policy Implications:

Policy has changed to reflect the changes in the Residential Tenancy Act.

5. Privacy Implications:

N/A

6. Engagement and Communications Considerations:

N/A

7. Human Resource Implications:

N/A

8. Procurement Implications:

N/A

9. Information Technology Implications:
N/A

10. Other Implications:
N/A

Recommendation:

THAT Council write off the uncollectable amount of \$149,526.32 left owing from previous tenants up to and including 2018. This will have minimal budgetary impact as these amounts have been included in previous years provisions for uncollectable amounts.

Prepared by: Judy Tobin, Manager of Housing

Approved by: **Tanya Haywood, Deputy City Manager, Community Services**

Report Approval Details

Document Title:	Write off Miscellaneous Receivables for former tenants.docx
Attachments:	
Final Approval Date:	Apr 3, 2020

This report and all of its attachments were approved and signed as outlined below:

Tanya Haywood - Apr 3, 2020 - 12:57 PM