



North Peace Housing Foundation

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Carolyn Kolebaba
Reeve
Northern Sunrise County
Bag 1300, 135 Sunrise Road
Peace River, AB T8S 1Y9

Dear Carolyn Kolebaba,

Thank you for your letter dated December 22, 2021, requesting an update on the North Peace Housing Foundation's trailers in Cadotte. Our Board Chair, Hazel Reintjes, has asked that I respond to your request on her behalf.

On May 23, 2006, North Peace Housing Foundation entered into an Affordable Housing Program, Sustainable Remote Housing Initiative (SRHI) Conditional Grant Funding Agreement for the purchase and placement of 8 manufactured homes in the Hamlet of Cadotte Lake. The term of this agreement is from the effective date, being April 15, 2006, up to and including June 30, 2027, which is the date 20 years from the effective date, plus an additional 14 months for construction and the issuance of the Certificate of Substantial Performance.

"The key objectives of the Sustainable Remote Housing Initiative (SRHI) are to ensure that people in Alberta's remote northern communities have access to safe, suitable, and affordable housing that is financially sustainable through partnerships between all levels of government communities and non-profit organizations."

Of the 8 trailers that were originally acquired under this agreement:

- 1 has been purchased by the original tenant by successfully satisfying all conditions of the rent-to-own agreement.
- 1 tenant is approximately a year away from fulfilling the rent-to-own contract.
- The Foundation has transitioned the remaining acceptable units to regular tenancy agreements:
 - 3 are currently occupied.
 - 1 remains vacant, but ready for occupancy.
 - We currently do not have a waitlist.

Although the original intent of this program is admirable, due to circumstances likely not foreseen at the time, it is no longer fully sustainable.

Since the inception of the program, the Foundation has written off more than \$200,000.00 of bad debt (arrear and damages) and, additionally, since 2015, incurred over \$30,000.00 of regular maintenance costs. This program was designed to be self-sustaining, but instead has been a drain on our regular Social Housing budget (i.e., Senior-Self Contained and Family Housing).

Of primary concern are the 2 remaining vacant and derelict properties that sit boarded up with inadequate funds generated from the program to do the necessary repairs. Rough estimates show that we will require approximately \$50,000.00 - \$60,000.00 per trailer to bring them to an acceptable standard. We simply do not have the budget to cover the cost of repairs.

Additionally, the Foundation will be required to pay Northern Sunrise County \$20,484.27 for each land title transfer once the rent-to-own agreement has been satisfied.

North Peace Housing Foundation has met with the Manager of Alberta Seniors and Housing, Affordable Housing Grant Compliance Unit and proposed that we advertise both units for sale, to move off the current lots, with the land being turned over to the current owner, that being Northern Sunrise County.

The Foundation would continue to operate the remaining 5 units under the SRHI. We have discussed transitioning the current tenants into a rent-to-own agreement once they have had a clear tenancy (i.e., no arrears, notices, etc.) with the Foundation for a period of 2 years, which would better align with the original intent of the program.

As per the grant funding agreement, the Foundation is required to use any proceeds resulting from the rental payments or proceeds from the sale of any of the manufactured units, to first pay any debt associated with the project, and then for other Sustainable Remote Housing purposed within the community of Cadotte Lake, subject to prior approval by the Minister.

Administration proposes that any funds generated from the sale of the manufactured homes be used to pay Northern Sunrise County \$20,484.27 per unit to transfer land title to the successful tenant(s) of the rent-to-own agreements. Any remaining funds would be used for repairs and upgrades to the remaining SRHI units in Cadotte Lake.

Thank you,

A handwritten signature in blue ink, appearing to read 'Tammy Menssa', written in a cursive style.

Tammy Menssa
Executive Director