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Friday, April 28, 2023

FILE NO: 001098

**BY EMAIL:** [MMak@litigationchambers.com](mailto:MMak@litigationchambers.com)

Michelle Mak  
Hunter Litigation Chambers  
Suite 2100 - 1040 West Georgia Street  
Vancouver, BC, V6E 4H1

Dear Ms. Mak:

**Re: Notice of public interest disclosure under s.  
25(1)(b) of the *Freedom of Information and  
Protection of Privacy Act*, RSBC 1996, c. 165**

We provide the following additional representations on behalf of Atira Women's Resource Society ("Atira") and Janice Abbott with respect to the report of EY (authors anonymous) dated March 6, 2023 (the "Report"):

**Page 10 of the Report states: "3.1 Restrictions on the use of this Report**

*In addition to the agreed upon mandate per the Terms of Reference, and the general terms and conditions of this engagement, we would like to draw your attention to the following:*

*- EY was not engaged to, and did not perform an audit, review, or compilation assessment. The work described in this Report was not performed in accordance with generally accepted auditing, review or other assurance standards in the relevant jurisdiction and accordingly does not express any form of assurance. Nothing in this Report shall constitute any legal opinion or advice of any kind."*

The Report's findings should be given little weight or credibility. By the Report's own admission, it does not provide any assurance verifying the accuracy and/or completeness of any of the information contained in the Report. This problem is exacerbated by the fact that the Report bases many of its findings on uncorroborated anecdotal information.

## Report Page 14: Per-unit per-month subsidies (“PUPM”)

Because of the limited time we had to provide representations, we calculated Atira’s PUPM costs by including funding from all sources, not just funding from BC Housing. They are also based on expenses, not subsidies.

We are unclear how EY calculated Atira’s PUPM expense and whether that figure is accurately compared to the PUPM figures EY calculated for other housing providers. Atira is one of the few providers that leases building from private landlords. Were lease and mortgage payments backed out in calculating and comparing PUPM? Were only the costs associated with SROs compared, or did EY include transition houses, as an example, in calculating Atira’s PUPM costs as compared to other providers? Was the age of buildings operated by the providers considered and the related maintenance costs? Was the size of buildings considered (programs with fewer beds tend to be more expensive)? Without knowing whether any of this context was taken into consideration by EY, it is impossible to determine whether any of EY’s PUPM calculations and/or comparisons bear any relationship to reality.

The attached spreadsheet titled “PUPM FY22 summary” demonstrates that PUPM expenses vary widely depending on the program being provided.

It is also important to note that maintenance issues arising the older buildings not owned by Atira can be complex and expensive, especially given the tenant populations. The following table outlines the age of SRO buildings operated by Atira, only some of which have received recent renovations:

Building	Address	Year Built
SRO - Arco Hotel	83 W Pender St	1911
SRO - Carl Rooms	375 Princess St	1912
SRO - Colonial Hotel	122 Water ST Vancouver V6B 1B2	1911
SRO - Cordova Rooms	56 E Cordova St	1908
SRO - Dominion Hotel	210 Abbott St	1910
SRO - Flint Hotel	1516 Powell St	1905
SRO - Gastown Hotel	112 Water St	1889
SRO - Hazelwood Hotel	344 E Hastings St	1912
SRO - Hotel Canada	518 Richards St	1913
SRO - Hutchinson Block	429 W Pender St	1909
SRO - Luugat Hotel	1176 Granville St	1911
SRO - Murray Hotel	1119 Hornby St	1912
SRO - Nora Hendrix Place	258 Union St, Vancouver, BC V6A 0J4	2018
SRO - Patricia Hotel	403 E Hastings St	1912
SRO - 566 Powell Hotel	566 Powell St	1912
SRO - Patrick Anthony	403 E Hastings St	1912
SRO - Sarah Ross Housing	4480 Kaslo St	2018
SRO - Savoy Hotel	258-260 E Hastings St	1911
SRO - St Helen's	1161-1163 Granville St	1898
SRO - Tawow	303 Columbia St	1905

**Report Pages 15-16: “Burns Block”**

We attach additional email exchanges relevant to Atira’s assignment of its contract for Burn’s Block to BC Housing. [see the attached PDF files]

**Page 25 of the Report states: “Atira’s use of \$2M in restricted funds [to purchase 303 Columbia] was confirmed to EY by both Atira’s Senior Executive Director of Finance and Executive Director of Finance. ....”**

To clarify our response to this statement in our letter dated April 25, 2023, Atira has reimbursed BC Housing the \$2 million used to purchase 303 Columbia by depositing that amount into the account from which the \$2 million in restricted funds was withdrawn.

In June 2021, Atira and BC Housing learned that the private owner of the Colonial Hotel, which was then operated by Atira to provide housing, was demanding an increase in the monthly lease payment. Atira has faced many challenges improving poor living conditions at privately owned hotels such as the Colonial Hotel. Therefore, Atira informed BC Housing that it would be better to use the amount of the lease payment for the Colonial Hotel to finance the purchase of a building a) in better condition, 2) provides more space per unit, 3) generates commercial income that could be used to reduce to funds needed to the operate the building, and 4) allows Atira to exercise more control over the building’s compliance with health and safety requirements. In the result, Atira made the decision to purchase the Tawow Hotel at 303 Columbia

See the following chart which compares the advantages of Aitra’s ownership of the Tawow Hotel over continued lease payments for the Colonial Hotel:

<b>HOUSING PROGRAM COMPARISON</b>			
	<b>Colonial</b>	<b>Tawow</b>	<b>Reference</b>
Address	122 Water Street, Vancouver BC	303 Columbia Street, Vancouver BC	
Ownership	Privately Owned	Atira Development Society	BC Land Title & Survey ( <a href="https://ltsa.ca/property-owners/how-can-i/search-for-a-title/">https://ltsa.ca/property-owners/how-can-i/search-for-a-title/</a> )
Willingness to make capital improvements	Low	High	Various research findings*
Profits generated by the building lease	Kept by private owner	Returned to community via Atira	Atira's audited financial statements
Tenant Unit Size	Average 180 sq.ft.	Average 206 sq.ft. (159 - 332 sq.ft.)	Blueprints of the buildings
Net Leasable Area	1,000 Sq. Ft	3,300 Sq.Ft.	BC Assessment Colonial Hotel: <a href="https://www.bcassessment.ca//Property/Info/QTAwMDAwM0xQ">https://www.bcassessment.ca//Property/Info/QTAwMDAwM0xQ</a>

			Wg== 303 Columbia: <a href="https://www.bccassess ment.ca//Property/Info/QTAWMDAwM00x OA==">https://www.bccassess ment.ca//Property/Info/QTAWMDAwM00x OA==</a>
Revenue generated from Commercial Section, returned to BC Housing by way of operating funding reduction	-	165,015.00	Commercial Lease Agreement between Atira and tenant Operating Agreement between Atira and BC Housing
BC Housing Operating Subsidy	2,884,158.00	2,834,833.34	2023 BC Housing Approved Budget
Rent Expense	79,380.00		2023 BC Housing Approved Budget
Mortgage Expense		69,195.00	2023 BC Housing Approved Budget
Elevator Expense	23,181.00	11,665.00	2023 BC Housing Approved Budget

\*"Not-for-Profit Ownership and Hospitalization Rates Among Older Adults Receiving HUD Housing Assistance" by Brown et al. (2018): This study examined hospitalization rates among older adults living in supportive housing owned by nonprofit organizations compared to those in privately-owned housing. The study found that those living in nonprofit-owned housing had significantly lower hospitalization rates than those in privately-owned housing.

"Does Nonprofit Ownership Matter? Examining the Effects of Ownership and Service Provision on the Well-Being of Residents in Supportive Housing" by Keene et al. (2019): This study examined the effects of nonprofit ownership and service provision on the well-being of residents in supportive housing. The study found that residents in nonprofit-owned housing reported higher levels of overall well-being and social support compared to those in privately-owned housing.

**Page 26 of the Report states: "As of the date of this Report, Atira's FY 2022 financial statements have yet to be issued, almost 11 months after the fiscal year-end"**

In addition to the factors outlined in our letter dated April 25, 2023, Atira has been delayed in issuing its audited financial statements because of ongoing challenges obtaining budget approvals from BC Housing.

Please see the following table for the timeline of approval by BC Housing of Atira's operating budgets for the past two fiscal years:

<b>Operating Budget Approval Timeline</b>		
	<b>Atira submitted Proposed Operating Budget to BC Housing on:</b>	<b>BC Housing provided Approved Operating Budget to Atira on:</b>
<b>FY2022</b>	January 16, 2021	September 16, 2021
<b>FY2023</b>	February 25, 2022	March 2, 2023

Note that the full detailed document with details of the approved FY2022/23 budget was only made available to Atira in March 2023, the last month of the fiscal year.

Another factor delaying Atira's preparation of financial statements were changes in BC Housing's cost allocation and budgeting methods, which required Atira to constantly make retroactive funding or cost allocation adjustments.

**Page 30 of the Report states: *"Questions concerning the necessity of the purchase of the Sereena (sic) given that BC Housing had excess capacity in its existing portfolio."***

To clarify our response to this statement in our letter dated April 25, 2023, Atira was never informed by BC Housing "that BC Housing had excess capacity in its existing portfolio" to house all the approximately 56 women then residing at Sereena's.

Sincerely,

**McConchie Law Corporation**

By: 

Alan McConchie Law Corporation  
Per Alan McConchie  
Barrister and Solicitor

RAM/cvw

Enclosures: as stipulated