



March 13, 2024

Dear Municipalities,

Attached you will find your requisition letter from Kneehill Housing Corporation. You will see that there has been a substantial increase in the requisition amount for 2024. I would like to provide you with information that may assist with any questions you, or your rate payers, may have.

Housing management bodies in Alberta requisition their municipalities for financial support to maintain Lodges in their communities for low-income seniors. This was an agreement between the Government of Alberta and the local Municipalities when the Housing Management Bodies (HMB) were created under a Ministerial Order. The Government of Alberta (GOA) regulates the amount of income that each senior must be left with each month for expendable income. As a HMB, and due to regulations put upon us, we do not have the ability increase our rental rates at the same rate our expenses rise unless there is a substantial increase in seniors' benefits. For seniors who do not meet the income threshold, the GOA provides the organization with a subsidy equivalent to approximately \$360.00 per month. Requisition dollars bridge the gap between rent collected, subsidies (in some cases) and the actual expenses of operating the Lodge. In recent years, we have experienced the additional expense of Carbon Tax, increased food costs and substantial increases in utility costs. As the Lodge was originally built in 1960, there are ongoing costs associated with the maintenance of the building and repair/replacement of equipment and systems. With very limited funding for several years, many of these items went unaddressed and we are now forced to address some of these issues immediately. We have also been renovating suites where possible to ensure they remain rentable.

Requisition amounts are reported as dollars per unit. The GOA publishes all requisition amounts per unit for all Housing Management Bodies in Alberta. Golden Hills Lodge has historically received the lowest requisition amount per unit in the province. In the previous reports, GHL

received 88% below average in requisition funding compared to all other lodges in Alberta. Unfortunately, this has not allowed the organization to create emergency reserves or plan preventative maintenance and upgrades. In recent years, it has not allowed us to meet operational expenses.

With the current increase of requisition dollars, Golden Hills Lodge will move from receiving 12% of the average requisition amounts provincially for 2020 to 48% (based on the most recent report 2020). I would expect that the amounts have increased for all organizations in the past 4 years as they are experiencing the same cost pressures as our Lodge. We will update our Board Directors when a new report is issued. I would be happy to provide and present past reports if requested.

I would welcome the opportunity to speak at a council meeting in the future to explain how requisition dollars impact our organization in greater detail.

On behalf of the staff, management, and residents of Golden Hills Lodge, I would also like to express our gratitude to the rate payers for their on-going support of our Lodge.

Thank you,

Julie Miller

Chief Administrative Officer

Kneehill Housing Corporation