EMBASSY OF THE UNITED STATES
OTTAWA, CANADA

Consulate General Calgary
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American Presence Post Winnipeg

HOUSING HANDBOOK

U.S. MISSION HOUSING POLICY
AND STANDARDS

April 2014

Foreword

Unlike many Foreign Service posts which offer Government-furnished housing, The U.S. Embassy in Ottawa and the Consulates General throughout Canada operate under the Living Quarters Allowance (LQA) program, which permits assigned personnel to identify and lease private residential quarters of their choice. Employees are also given the option, if they so choose, of applying their LQA towards the purchase of residential quarters. While the LQA program offers flexibility and freedom of personal choice, it does not absolve the Mission and assigned personnel from adhering to the overseas housing regulations and standards established, in accordance with Congressional mandate, by the State Department's Overseas Buildings Operations (OBO). Indeed, these regulations and standards are binding on all personnel of all U.S. Government agencies at all posts in Canada.

In most respects, the Canadian real estate market is comparable to that of the United States and assigned personnel usually encounter a minimum of difficulty finding suitable housing within their authorized Living Quarters Allowance. LQA rates are designed to cover substantially all the average employee's costs for rent and utilities.

This Housing Handbook incorporates the most current housing policy and space standards mandated by Washington. The purpose of this handbook is to assist employees and their families in understanding the regulations and procedures governing the housing program adopted by the U.S. Mission's Interagency Housing Board. We hope that this publication will serve as a valuable reference guide in this process.

Occupancy of comfortable, safe and secure housing which substantially replicates housing standards found in the United States is probably one of the most attractive features of a tour of duty in Canada. We are confident that the housing program administered by the U.S. Mission will do much in helping to make your assignment to Canada a pleasant and memorable experience.

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Minister-Counselor for Management Affairs

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I. INTRODUCTION

A. Policy and Authority

Under authority of the Foreign Service Buildings Act of 1926, employees assigned to U.S. Missions abroad may be provided housing at no cost to the employee. Such housing may be provided in Government-owned or leased properties, or through the Living Quarters Allowance (LQA) program. The objective of the housing program is to provide safe and secure housing that is adequate to meet the personal and professional requirements of employees at a cost most advantageous to the U.S. Government. For the purposes of this policy, adequate housing is defined as being comparable to the housing an employee would normally occupy in the Washington, D.C. metropolitan area, with adjustments for family size and locality.

B. Responsibility

Development of an interagency housing policy was first mandated by Congress in 1979 to ensure uniformity and equity in the provision of housing benefits to employees of all U.S. Government agencies. Responsibility for managing the program was centralized in the Department of State, with ultimate responsibility delegated to Overseas Buildings Operations (OBO). The objective of this decision was to ensure coherent, cost-effective management of this extensive worldwide program.

C. Scope

Acting as the U.S. Government's Single Real Property Manager overseas, OBO administers all aspects of the real property program. This responsibility includes the development, implementation and oversight of appropriate policies and procedures governing the purchase, sale, lease, management and maintenance of real property. For the housing program, OBO is responsible for developing a rational policy in consultation with other agencies whose employees overseas are under the authority of the U.S. Chief of Mission in their country of assignment.

D. Applicability

The policies, standards and procedures outlined in this publication are applicable to U.S. citizen employees of all Government agencies under the authority of the United States Ambassador to Canada; no other housing policy takes precedence over or alters the provisions outlined in this document.

II. MISSION HOUSING POLICY

U.S. Government-owned housing is provided for the Ambassador, the Deputy Chief of Mission, and for the Principal Officers at the Consulates General in Calgary, Halifax, Montreal, Quebec City, Toronto and Vancouver. In Ottawa, Government-leased quarters are provided for the Marine Security Guard Detachment, the MSG Detachment Commander and the Seabee. For all other permanently assigned U.S. civilian employees, it is the policy of U.S. Mission Canada to provide a Living Quarters Allowance (LQA) for the purpose of acquiring suitable residential quarters of their choice, subject to applicable regulations, policies and procedures. U.S. military personnel under the authority of the United States Ambassador to Canada are provided comparable entitlements under the Overseas Housing Allowance (OHA). Personnel participating in the LQA/OHA programs are expected to arrange for their own residential furniture and furnishings. Moreover, no residential maintenance services are provided by the U.S. Government for privately-leased quarters under the LQA/OHA programs.

III. DELEGATIONS OF AUTHORITY

The Ambassador is responsible for ensuring implementation of all policies and procedures related to the real property program; the Ambassador has delegated day-to-day responsibility for this program to the Minister Counselor for Management Affairs, who is designated as the U.S. Mission's Single Real Property Manager (SRPM). The Ambassador is ultimately responsible for ensuring the effective management of the post housing program.

The Single Real Property Manager is responsible for managing all aspects of the Mission's real property program, ensuring compliance with policies and regulations. The SRPM provides the Interagency Housing Board (IAHB) with the necessary information and guidance for implementing the Mission housing policy.

In Ottawa, the Supervisory General Services Officer serves concurrently as the post Contracting Officer and the post Housing Officer and has been delegated responsibility for executing real property leasehold agreements and/or purchases on behalf of all U.S. Government agencies. Employees other than the Contracting Officer may not negotiate or commit the U.S. Government to leasehold or other contractual agreements, and they may be held personally liable for such actions.

IV. INTERAGENCY HOUSING BOARD

The Interagency Housing Board functions as an independent working group, reporting to the Ambassador through the Single Real Property Manager. The board implements Mission housing policies in compliance with the standards and procedures contained in 15 FAM 200.

At the Consulates General, where there are three or more U.S. Government agencies represented at post, similar Interagency Housing Boards are established, reporting to the Principal Officer (and ultimately the Ambassador).

A. Composition

The IAHB consists of employees representing most U.S. Government agencies at post and includes the full range of personnel assigned, i.e., large and small agencies, high and low ranking personnel, families and singles. Each agency's representation on the Board also reflects, for the most part, their respective number of American personnel at post.

For Embassy Ottawa, the total number of Board representatives is determined by the Ambassador. At constituent posts, the number is determined by the Principal Officer. The seven individual members on the Ottawa IAHB are designated by the principal representatives of the agencies at post, as follows:

Department of State:	3 members
DAO, DIALO and SUSLO:	1 member
FCS, FAS and APHIS	1 member
DHS/ICE, DHS/CBP, USSS and IRS	1 member,
DEA, ATF and LEGATT	1 member

The Chairperson of the IAHB is appointed by the Ambassador (or Principal Officer) from among the members of the board, and should be rotated every 12 months among senior members of the agencies represented at post. The Ambassador, Deputy Chief of Mission and Principal Officers may not be members of the board as these officials serve in the direct line of appeal in

case of disagreement with a board decision.

The Single Real Property Manager serves on the board as an *ex officio* member, providing all necessary guidance on interpretation and application of policies and regulations, and making recommendations to the IAHB.

Other non-voting members of the Board include the Supervisory General Services Officer or Assistant General Services Officer as Executive Secretary, the Regional Security Officer to address security issues related to housing, the Post Occupational Safety and Health Officer (POSHO) to address residential health and safety and POSHO certification issues related to housing and the Community Liaison Office Coordinator (CLO).

B. Meetings

The IAHB meets on an *ad hoc* basis to fulfill its responsibilities. The board may be called into session at any time if the Chairperson determines that special action is warranted. The General Services Officer serves as the Board Executive Secretary and is responsible for preparing an agenda for each meeting, as well as for keeping minutes of proceedings and circulating copies to all board members.

C. Responsibilities

Because of its representative composition and familiarity with local housing conditions, the IAHB is the best vehicle to administer the Mission housing policy. Exercising its best collective judgment, the IAHB seeks to reconcile employees' housing requirements with the intent of Government regulations, and to make decisions that can be logically defended as being in the best interests of the U.S. Government. The Board is responsible for performing the following specific functions, in accordance with 15 FAM 212.2-2(C)

- As guided by the SRPM, applying the standards and procedures outlined in this policy to the management of the Mission housing program;

- Reviewing conditions at post, which determine ranking on the Locality Index. When a change is deemed necessary, the IAHB will present a justification memorandum to the Ambassador, through the Single Real Property Manager. If the Ambassador concurs, the request is submitted to OBO for review;

- Considering and deciding employee appeals to housing decisions;

- Assisting the SRPM with the preparation and revisions of the Mission Housing Handbook which defines the housing policy and outlines responsibilities of employees under the Living Quarters Allowance program;

- Maintaining written records of IAHB meetings, including justifications for decisions. In particular, those decisions that are a one-time exception to a policy, procedure or regulation, such as approval of housing which is larger than warranted by rank and family size, will be documented and records kept on file at post. These records will be made available, upon request, to inspectors, auditors, and/or representatives of the Bureau of Western Hemisphere Affairs (WHA), OBO, and, as appropriate, other U.S. Government agencies.

V. LOCALITY ADJUSTMENT

All posts in Canada have been designated **Type 1** under the Locality Index Code 15 FAM 264.2. This determination is based on the host country's level of development, general availability of cultural and recreational activities, essentially unrestricted travel opportunities and a threat to personal safety no greater than in the Washington, D.C. metropolitan area. In Canada, employees and their dependents would typically spend as much time in their residences as they would in the Washington, D.C. area.

Designations of post Locality Codes are reviewed every five years by OBO and WHA, in consultation with the Washington IAHB. The Mission will seek a re-evaluation only if the assessment of the environment is supported by documented trends.

VI. HOUSING CRITERIA

Space is an important criterion in selecting properties for housing abroad, but it is not the overriding factor, particularly in markets where housing availability is limited and/or other restrictions limit where employees may live. Selection criteria should include, but not be limited to, design layouts, special employee circumstances, desired locations (including as wide a variety as possible, approved by the regional security officer (RSO) or post security officer (PSO), availability of normal amenities (electricity, telephone, indoor plumbing), size, and ability to meet safety and health criteria and security requirements. 15 FAM252.2

VII. SPACE AUTHORIZATIONS

The intent of the Mission housing policy is to ensure employees are provided safe and secure housing which is comparable to the housing which they would normally occupy on assignment in Washington, D.C. Maximum housing space allowances are determined by the rank of the employee's position (not the personal grade) and family size. The Living Quarters Allowance is determined by the employee's personal grade and family size. While promotion during an employee's tour of duty may affect the authorized Living Quarters Allowance, this is not considered justification for changing his/her residence. A complete listing of all Foreign Service, Civil Service and U.S. military grade equivalents is found in Appendix 1. Information regarding the space authorization is found in 15 FAM 237 and 15 FAM 264.

An employee's space authorization is also based on the number of official dependents residing permanently (more than fifty percent of the year) at post. (Please see B. below for space increases for EFMs residing away from post.) Space authorizations are provided for varying family sizes, as shown in Appendix 2. In determining appropriate authorizations, the following guidelines apply:

A. Tandem Employees

Tandem employees, both of whom are assigned to the post, will be granted the space authorization for the senior member of the couple; the authorized Living Quarters Allowance will be shared by the respective parent agencies.

B. Official Eligible Family Members Residing Away From Post

For employees with official Eligible Family Members (EFMs) residing away from post (i.e., EFMs

who reside at post less than fifty percent of the year), the employee's maximum authorization will be increased by 175 square feet for every two (i.e., one or two) dependents residing away from post, 350 square feet for every four (i.e., three or four) dependents, etc.

C. Employees with Family Members on Separate Maintenance Allowance (SMA)

For the purposes of this policy, family members on SMA cannot be considered in determining an employee's space authorization.

D. Children of Separated Parents

If an employee shares legal custody of a child or children from a previous marriage and it is anticipated that the child or children will visit post frequently, the maximum authorization will be increased as in paragraph B above.

E. Single Parents or Families with Live-In Housekeeper

The U.S. Government has no obligation to provide housing (or space consideration) for the personal household staff of an employee. To the extent that housing with staff quarters may be available, the SRPM and the IAHB may ensure that consideration be given to single parents or other families requiring such additional space.

F. Foreign Affairs Agency Senior Representatives

The senior representative of each of the foreign affairs agencies is authorized housing within the space standards for a family of four at the grade tier corresponding to the position which he/she occupies. If the family size exceeds four, the higher space allowance applies, as per Appendix 2. See 15 FAM 262 and 15 FAM 235.3 for additional information.

G. Special Circumstances

In applying the residential space standards, particular requirements of employees, such as physical disability, or factors related to aged or handicapped family members will also be taken into consideration.

VII. COMPUTATION OF SPACE

The residential space standards are based on usable living space. As per 15 FAM 238, usable space refers to all living space measured from wall-to-wall within each room to include: living rooms, dining rooms, bedrooms (regardless of their use), kitchens, pantries (unless exclusively storage space), libraries, dens/studies, family/recreation rooms, bathrooms, powder rooms, dressing rooms, finished basements and attics and enclosed and "winterized" patios/terraces.

Areas excluded from usable space include: utility shafts/spaces, stairwells/landings, foyers, hallways, laundry or utility rooms, built-in closets (or space occupied by wardrobes), furnace rooms and fuel storage areas, garages, servants quarters (to include only those areas specifically designed as servants quarters, not areas which are part of the usable living space), and unfinished basements or attics.

IX. DESIGNATED AND DEDICATED HOUSING

A. Designated Housing

The designated housing in Mission Canada are the residences of the Ambassador, the Deputy Chief of Mission, the Marine Security Guard Detachment, the MSG Detachment Commander, Seabee, and the official residences of the Principal Officers at the Consulates General in Calgary, Halifax, Montreal, Quebec City, Toronto and Vancouver. With the exception of the quarters occupied by the MSG Detachment Commander and the Seabee representative, the foregoing residences are exempt from the established space standards.

B. Dedicated Housing

Dedicated housing is not applicable under the Living Quarters Allowance program.

X. APPEALS PROCESS

In accordance with 15 FAM 212.4, employees who wish to appeal a housing board's decision of disapproval based on space standards must submit a justification, in writing, through the S/GSO (or MGT Officer at constituent posts), addressed to the IAHB and the SRPM for review. If not resolved, the employee may request that the appeal be submitted to the Deputy Chief of Mission and/or the Ambassador for a decision. If the appeal is still not resolved at post to the employee's satisfaction, the employee may appeal directly to his/her parent agency, or, if a Department of State employee, to the regional bureau executive director, for review. The parent agency (or regional bureau), in consultation with OBO, will determine whether the issue warrants consideration by the Washington IAHB.

Until a final decision is made on the matter, the employee may request to continue in Temporary Lodging not to exceed the 90 days maximum authorization from the date of arrival at post. See DSSR 122.2.

XI. TEMPORARY LODGING

A. General

At many posts, U.S. civilian employees in transit are granted a Temporary Quarters Subsistence Allowance (TQSA) for the reasonable cost of temporary quarters incurred by the employee and his/her family. However, Department of State Standardized Regulations (DSSR) 120, DSSR 122.3 (Agency Options) grants posts authority to "…provide temporary quarters directly, and/or not to pay any TQSA if quarters with cooking facilities are provided." In keeping with this authority and in lieu of paying TQSA, Mission Canada directly provides, for most agencies, temporary lodging with cooking facilities and commences Post Allowance (Cost of Living Allowance, or COLA) effective the date the employee arrives at post. This approach brings Mission Canada's process more closely in line with posts that provide temporary lodging to employees and their families from existing USG housing pools.

Until employees identify their permanent quarters and such quarters are approved for lease (or purchase) by MGT/GSO and the RSO, suitable accommodations with cooking facilities will be arranged and provided as Temporary Lodging at USG expense for a period not to exceed 90 days for arriving personnel, or 10 days for departing personnel with an allowance of a 5 day overlap. Posts will arrange direct billing with the appropriate Temporary Lodging for basic room charges and parking. Incidental charges for personal expenses, such as meals, laundry and telephone calls, are the responsibility of the employee and must be paid prior to checkout. For

COLA, an SF-1190 (Foreign Allowances Application, Grant and Report) must be submitted to the Embassy Financial Management Center (or post Management Office) for processing within five days of arrival at post. HR's submission of the
TM-8 arrival cable, together with the SF-1190, will initiate the employee's Post Allowance (COLA) payments.

B. Transient Quarters

Neither the Embassy nor the Consulates General in Canada maintain transient quarters for arriving and departing personnel.

XII. PERMANENT HOUSING

A. General

Employees are expected to identify permanent housing of their choice within a reasonable period of time after their arrival at post. In no case, however, should the specified time exceed the authorized period for Temporary Lodging; otherwise the employee may be converted to LQA while in temporary quarters before moving to permanent quarters, or may be personally responsible for the costs associated with his/her extended temporary lodging. DSSR 122.52
The Embassy's General Services Office can assist new arrivals, as required, in referrals to local real estate agents; some rental and sale property listings are also kept on file in GSO. Similar referral arrangements are practiced at the Consulates General. see DSSR135.5

The General Services Officer or post Management Officer must review and approve all proposed lease or purchase contracts before a final commitment is made to the landlord or real estate agent. A standard lease for your province is available from your realtor or can be found through your GSO/MGT section of your post. A current sample Ontario lease can be found via the following link: Real Estate Lease. Information from the Landlord Tenant Board can be found at the following links: Halifax, Ontario , Quebec , Manitoba, Alberta and British Columbia. All leases must conform to applicable standards and include the Diplomatic, last month rent and combustion device clauses found in Appendix 4.

Inspection of a proposed residence for Space, Safety, and Security requirements will be performed via an approved home inspection provider. The inspection report must be sent to GSO/MGT for review by GSO, RSO and the POSHO, who will approve or disapprove the property.

Since the Mission does not provide "hospitality kits", employees should not occupy permanent quarters until the arrival of their airfreight and/or household effects shipments. Mission Management realizes the need to secure potential homes during fluctuating housing markets and thus will allow an employee to occupy their new residence under LQA while remaining in Temporary Lodging for up to five (5) calendar days to accommodate the delivery of shipments to the new residence. Government-provided temporary lodging will cease on the 6th calendar day.

XIII. SECURITY CONSIDERATIONS

The Regional Security Officer (or Post Security Officer) identifies all suitable locations where the security environment (relative to crime and police coverage) is considered acceptable. Appropriate neighborhood review of a proposed residence will be done at the Pre-Certification step of the Home Inspection process. As per 12 FAM 333.1, the RSO/PSO must approve all housing for all employees under Chief of Mission Authority PRIOR to the lease being signed.

In cases where properties require extensive security upgrades, approval will be carefully considered in the context of landlord or employee's willingness to assume costs for such upgrades. Following RSO/PSO approval , the Management Officer or designee at post must approve all residential leases, taking into consideration space, security, safety, and terms of the lease; in cases of disagreement, no property may be leased until the dispute is resolved.

To the extent possible, the IAHB ensures residential properties inherently maximize the safety and security of employees. The objective of the residential security program is to ensure the acquisition of housing which provides a degree of security appropriate to the local threat level.

B. Leased Quarters

In considering and negotiating for prospective leased quarters, employees should be aware of and guided by the following important factors:

- It is common practice in certain provinces in Canada for landlords to require payment, in advance, of the first and last month's rent at the start of lease (the last month's rent serving as a *de facto* security deposit). In Quebec, landlords are not permitted to request security deposits. Employees should be prepared for this initial financial outlay, and may wish to consider obtaining a salary advance.

- The final lease agreement should specify the exact term of the lease. To the extent possible, the lease term should be tailored to the duration of the employee's anticipated tour of duty in Canada. Employees are reminded that so-called "forced moves" occurring within the employee's period of assignment could be considered a personal expense and may not be reimbursable under current Government regulations. Such moving expenses are also not deductible under U.S. income taxes since they would ordinarily not meet the 35-mile distance requirement stipulated by the Internal Revenue Service. The foregoing restrictions also apply to voluntary moves.

- Under current Ontario provincial residential tenancy regulations, a rent inflation factor which may not be exceeded by landlords is established annually by a regional rental authority. Other provinces may have similar provisions.

  Some exceptions apply, so please ensure, if possible, that your lease amount is fixed or, if required, that any annual increases are documented in the lease and are reasonable.

- Taxes applicable to a leased property should be payable by the landlord and specified in the lease.

- Landlords should provide prospective tenants with estimated utility costs for the property being leased.

- All leases should contain the clauses found at Appendix 4 as part of the lease agreement: the diplomatic, last month's rent and the combustion device clauses.

- A reverse diplomatic clause, i.e., one giving the lessor the right to reclaim the property upon return to the area or for any other reason, should be avoided. This situation would normally dictate a "forced move" and, as discussed above, U.S. Government regulations prohibit the payment of expenses incidental to a move necessitated by such an event. Approval of a lease agreement containing a reverse diplomatic clause would be conditional on the employee being responsible for any forced move and associated costs.

- Municipal ordinances in most cities in Canada require property owners to install an appropriate number of functional smoke and CO detectors in residential quarters being held for lease. Tenants should ensure landlord compliance with this safety regulation. Supplementary safety equipment, i.e. smoke detectors, CO detectors, and fire extinguishers, is available from the facilities office at the Embassy or Consulates General.

- Employees should be guided by the residential security and safety standards established for the U.S. Mission. Landlords should be made aware of any security and safety deficiencies noted in a residence being considered for lease; the costs for correcting such deficiencies should be negotiated with the landlord as part of the inspection and approval process.

- Many landlords request post-dated monthly rental checks for one year (or more). Though this practice is common in many cities in Canada, there is no regulatory requirement for providing landlords with post-dated rental checks. The U.S. Government will not be responsible for post-dated checks provided to landlords.

- Early Termination: If an employee needs to invoke the "Diplomatic Clause" for early termination of a lease, the tenant must provide the landlord with a minimum of 60 days' notice by issuing a termination letter. For employees in Ontario, sign and enclose the termination letter and attach an official "Agreement to Terminate a Tenancy", Form N11 found on www.LTB.gov.on.ca, for the landlord to sign and return for their records. (Employees in other posts should check with their Management sections for province-specific reporting requirements.) Employees must provide a copy of the termination notice to GSO and FMC, who in turn will terminate LQA payments based on that lease end date. Notice to terminate the lease can be given on any date (not just the first or last date of the month) and the payment of the final days of the lease term should be prorated accordingly. Temporary lodging at the end of the employee's tour is authorized for up to a maximum of 10 calendar days, five of which can overlap with end of the LQA lease to accommodate the pack-out and cleaning process.
  Prior approval of this overlap must be obtained by the Management Officer/Management Counselor at post.

C. Personally-Owned Quarters

In accordance with DSSR 130 section 136, Mission personnel may elect to purchase homes under the Living Quarters Allowance program. Canadian regulations require the use of a local lending institution, and Mission employees usually encounter little difficulty in securing a mortgage.

Employees who intend to purchase a residence are encouraged to seek competent legal counsel to prepare closing documents.

The space, security and safety standards established for rental properties are also applicable to residential purchases, including advance inspection of the premises by the RSO and POSHO, or designees, and submission of closing contracts for review and approval by the General Services Office or post Management Office.

Based on a USG reciprocal agreement with Canada Revenue Agency, if a direct-hire employee in official status purchases a property under LQA and then sells it prior to or at the end of their official assignment in Canada, there is no capital gains liability to the Canadian government.

An employee who retains ownership of the property and rents the residence after departing post

for onward assignment may wish to consult a professional service provider regarding tax implications.

XIV. RESIDENTIAL OCCUPANT RESPONSIBILITIES

A. Vacancies

When an employee will be away from post for more than ten days, he/she must give written notification in advance to the RSO/PSO, specifying the length of absence, whether someone will occupy the residential quarters during any portion of this period and whether someone will make periodic checks on the residence, as per 15 FAM 241.2 & 15 FAM 243. Employees are not authorized to rent, trade or otherwise exchange Government-provided living quarters (including quarters acquired under LQA) for similar accommodations in another location or for other consideration or for any length of time. 15 FAM 241.2

B. Sublets

If an employee under LQA/OHA lets or sublets a portion of his or her privately leased or personally owned quarters, the amount received from the sub-lessee must be reported in box 24 of Form SF-1190, Foreign Allowances Application, Grant and Report, or similar other agency document, and deducted from any allowance granted to the employee for that period of time. 15 FAM 241.2

C. Telephone Service

Under no circumstances will the U.S. Mission pay for installation of telephone service in quarters obtained under the LQA program; the cost of such installation may be claimed by the employee under the Foreign Transfer Allowance. Moreover, employees are required to pay for continuing service charges on all telephones as well as internet and cable services installed in residential quarters. These recurring charges cannot be paid under lease payments made through LQA.

D. Businesses

As outlined in 15 FAM 246.2, the Department fully supports the desire of many family members to secure employment while posted abroad. Family members of employee occupants of U.S. Government-held LQA/OHA housing may use the housing for the conduct of a private business for personal financial gain, provided that such conduct conforms to the following:

- Such housing may be used for activities that foster cultural understanding between the embassy community and the local community and/or provide a benefit to mission employees or families, as determined by the Chief of Mission, or
- Such housing may be used for commercial activities if approved by the Chief of Mission or, in the case of an Ambassador's residence, by the relevant regional bureau assistant secretary in response to a written request and meet the standards outlined in 15 FAM 246.2. Section C.

XV. LIVING QUARTERS ALLOWANCE

A. General

Under the Living Quarters Allowance (LQA) or Overseas Housing Allowance (OHA) programs, employee residential space authorizations are the same as those specified in Appendix 2. If an employee wishes to lease (or purchase) a residential property which is in excess of his/her space authorization, whether or not it exceeds the LQA/OHA financial ceiling for that employee, approval of the Interagency Housing Board prior to signing the lease or purchase contract is required. No Washington approval is necessary. The post IAHB review process will ensure that employees do not acquire ostentatious or otherwise excessive housing. The IAHB may, as appropriate, establish rental or size ceilings as part of this review process and has the authority to deny requests which exceed these levels. For any LQA/OHA lease or purchase which

exceeds an employee's space authorization or in instances where the employee is voluntarily "out-of-pocket," post management will ensure that an appropriate notation is made on the employee's SF-1190 (Foreign Allowances Application, Grant and Report) and/or Financial Management Office housing file.

B. LQA Rates

The various Living Quarters Allowance groups are indicated in Appendix 3 (please note that space authorizations are featured in "tiers", whereas the Living Quarters Allowance is based on "quarters groups"; the two authorizations do not necessarily correspond). The LQA is designed to cover substantially all of an average employee's annual expenses for residential rent and utilities, up to the maximum allowed for that employee's group. LQA ceilings are established by the Department of State Allowances Office based on the post's annual housing cost survey, and adjusted during the year by fluctuations in the local currency exchange rate. Living Quarters Allowance rates are published in Section 920 of the Standardized Regulations, and are available on the internet at http://aoprals.state.gov/ .

C. LQA Rates for Employees with More than One Family Member

An employee with more than one member of family at post is eligible to receive an allowance up to the amount indicated by the LQA classification for "WF" (with family) for his/her group, **plus** the applicable incremental amounts shown below, in accordance with DSSR 130 section 134.11.

Table 1. LQA family size classification

Members of Family (excluding employees)	Additional LQA Percentage
2 - 3	10%
4 - 5	20%
6 or more	30%

D. Special LQA Provisions

Post has deemed that the current LQA for Quarters Group 2 ***is*** sufficient to obtain suitable quarters in Canada. DSSR 135.2

Tandem couples housed under the LQA/OHA program are each eligible to receive his/her respective authorized allowances. However, the rented (or purchased) property must be approved within the context of the MGT/RSO and IAHB review process outlined previously in Section IV. The following rates of quarter's allowances may be granted to tandem couples residing together. If both are civilian employees of the U.S. Government eligible for a quarters allowance, and they have members of family accompanying, one employee at his/her option may receive the basic "with family" allowance rate plus increments for additional family members. The other employee may receive the "without family" LQA rate. In determining the increment for additional family members, both employees should be excluded. When the couple has no family members, each employee may be granted the "without family" rate.

E. LQA Applied to Personally-Owned Quarters

When quarters are owned by the employee or the spouse, or both, an amount of up to 10 percent of the original purchase price of the residence (at the official exchange rate on the date of closing) shall be considered the annual LQA rate of his/her estimated expenses for rent. Only the expenses for heat, light, fuel (including gas, electricity, and firewood (if used as a primary

heating fuel)), and water and, in rare cases, land rent, may be added to determine the amount of the employee's quarters allowance. DSSR 136 The amount of the rental portion of the allowance (up to 10 percent of purchase price) is limited to a period not to exceed ten years, at which time the employee will be entitled only to utility expenses, plus land rent. As this 10 percent figure remains constant for the duration of the employee's assignment, fluctuations in the currency exchange rate (and relative adjustments to the LQA rate) apply only to utility charges. Since the Living Quarters Allowance is tax exempt, employees who purchase their homes may not claim deductions for mortgage interest, property taxes and other expenses on their U.S. income taxes. In accordance with Internal Revenue Code I.R.C. 265 (a)(1), the Internal Revenue Service has ruled: "... that no tax deduction is allowed for any amount which is otherwise allowable as a deduction if such amount is allocable to one or more classes of income wholly-exempt from income taxes." Please note that condo fees are not an eligible LQA expense and must be borne by the purchaser. DSSR 131.2

F. Application for LQA

When the lease is approved by GSO/MGT and the RSO, the employee must forward the lease to the Financial Management Office together with a completed LQA Worksheet (found on the SharePoint American Allowance site). Annual expenses should be reflected on the worksheet in Canadian currency. These expenses will include rent, possibly furniture rental, and estimates of annual utility costs, i.e., heat, electricity, water, etc. Estimates can be obtained from the landlord, the previous owner or the appropriate utility company. Non-State Employees should refer to their agencies for further information.

G. LQA Payments

Quarterly LQA payments are issued by the Embassy Financial Management Center and paid directly into the employee's Canadian dollar bank account.

Copies of statements, receipts and/or bills must be retained for all utility payments, and are to be submitted for annual reconciliation on the anniversary of the lease start date to the Embassy FMC. FMC will send notification to the employee when the reconciliation is due. Employees must reconcile actual expenses vs. estimated costs annually using the reconciliation form provided by FMC. Any amounts due or owed to the employee after each reconciliation period will be paid/collected as a lump sum.

The Living Quarters Allowance covers utilities, such as fuel oil for heat, gas, electricity and water. Rental of reasonable and necessary furniture may also be covered under this allowance (see special instructions for furniture rental section H. below).

LQA does not cover telephone, cable TV, maid service, lawn care, and snow removal charges, etc.; these costs must be paid by the employee. DSSR 130

It is the responsibility of the employee to submit a new LQA Worksheet if any changes in annual costs occur, e.g., rent or utility increases/decreases. All changes must be supported by documentation substantiating the requested increase (or decrease).

H. Furniture Rental

In accordance with Standardized Regulation DSSR 131.2 the Living Quarters Allowance includes the provision for separate rental of basic and necessary furniture not to exceed 25% of the applicable maximum annual quarter's allowance rate; this 25% limitation is not over and above the maximum rate for the employee's LQA authorization. Per Standardized Regulation DSSR 136 employees who purchase a residence are not entitled to reimbursement for

furniture rental reimbursement under the LQA Allowance.

For example, an employee whose maximum annual LQA maximum rate is $45,000 may enter into a furniture rental agreement with annual payments not to exceed $11,250. If the same employee's annual LQA expenses for rent and utilities totals $42,000, he/she would only be eligible for a reimbursement of $3,000 to cover furniture rental, bringing the employee to the maximum Living Quarters Allowance of $45,000; any additional costs over and above the maximum rate must be borne by the employee.

For the purpose of this provision, furniture rental is intended to include only basic and necessary furniture. Household items such as televisions, radios, pianos, and freezers are not considered "essential" and rental costs for such items may not be reimbursed under the LQA program. Current LQA regulations do not permit employees from entering into a furniture rental agreement that contains a “rent-to-own” provision.

XVI. RESIDENTIAL SECURITY

A. Residential Security Standards

The Regional Security Officer is responsible for administering the Residential Security Program in accordance with appropriate guidelines. A post-specific security profile for posts in Canada has been developed by the Department of State's Bureau of Diplomatic Security (DS) based on local threat levels. All posts in Canada have been assigned a Low threat rating, with the exceptions of Vancouver and Winnipeg, which have a Medium threat rating in the category of crime.

Post’s Regional Security Officer/Post Security Officer and GSO/MGT approval is required before leasing or purchasing a residence.

The following security features are recommended, and will be assessed in the security inspection survey under the Home Inspection process:

- RSO-approved deadbolt type locks at all entrance doors;
- A double cylinder lock if the lock is within 40 inches of a glass sidelight or door window; however, the fire/safety aspect of the keyed double cylinder lock should be considered when installing this type of lock, or
  A film of Mylar 8mil placed over the glass with a bead of caulk around the frame where it meets the door, or
  The window must be barred to prevent someone from breaking the glass and unlocking the door;
- Latching or locking mechanisms for all accessible windows/openings;
- Illumination of all entrance areas and apartment hallways;
- Substantial doors at all entrances;
- Door viewers or other means to permit the occupant to see a visitor without opening entrance doors.

Employees at the Consulate General in Vancouver and APP Winnipeg should consult with their RSO on the standards and requirements for Medium Threat rated posts, as per 12 FAH-8 H-142.4.

B. Security Guidelines

The effectiveness of the Residential Security Program depends on how well it is understood and

practiced by each employee. The following suggestions are provided to assist residential occupants in this process:

(1) Know Your Neighborhood

- Familiarize yourself with the surroundings;
- Get acquainted with your neighbors and learn and record their names.

(2) Physical Security

- Keep exterior security lights on during hours of darkness and replace non-functioning lights immediately;
- Prune trees and vines that block exterior lighting or which provide access to windows, balconies or roof. Trim shrubbery close to the house, especially near doors and windows (please confer with your landlord if you can do so, prior to pruning/trimming);
- Place charley bars firmly on sliding glass doors. Inform the RSO/PSO whenever your residence will be vacant for extended periods. See XIV.A

APPENDIX 1: RANK TIERS AND GRADE EQUIVALENTS 15 FAM Exhibit 264

TIER	FS	GM/GS	MILITARY	WAGE SYSTEM
EXEC	SFS	SES GS 16-18	O-10 through O-7	
MID	FS-1 FS-2	GM/GS-15 GM/GS-14 GM/GS-13	O-6 O-5/W-5 O-4/W-4	WS-14-19, WL-15, and Productive Support Equivalents
STD	FS-03 FS-04 FS-05 FS-06 FS-07 FS-08 FS-09	GS-12 GS-11 GS-10 GS-09 GS-08 GS-07 GS-06 GS-05	O-3/W-3 O-2/W-2 O-1/W-1 E-7/8/9 E-5/6 E-1/2/3/4	WS 8-13, WL 6-14, WG 12-15, and Productive Support Equivalents

MILITARY RANK EQUIVALENTS 15 FAM Exhibit 264

FS Equivalent	Mil RANK	AIR FORCE/ARMY/MARINES	NAVY
FS - 09	E-1	Private	Seaman Recruit
FS - 09	E-2	Private	Seaman Apprentice
FS - 09	E-3	Private First Class	Seaman
FS - 09	E-4	Corporal	Petty Officer Third Class
FS - 09	E-5	Sergeant	Petty Officer Second Class
FS - 09	E-6	Staff Sergeant	Petty Officer First Class
FS - 08	E-7	Sergeant First Class	Chief Petty Officer
FS - 08	E-8	Master Sergeant	Senior Chief Petty Officer
FS - 08	E-9	Sergeant Major	Master Chief Petty Officer
FS - 05	W-1 W-2	Warrant Officer	Warrant Officer
FS - 05	W-3 W-4	Warrant Officer	Warrant Officer
FS - 07	0-1	Second Lieutenant	Ensign
FS - 05	0-2	First Lieutenant	Lieutenant Junior Grade
FS - 04	0-3	Captain	Lieutenant
FS - 03	0-4	Major	Lieutenant Commander
FS - 02	0-5	Lieutenant Colonel	Commander
FS - 01	0-6	Colonel	Captain
SFS	0-7	Brigadier General	Rear Admiral (Lower Half)
SFS	0-8	Major General	Rear Admiral (Upper Half)
SFS	0-9	Lieutenant General	Vice Admiral
SFS	0-10	General	Admiral

APPENDIX 2: SPACE AUTHORIZATION STANDARDS

Locality

Quality of life at each post is an integral part of determining the locality adjustment factor. Available cultural and recreational activities, climate, security (both in terms of terrorism and crime) and isolation are items considered when assigning a Locality Index number to a particular post. At the center of this is a desire on the Department's part to ensure the well-being of the employee and family.

Ottawa has been designated as a Type 1 Post by Washington. Posts in this group are in countries characterized by relatively high economic development, general availability of cultural and recreational activities, essentially unrestricted travel opportunities, and threat to personal safety no greater than in the Washington, D.C. area. At these posts, employees and their eligible family members typically spend as much time in their residences as they would in the Washington, DC area.

The maximum space standards below are based upon the Type 1 locality index, and already include areas for representational functions, as per 15 FAM 264.3-3. Please also see 15 FAM Exhibit 237 and 15 FAM Exhibit 237(B). All posts in Canada are deemed Type 1 posts.

Maximum allowable residence size.

OCCUPANTS	1-2	3-4	5-6	7+
TIER				
EXEC	1700	2146	2465	2592
MID	1296	1870	2188	2316
STD	1168	1700	1976	2103

Measuring Criteria: Usable Living Space -15 FAM 238 (B)

The net square footage standards established above represent usable living space, as opposed to finished living space.

Usable space refers to all living space on each floor, measured from wall-to-wall within each room to include: living rooms, dining rooms, bedrooms (regardless of their use), kitchens, pantries (which are not exclusively storage space), libraries, den/studies, family/recreation rooms, reception rooms, ballrooms, bathrooms, powder rooms, finished basements and attics and enclosed patios/terraces.

Areas typically excluded from usable space include: utility shafts/spaces, stairwells/landings, foyers, hallways, laundry or utility rooms, built-in closets (or space occupied by wardrobes), furnace/fuel storage rooms, garages, servant's quarters (to include only those areas specifically designed as servants quarters, not areas which are part of the usable living space), and unfinished basements or attics.

APPENDIX 3: QUARTERS ALLOWANCE GROUPS

Grade equivalents for purposes of establishing LQA rates DSSR *135.2

QUARTERS GROUPS	PERSONNEL CLASSIFICATIONS						
	Department of State			Department of Defense			
1	Chief of Mission Career Ambassador						
	FS	GS	AID(FC)	WG	WL	WS	DoDDS TP
2	SFS & 1 – 2	SES/SL/ST & 14 - 15	11 - 14				
3	3 - 5	10 - 13	7 - 10	14-15	12-15	11-19	Schedule C Bachelor's Degree Step 4 & above and Schedules D-F and K-P
4	6 - 9	1 - 9	1 - 6	1-13	1-11	1-10	Schedule C Bachelor's Degree Step 1-3

Date:

APPENDIX 4

The following clauses are mandatory for USG LQA and OHA leases throughout Canada. For clarifying information, please contact your GSO or MGT office.

Diplomatic Clause (for leases)

Notwithstanding anything contained to the contrary herein, it is further understood by all parties to this Agreement that the Lease is subject to the following diplomatic clause: "In the event that the Tenant is transferred by her/his Government from the Ottawa-Carleton Region, the Tenant may terminate this Lease by giving the Landlord no less than sixty (60) days' notice in writing of her/his intention to exercise the option hereby granted. In lieu of providing such notice, the Tenant shall pay the Landlord two (2) months' rent, in advance, and vacate the premises at her/his convenience, not to exceed the period of notice."

Last Month Clause

"The Tenant may vacate the premises on any day of the month as long as the Tenant has given 60 days' notice to vacate the property. Rent balance shall be prorated."

Combustion Device Clause See CMHC website

"The Landlord will have all combustion devices (furnaces, etc.) inspected annually by a qualified technician and have filters replaced, and provide the employee (the Tenant) with a certificate of satisfactory completion for presentation to the Embassy after each inspection."

Wood stove, wood burning fireplaces and other fuel-burning device should be inspected at the start of the tenancy.

APPENDIX 5: Agency Representatives

Rep 1 – Jeff Zimmerman (FAS)

AGR-FAS APHIS
COMMERCE-FCS
GLOBAL HEALTH
NGA
TREASURY-IRS

Rep 2 – Phil Kearney (DEA)

JUS-ATF
JUS-DEA
JUS-LEGATT

Rep 3 & 4 – Edwin Nolan & Jon Akin

CONSULAR AFFAIRS
ICASS
PUBLIC DIPLOMACY
SECURITY SUPPLEMENTAL
STATE

Rep 5 – Kevin Dempsey (NORTHCOM)

ARMY TRADOC
ARMY/DASA
ARMY-ASG
ARMY-PEP
NORTHCOM
USAF
USAF-PEP

Rep 6 – Leonard Johnston (CBP)

DHS - CBP AFFAIRS
DHS - CBP PRECLEARANCE
DHS - CIS
DHS - ICE INT'L AFFAIRS
DHS - TSA
DHS - U.S. SECRET SERVICE
DHS - US COAST GUARD
DHS-OFF OF INT'L AFFAIRS

Rep 7 – Editha Garcia (DAO)

DAO
DCMA AMERICAS
DIA-LO
DISA DSCA
NAVY-PEP
SUSLO
USSOCOM
USTRANSCOM

APPENDIX 6:

Appendix 10: PROMULGATION

The policies and procedures contained in this hand book we officially approved and adopted by the following members of the Interagency Housing Board, U.S. Embassy on September 10, 2013.

INTERAGENCY HOUSING BOARD MEMBERS:

Chair person

Voting Members

Jeff Zimmerman
FAS

Phil Kearney
DEA

Edwin Nolan
Department of State

Jon Akin
Department of State

Kevin Dempsey
Northcom

Leonard Johnston
CBP

Editha Garcia
DAO

Non-Voting Members

Christopher Riche
Single Real Property Manager

Geoffrey Douglas
General Services Office

David Brackins
Regional Security Officer

Ines Alicia/ Deborah Douglas
Community Liaison Office

APPENDIX 6: PROMULGATION

The policies and procedures contained in this hand book were officially approved and adopted by the following members of the Interagency Housing Board, U.S. Embassy Ottawa on September 30, 2013.

INTERAGENCY HOUSING BOARD MEMBERS

Chair Person

_____

Voting Members

_____
Jeff Zimmerman
FAS

_____
Phil Kearney
DEA

_____
Edwin Nolan
Department of State

_____
Jon Akin
Department of State

_____
Kevin Dempsey
NORTHCOM

_____
Leonard Johnson
CBP

_____
Editha Garcia
DAO

Non-Voting Members

_____
Christopher Riche
Single Real Property Manager

_____
Geoffrey Douglas
General Services Office

_____
David Brackins
Regional Security Officer

_____
Ines Alicia / Deborah Douglas
Community Liaison Officer

THE END