



May 5, 2023

BC Housing
1701 – 4555 Kingsway
Burnaby, BC V5H 4V8
Attention: Alan Seckel, Board Chair

T 604 681 4437
F 604 688 1799
E info@atira.bc.ca

201, 190 Alexander Street
Vancouver, BC V6A 1B5

Dear Mr. Seckel,

I have your letter of May 4, 2023.

As you are aware, our organization has had very limited access to the Ernst & Young report which is embargoed behind four Non-Disclosure Agreements and the only copy is at our lawyer's office. I am the only member of the board who has been able to read it. You describe the report as a "forensic investigation", but it was prepared under such abbreviated procedural and time constraints, we suspect it does not warrant that label. From our review of the report to date, we understand it contains numerous significant factual errors and inaccuracies made by the unidentified authors. Your letter demanding changes and commitments from Atira with one day's notice, based on a report that we have not been able to fully access as a board and as an organization, is problematic. We look forward to receiving an unrestricted copy of the report so that we can properly review, consider, and respond to it.

We recognize that the report contains a number of findings that, if accurate, will require prompt and substantive action on behalf of Atira, and we intend to make all such changes that are warranted. Atira has grown rapidly in its efforts to respond to BC's housing and homelessness emergencies, and the pandemic. As a result, and not surprisingly, there have been some administrative challenges to address. In that context, Atira welcomes full and fair audits under the Operator and Operating Agreements and we look forward to working with the auditors and BC Housing to improve Atira's operating processes.

With respect to the request for transmittal of the \$1,908,172, Atira continues to hold those funds in restricted accounts, and we have been waiting for BC Housing to complete its review of the 2021 financial year before remitting those funds through the usual channels. As of yesterday, the relevant documentation (the financial statements review package) had not been received through the BC Housing portal. Once we receive that documentation and complete a reconciliation, as we do every year, we will release any surplus to BC Housing.

As for the request that Atira create a board position for a government appointed observer, we are certainly open to considering that, but we will need to receive more information about the observer's proposed role and status so that the board can make an informed decision.

Lastly, your letter states that BC Housing does not have confidence in Atira's current leadership that it can make the changes that are required. You call for "leadership renewal", which we understand to be a euphemism for terminating one or more senior executives. We decline to do so at this time and we continue to have confidence in our executive team.

We noted that the Ernst & Young report states:

- "We have not identified payments to vendors or payees from Atira's cash disbursement ledger which would suggest that Atira used grants or other public funds for means outside of their required purposes." [page 33]
- "...we did not identify transactions which would suggest that Atira used grants or other public funds for means outside of their required purposes. Specifically, we did not identify disbursements to the following:

- o Executives or employees of BC Housing
- o Unidentified numbered companies
- o Non-arms length or companies owned by J. Abbott or S. Ramsay
- o Foreign entities" [page 34]

In light of there being no findings of wrongdoing by anyone on its executive, Atira's board will not terminate its senior executive team or any of its members on request from BC Housing with one day's notice. As an independent non-profit housing provider with a long track record of delivering affordable housing to British Columbians in need, once the report is released from the Non-Disclosure Agreements, Atira's board will be carefully reviewing and considering the report and will develop a path forward in due course with regard to a leadership review, as needed. For now, we continue to have confidence in our leadership team and the tremendous experience it has in the non-profit housing sector.

Regards,

[Redacted Signature]

[Redacted Name], Director, Chair of the Board

AGREED TO BY:

[Redacted Signature]

[Redacted Name], Director

cc: [Redacted]