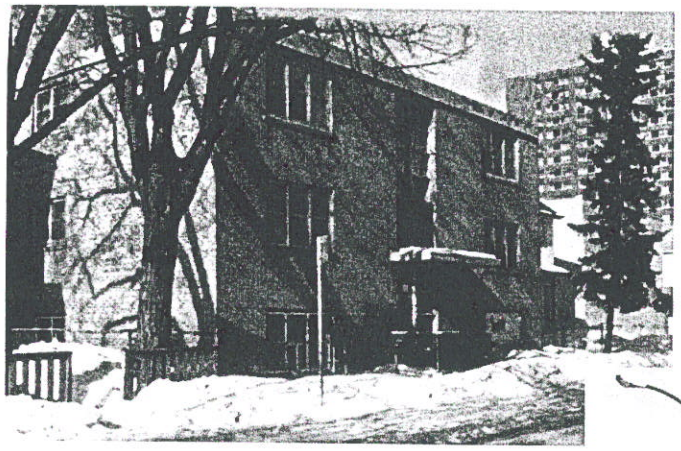
A Housing Proposal

"KIKINAW HOUSING PROJECT 2005"



KIKINAW Housing INC.



for the

'Winnipeg Housing & Homelessness Initiative'

City of Winnipeg & Province of Manitoba

Community Private Partnership

West Broadway Land Trus Inc.

ASH MANAGEMENT GROUP INC.

WEST BROADWAY DEVELOPMENT CORPORATION



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&

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KÍKINAW Housing INC.

Prepared by:

KIKINAW Housing Project Partnership

February 16th, 2005

Executive Summary

In the past the West Broadway area has suffered from a process of urban decline characterized by a high incidence of poverty, absentee landlords, crime and drug dealing. In recent years, a number of public and community organizations, led by the West Broadway Development Corporation, have initiated a process of revitalization and renewal. This process has centred on an effort to stabilize and revitalize the area, including the acquisition and rehabilitation of existing single family and multi-dwelling stock and subsequent use of this revitalized housing stock to support affordability and accessibility for its residents.[1] In response to these housing needs, West Broadway Development Corporation hasYoung United Church, ASH Management, andWest Broadway Lan Trus Inc. facilitated a housing project entitled "KIKINAW", (Meaning "home" in Cree).

KIKINAW Housing Project will be located in the West Broadway area. It is a 'community-demonstrated project' that reflects a diversity of community input that has been gathered over the last year through a number of public consultation meetings held by West Broadway Development Corporation, and the neighbourhood Alliance and Council. KIKINAW is a housing project that was developed by a consortium of community and private interests to address the issues of tenant displacement and dramatically increased rents, both as a result of previous rehabilitation schemes completed on older multi-family rental properties.[2] This housing project targets the most vulnerable 'low-income individuals and households' which are prone to homelessness in the community and are now living in substandard housing.[3] [4] [5]

KIKINAW will use a Greening Approach to the building retrofit and its occupants. A Greening Approach is a process: it is holistic, integrated, systematic and ultimately more efficient and cost-effective than conventional housing development approaches. Green building design is about choice: choosing green building products, and the most efficient mechanical and electrical systems as well as adding to community appeal. Applying green principles to buildings and urban planning is a sound long-term investment of public dollars for housing stock renewal and for the health and well-being of its residents.

Footnotes

[1] Steve Pomeroy & Greg Lampert, *An Option for Homeownership, Community Land Trust*, Focus Consulting, 2003.

[2] West Broadway Development Corporation, *A Neighbourhood in Change – A Crisis in the Rental Stock*, February Board of Directors Report to Provincial Government January, 2003.

[3] West Broadway Development Corporation, *Neighbourhood "Trends and Trade-offs in the Rental Stock*, February, 2003.

[4] Green Committees Association of Newfoundland, *High Energy costs - low pay painful duo"*, new release, Halifax Chronicle, February 3rd, 2005.

[5] Census Canada, 1996, 2001.

TABLE OF CONTENT

KIKINAW Housing Project 2005

		Page
1.	Executive Summary	i.
2.	A Case for KIKINAW: A Brief History of West Broadway and the Neighbourhood Housing Plans	1.
3.	KIKINAW Housing Project 2005	3.
i.	Professional Team	3.
ii.	Tenant-Centred Model	4.
iii.	Partnership Information	4.
iv.	Green approach to the Buildings and its Occupants	5.
v.	Green approach and the KIKINAW Housing Project	7.
vi.	KIKINAW Business Plan	11.
4.	Appendix	13.

(a) Offer to Purchase
(b) Addendum to Offer to Purchase
(c) Addendum to Offer to Purchase
(d) Addendum to Offer to Purchase
(e) Carry Cost Estimates
(f) Letter from Montrose Mortgage
(g) 284 Langside Rent Roll
(h) 317 Langside Rent Roll
(i) 284 Langside 10 year Pro Forma of rental operations
(j) 284 Langside Notes to accompany Pro Forma
(k) 317 Langside 10 year pro forma of rental operations
(l) 317 Langside notes to accompany Pro forma
(m) 284 Langside Cost estimates of rehabilitation
(n) 317 langside cost estimates of rehabilitation
(o) Proposal development funding application form- 284 Langside
(p) Proposal development funding application form- 317 Langside
(q) Report from W. Shaver 284 Langside
(r) Report from W. Shaver 317 Langside
(l) Alternatives for equity distribution
(m) Application to the City of Winnipeg (snapshot of the project)
(n) Funds raised related to Kikinaw Housing Inc.
(o) Letter from Winnipeg Housing and Homelessness Initiative re AHI loan

KIKINAW HOUSING PROJECT
An Overview

The following sections will detail the important aspects of the KIKINAW Housing Project approach to housing development in the West Broadway area.

A Case for KIKINAW: A Brief History of West Broadway and the Neighbourhood Housing Plans

West Broadway Development Corporation has undertaken a number of important community development initiatives and projects in housing to complete the community vision and revitalization of the neighbourhood. West Broadway today is the "JEWEL in the HEART OF THE INNER-CITY".

In a short four years, West Broadway Development Corporation, in concert with its neighbourhood partners, has made a direct improvement to the housing stock in West Broadway. West Broadway Neighbourhood Housing Plans have identified many areas of concern over those same years.[1] Yesterday's principles (2001) of housing development hold true today. KIKINAW housing project fulfills those principles. One can say that we did improve the neighbourhood and its housing stock, but at what cost? West Broadway has been able to "Measure its Success", but we have witnessed the down-side of urban renewal, too.[2]

Between 2000 and 2004 many housing activities, initiatives and projects took place in the neighbourhood resulting in approximately over 225 newly rehabilitated units. These housing activities were part of comprehensive 'Housing Plans' implemented to revitalize West Broadway. The ultimate goal was to preserve and improve the housing stock of homes and apartment buildings. Secondly, funding from government, foundations and private individuals stimulated investment, therefore providing the necessary incentive for present and future sustainability. The hope was that everyone's quality of life would improve.

Housing strengths, such as the rent-to-own Homeownership Program by the newly formed West Broadway Community Land Trust led the way in this rejuvenation of the north side of Broadway on Langside and Young Streets. The objective was to provide a 'diverse array of housing choices' for lower-income families, students seniors and

[1] West Broadway Development Corporation, *Neighbourhood Housing Plan 2001-2003*, October, 2003.

[2] West Broadway Neighbourhood Housing & Land Use Forum, *Measure Our Success*, October, 2004.

individuals. The renovations by local not-for-profit housing providers and for-profit housing providers, added many newly renovated homeowner and rental units to the already existing stock of rooming houses, triplexes and apartment buildings.

Government grants played an important part in the inner-city renewal scheme. Local property owners tapped into the Residential Rehabilitation Assistance Program, Neighbourhood Housing Assistance and Affordable Housing Initiative Programs to improve their buildings and land. West Broadway Development Corporation's Property Improvement Program (PIP), a small grants project has proved invaluable for local homeowners and landlords with rental properties over the last three years. Going on five years now, West Broadway's newest housing challenge is about 'Striking a Balance' between the subsidized renter, affordable renter, homeowners and commercial landlords.[3]

Clearly, West Broadway is a neighbourhood in flux. Creating a 'Stairway to Community' is a strategy for fostering community stability and resilience. Over these last few years, we have identified four agents of change in the neighbourhood when it comes to understanding housing issues. Each agent has played an important role in the change that has taken place, while at the same presenting a challenge for other components of change in terms of actual development or good development. For instance, between 2001 and 2003 residents acknowledged that improving the current derelict housing stock towards homeownership was a priority. While many of our streets have seen major property improvements, the result has been that previously derelict rooming houses and other abandoned properties were transformed into newly rental and homeownership units, but overall, the total number of units was reduced in the neighbourhood.[4]

Unfortunately, these types of housing improvements have been indirectly responsible for many low income residents losing their homes.[5] Over the past year, there has been a growing displacement of the population of West Broadway, because there has been very little investment in low-income housing initiatives or social housing projects such as mutual housing, co-operatives and affinity based accommodations to balance out the housing needs of our current residents. In terms of population demographics, the type of social economic households that were here in 1986, 1991, 1996, 2001[6], do not reflect the current statistics.[7] Over the years there has been a large 'out migration' starting after 1986, where hundreds of lower income

[3] West Broadway Development Corporation, *Neighbourhood Housing and Land Use Forum*, October, 2004.

[4] Census Canada, 1986, 1991, 1996, 2001.

[5] West Broadway Development Corporation, *Trends and Trade-offs in the Rental Stock*, February, 2003.

[6] Census Canada, 1986, 1991, 1996, 2001.

[7] Census, Statistics Canada, 1986, 1991, 1996, 2001

households had to leave the neighbourhood.[8]

This phenomenon has had a dramatic impact on the lives of those who could not afford to stay, and importantly, the neighbourhood has lost its neighbours and friends and some of the leadership that were involved in the revitalization conception in the first place.

Adding to this new trend, private apartment landlords have recognized the higher real estate value of their properties, the homeownership wave and other inner-city revitalization investments. The net result is that landlords have received Residential Tenancy Branch approvals for higher rents above the guidelines. The affordable renters have stayed while unfortunately, many lower income people could not afford to remain in the neighbourhood.[9]

Generally, there have been important benefits associated with this inner-city redevelopment. We have captured the public's attention to living downtown. Homeownership in the community has gone up and many residents have seen their quality of life improve. The displacement factor has left a segment of the population without safe, good quality, accessible and affordable housing choices. Many households still face income security issues, personal life-challenges and many other barriers. KIKINAW addresses the housing needs of this target group.

There are widely appreciated benefits to housing redevelopment and there are real human costs. Striking the Balance should be the guiding principle for future housing development. This is the purpose for 'KIKINAW Housing Project 2005".

KIKINAW Housing Project 2005

Professional Team

'KIKINAW Housing Project' has assembled a most highly qualified group of local experts to provide a full scope of community development, business, architectural and engineering services for the development of the rehabilitation project.[10] 'KIKINAW' is a community-private partnership between Young United Church, ASH Management, West Broadway Development Corporation and West Broadway Lan Trus Inc. [11] KIKINAW believes we have assembled a dynamic and creative team to develop an appropriate, sustainable, environmentally-friendly, energy efficient, water conserving and tenant-centred,

[8] West Broadway Development Corporation, *Trends and Trade-offs in the Rental Stock*, February, 2003.

[9] West Broadway Development Corporation, *Trends and Trade-offs in the Rental Stock*, February, 2003.

[10] KIKINAW, *Articles of Incorporation & By-Laws*, 2004.

[11] KIKINAW, *Memorandum of Understanding & Trust Agreement*, 2004.

stable facility that will meet the current and future needs of the residents and community. It has become essential over these last few years that a sustainable community be defined as one that gives its residents an opportunity to attain both individual and collective assets. KIKINAW will provide a solution to this challenge.

Tenant-Centred Model

Unique to this housing project is the fact that there will be a great emphasis on a tenant-centred model. Tenants of KIKINAW will be able to build personal assets in the future ownership of the facility. A cooperative model will be desirable in this regard. KIKINAW will put aside one unit for short-term transitional and support housing. KIKINAW has built in a number of supports and resources (assets) for its tenants. Resources such as a dental plan, computers and community telephones will improve the lives of these tenants. KIKINAW hopes to implement tenant-centred programs such as life-skill training, nutrition, introductory computer training and other tenant driven programming. Along with these tangible assets, a part-time support worker will be available to encourage and foster personal and capacity building activities within the facility and link the tenants to other available resources and supports within the community.

Partnership Information

KIKINAW Housing Project is a consortium of private and community-based organizations. Each partner brings to the partnership its unique experience in community-based development and knowledge in the fields of project development, property management, building technology, business and legal affairs, greening and environmental design. The following is a compilation of mission statements, and organization principles and goals.

Mission of the West Broadway Development Corporation - 1997

"Our mission is to renew and revitalize West Broadway through the responsible leadership and participation of the people who live, work and play in the neighbourhood" [12]

[12] West Broadway Development Corporation, *Neighbourhood Strategic Plan*, 1997, 1998.

Mission for West Broadway Neighbourhood Housing Projects - 2001

"Stable, safe and affordable housing is the key to allowing our (West Broadway) neighbourhood and its residents to utilize the many talents and skills, which have been very evident in the many parts and volunteer driven activities that have been successfully completed within our community. Stable housing also is the key to ensuring that the many businesses and services, which support our neighbourhood can prosper and continue to be a vital and contributing component of a healthy urban community."[13] [14]

Mission of Young United Church - 2005

"This community seeks to respond to God's gracious gifts by building and sustaining a dynamic, inclusive and empowering community of faith that seeks to do justice, extend mercy and walk responsibly on the earth".[15]

ASH Management Principles - 2005

"A.S.H. Management Group Inc. whose principles combine to bring together their individual and collective experience to over a century in investment real estate, located primarily in Winnipeg".[16]

West Broadway Lan Trus Inc. Objective - 2002

"West Broadway Lan Trus Inc. is an alternative homeownership and rental program that enables individuals and families to build assets and share in the collective development of the community".[17]

Green Approach to the Buildings and its Occupants

In the past four years, West Broadway Development Corporation Neighbourhood Housing Plans had only emphasized priorities that incorporated a general standard for house renovation and rehabilitation. A green approach to the renovation was most often never considered by housing developers in the preparation of the overall renovation budgets. It was assumed that a green approach would be more expensive.

First, the rising costs of housing development resulted in a compromised rehabilitation schedule. For instance, housing providers started to reduce the

[13] West Broadway Development Corporation, *Neighbourhood Housing Plan 2001-2003*, October, 2003.

[14] West Broadway Development Corporation, *Neighbourhood Community Action Plan*, 2004.

[15] Young United Church, *Community Brochure*, 2005.

[16] ASH Management, *Marketing Prospectus*, 2005

[17] West Broadway Community Land Trust, *Historical Objectives*, 2002, 2003

green approach to the rehabilitation. The construction savings were translated in a high utility burden[18] (Energy Poverty) for tenants and homeowners. Responding to tenant and homeowner complaints, West Broadway Development Corporation took a leadership role in making green approach a priority in our future housing development

Through 2003-2004, West Broadway Development Corporation partnered with Architectural & Community Planning Inc. to study the 'best practices' for the planning and delivery of accessible, affordable, environmentally-friendly and Green Housing.[19] The housing partners had already been involved in an experimental Infill Housing Initiative, namely the Healthy House Project with Advanced Design Build Inc.[20] From the lessons learned from these two initiatives, the partners wanted to expand their horizons using the green approach to house rehabilitation.

Everyone our team spoke to in the housing field acknowledged that a green approach to Housing Initiatives would no doubt result in an increase in life expectancy of the local housing stock, plus improve the health and well-being of its residents. Our research findings answered many questions about innovative building technology and green design applications. We found out that implementing a green approach would result in many more cost savings in post maintenance and operating expenses for building. Moreover, the green payback is two fold. The residents have a healthier home and we all save the greater environment for future generations.

It was made clear from a market perspective that potential homeowners and renters were looking for the most value in their house purchase or rental arrangement. People wanted greater cost-savings in their energy and utility outlay within their housing budget. New and old residents alike wanted to decrease the high energy bills associated with our long winter months. Renters did not want to end up in an "Energy Poverty" scenario.[21] Homeowners coming to the neighbourhood wanted a better market position in their newly renovated investment. Essentially, people were looking for a better bang for their buck. The days of not insulating a house were long gone given the greater awareness around the warnings of climate change and global warming.[22]

Prospective buyers and renters were conscious of the fact that a healthier living environment meant many more benefits from a personal health prospective.[23]

[18] Steve Pomeroy, *Canada's Rent and Utility Burden*, Discussion Paper, Aboriginal Housing Conference, Winnipeg, 2004.

[19] Udo Staschik, *Green Indicators Project*, Architectural & Community Planning Inc, 2004, Copyright.

[20] Burton Boryen, *Healthy House Project*, Advanced Design Build Inc, 2004, Copyright.

[21] Canadian Housing & Renewal Corporation, *Affordable & Efficient – Towards a National Energy Efficiency Strategy for Low-Income Canadians*, Discussion Paper, Halifax CHRA Conference, February, 2005.

[22] Eco-Action, *Helping Communities create a Healthy Environment*, Environment Canada, 2005.

[23] Noralov P. Rovs et al, *The Expected Savings from Reducing Inequalities in Health*, Canadian Journal of Public Health, November, 2004.

As a result, inner-city housing revitalization needed fine tuning: a green approach was the solution.

In December of 2003, West Broadway Development Corporation and Mr. Udo Staschik from Architectural & Community Planning Inc. undertook the Green Indicators Project.[24] The purpose of this project was to study a sample of previously rehabilitated houses (eight houses) by local non-profit housing providers. Westminster Housing Society and Winnipeg Housing Rehabilitation Corporation agreed to participate in the study by offering up a sample of their rehabilitated housing stock. The research team applied to Canadian Mortgage & Housing Corporation for a grant to further the research into the future. In spring 2004, a report was prepared by Mr. Staschik and the West Broadway Development Corporation Housing Committee which spelled out the need for a green approach to future housing projects (a sample of houses were found to be deficient in many aspects but particularly in terms of energy efficiency). This research led to the acquisition of a property on Young Street to demonstrate the ecological and energy advantages of a green approach.[25]

Funding for this demonstration project came from the three levels of government at the Winnipeg Housing and Homelessness Initiative (City of Winnipeg and Province of Manitoba, and the Government of Canada). Major capital funding for the renovations came from a financial partnership between CHAM Holdings Group and Assiniboine Credit Union. Moreover, a major contribution to the success of the project also came from the deconstruction and reclamation of building materials from a house in Headingley built in 1976.

As a part of the on-going Green Indicators Project, the partners have pursued funding from the following sources: Canada Housing & Mortgage Corporation, Environment Canada, Ministry of Energy, Science and Technology and Manitoba Hydro. We would like to acknowledge that the success of this project has also come from the commitment and dedication by many volunteers and professionals.[26]

The Green Indicators Project was created and developed by Udo Stashik of ACPI, Copyright, 2004.

Green Approach and the KIKINAW Housing Project

KIKINAW will approach the rehabilitation stage from

[24] Udo Staschik, *Green Indicators Project*, Architectural & Community Planning Inc. Copyright, 2004.

[25] West Broadway Development Corporation, *Eco-Housing Project*, 2004.

[26] West Broadway Development Corporation, *Eco-Housing Project*, 2004; Robert Loiselle, Stuart McMillan, Mario Lopes, Joan Clasen, and the Board of Directors of West Broadway Development Corporation; Henry DeCypere, Neil Child, Bill Halpenny of CHAM Holdings Group, Nigel Mohammad, Ken Penuita of Assiniboine Credit Union; Ray Klassen, David Stansen, David Dessens of the City WHHI; Roy Kirby, Karlene Maharaj, John Hoehn Provincial WHHI Program, Dennis Smith of Hook & Smith, Elie Hiller of Landmark Realty, Udo Staschik, Project Manager & Lisa Staschik of ACPI; Bob Johnassen, Site Supervisor and the renovation crew: Geoff Johnston, John Clasen, Ray Vermette; JOB Works & West Broadway Youth Builders, Jake Epp: Headingley Deconstruction Project, all the contractors who adopted the Green approach and West Broadway's Eco-Housing Project newest homeowner family: Mr & Mrs Durrani.

a sustainable green building and technologies, energy efficiency, water conservation and environmentally friendly approach.[27] A health and social determinants analysis (Quality of Life Index) will complement the green approach in the facility design.[28] [29] [30] [31]

During the Project Development Funding (PDF) stage we will implement architectural, engineering knowledge and the expertise in green building design rating and certification system namely LEED™.[32] [33] (Leadership in Energy and Environmental Design) and utilize the 'lesson learned' from Greening Indicators Project.[34]

What is the 'Payback' for Using the LEED Approach?

Today there is a growing movement wherein it is accepted that green building provide a pay-back on investment. In the past, the green building approach, was assumed to be more costly compared to conventional building. Mounting evidence is showing the opposite to be true. In an article in the December's (2004) issue of the *Economist*, Michael Crosbie stated that,

> "High energy costs, environmental concerns and anxiety about the 'sick building syndrome' associated with the sealed-box structures of the 1970's all helped to jump-start the green-architecture movement. But now economics is driving the shift towards greener design. As new materials and techniques fall in price, Michael Crosbie, an architect in Connecticut . . . says his clients are much more demanding because they see the incredible amount of money it takes to get something constructed, and they want a return on that investment".[35]

In Canada this trend is taking hold. The Canadian Green Building Council fosters the LEED approach to reduce the ecological footprint both for the building and its residents. "The goal of LEED is to encourage beautiful, healthy green buildings with a minimized impact on the earth".[36] LEED has a check list of 70 points to guide your thinking.[37] The points are divided between six categories: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality and innovation in design. Building green is the way of the future for healthy living: important aspects of natural ventilation, natural day lighting and non-toxic building materials lead to the increase of a better quality of life for the residents or visitors to the building.

[27] Udo Staschik, *Green Indicators Project*, Quality Assurance & Education Program, Architectural & Community Planning Inc. & West Broadway Development Corporation, 2004.

[28] Institute of Urban Studies, *Quality of Life & Life Success Index*, 2004.

[29] The Toronto Charter for Health Canada, *Strengthening the Social Determinants of Health*, February, 2003.

[30] Dennis Raphael, Inequality is Bad for your Health – *Why Low Income and Social Exclusion are Major Causes of Heart Disease in Canada*, University of York, 2001.

[31] James Dunn, *Are Widening Income Inequalities Making Canada Less Healthy*, University of Calgary, 2002.

[32] The Economist, *LEED*, Technology Quarterly, December, 2004.

[33] Alternatives Journal, *LEED, Designing Outside the Box*, 30(5), December, 2004.

[34] Udo Staschik, *Greening Indicators Project*, Quality Assurance and Education Program, Architectural & Community Planning Inc. & West Broadway Development Corporation, February, 2004.

[35] The Economist, *LEED*, Technology Quarterly, December, 2004

[36] Alternatives Journal, *LEEDING the Way*, December, 2004.

[37] The Economist, *LEED*, Technology Quarterly, December, 2004

What is 'Payback' for a green approach?

The traditional approach of trying to minimize construction costs, by contrast, can lead to higher energy bills and wasted materials.'[38] Going green saves money by reducing long-term energy costs: a survey of 99 green buildings in America found that on average, they use 30% less energy than comparable conventional building. Any additional building costs can be recovered quickly (pay-back): according to the USGBC, the 2% increase in construction costs required to achieve a LEED gold rating (39 to 51 out of 70 points) typically pays for itself in lower running costs within two years.[39]

Is Greening the 'Best' for Public Investments?

In recent years the Winnipeg Housing and Homelessness Initiative has made an effort to spend public dollars on housing in the older neighbourhoods of Winnipeg. Cost-cutting measures during housing development resulted in houses that were unsatisfactory to homeowners and renters. Like most inner-cities in Canada, lower-income individuals and families in Winnipeg can not afford the rising energy and utility costs. Over 26% of the population or 6 Million Canadians are suffering increasingly from what the housing industry across Canada has called "Energy Poverty".[40]

> "When it's really cold outside, many low-income families are forced to choose between buying groceries and paying the energy bills. Canada needs a national strategy to address energy poverty".[41]

Essentially, Energy Poverty has a number of implications for health, safety and quality of life. For example, the incidences of house and apartment fires in Canada have increased dramatically because of the increasing number of older, poor quality and substandard housing stock.[42] Furthermore health organizations are seeing many more people ill due to poor indoor environments. Coupled with the impact of poor indoor environments and subsequent health problems, the private rental stock in Canada is falling in disrepair at an alarming rate. For many landlords, retrofits are not on their agenda.

The net result is,

> "Low-income housing often has higher than average energy costs as a function of the generally lower quality of housing, i.e. lack of proper insulation and draft-proofing, and less

[38] The Economist, *LEED*, Technology Quarterly, December, 2004.

[39] The Economist, *LEED*, Technology Quarterly, December, 2004.

[40] Canadian Housing & Renewal Corporation, *Affordable & Efficient – Towards a National Energy Efficiency Strategy for Low-Income Canadians*, Discussion Paper, CHRA Halifax Conference, February, 2005.

[41] Canadian Housing & Renewal Corporation, *Affordable & Efficient – Towards a National Energy Efficiency Strategy for Low-Income Canadians*, Discussion Paper, February, 2005.

[42] Canadian Housing & Renewal Corporation, Conference Presentation material, CHRA Halifax Conference, February, 2005.

efficient furnaces and other energy rated appliances (EnerGuide).[43] The owners either can't or won't invest in energy efficiency upgrades that would help to bring down energy costs. In cases where tenants pay utility bills directly [cold rents], private owners often lack the incentive to invest in building retrofits or a new high-efficiency furnace".[44]

West Broadway neighbourhood has seen this trend emerge over the last few years. Many hundreds of people have left the West Broadway neighbourhood because they could not afford to live here. Energy poverty played a major role in these households leaving the neighbourhood. If the goal of housing development in West Broadway in the last few years was to create safe, good quality, affordable housing and community stability with its initial housing projects, it does not appear to have achieved this goal.

For these reasons, KIKINAW will implement a green approach to the rehabilitation. A green approach is a process: it is holistic, integrated and ultimately more efficient and cost-effective. Green building design is about choice: choosing green building products, and the most efficient mechanical and electrical systems as well as adding to community appeal. In an article by Robert Paehlke, he states that "applying green principles to buildings and urban planning is a sound long-term investment of public dollars".[45]

How about Green Principles and Healthier Living?

The economic arguments for greening are clear but the social aspects of green value even make more sense. Greener buildings improve people's general health. Reports from health organizations suggest that greener buildings reduce stress and result in fewer illnesses.[46] Studies of the workplace have reported that placing importance on green value-added improvements to the building such as added natural lighting features and reducing a toxic building environment lead to greater job satisfaction and less sick days off. KIKINAW residents already have income security, health and personal life challenges, it only makes sense to approach their living environment with a green objective. Any movement to increase the green value-added improvements to these apartment buildings would impact favourably on these people's personal health index.[47]

Moreover, the building assessment stage of the green

[43] *ENERGUIDE*, National Certification & Energy Efficiency Rating Program, Manitoba Hydro, *Power Smart* program material, 2005.

[44] Canadian Housing & Renewal Corporation, *Affordable & Efficient – Towards a National Energy Efficiency Strategy for Low-Income Canadians*, Discussion Paper, Federal Budget Public Consultation, CHRA Halifax Conference, February, 2005.

[45] *Greenville*, Alternative Journal, 30(5), December, 2004.

[46] Dennis Raphael, *Inequality is Bad for your Health – Why Low Income and Social Exclusion are Major Causes of Heart Disease in Canada'*, University of York, 2001.

[47] James Dunn, *Are Widening Income Inequalities Making Canada Less Healthy*, University of Calgary, 2002.

approach will utilize the West Broadway Green Indicators Project and lesson-learned research from the most recent Healthy House and Eco-Housing projects.[48] For example, conventional building materials with high levels of volatile organic contaminants (VOC's) which are in almost all sealants, adhesives, laminates, varnishes, paints and so on have been connected to eye, nose and throat irritations, loss of coordination, and potentially damage to the liver and central nervous system. The off-gassing of these same building materials has been linked to many cancers. For example, formaldehyde alone that is found in particle board, carpets and laminated cabinets just to name a few has been ranked by the Canadian government health and environmental agencies and the United States Environmental Protection Agency as a probable human carcinogen.[49]

West Broadway's Greening Projects have even been a success in the market. We found that there is a market demand for housing choices that meet ecological standards. Potential buyers and renters have been particularly interested in the fact that the house and/or rental units contained environmental-friendly features and amenities. Homeowners were impressed with the fact that the Eco-Housing Project reclaimed and reused non-toxic building material; it reflected the value that more and more people are placing on ecology and conservation efforts.

KIKINAW's Business Plan

The following is a synopsis of the many meetings that KIKINAW representatives have had with the two Provincial Ministries and the staff of Manitoba Housing and Renewal Corporation and Winnipeg Housing and Homelessness Initiative. For the reader convenience, the Business Plan documents submitted to the Winnipeg Housing and Homelessness Initiatives are footnoted in order and they make up the Appendix following this overview.

The Directors of KIKINAW have recently acquired two apartment buildings on Langside Street (284 and 317) for the base price of $415,000 with approximately $15,000 in carrying costs.[50] These costs will cover the mortgage brokerage fee, survey fees, land title search fee, land transfer fee, and mortgage registration fees, etc.[51]

The expected Offer to Purchase closing conditions date will be on February 5th with a final closing date on February 15th. Montrose Mortgage has been engaged

[48] Udo Staschik, *Green Indicators Project*, Quality Assurance and Education Package, Architectural & Community Planning Inc, February, 2004.

[49] USA, Environmental Protection Agency : http//www.epa/gov/iaq/formalde.html

[50] *Offer to Purchase and Addendums*, KIKINAW Housing Inc. and Mr. Jaroslaw Paduchowski.

[51] *Carrying Costs* estimate, 2005.

to finance the acquisition of the buildings.[52] Other carrying costs associated with the post-acquisition are estimated at $53,000.00.[53]

The previous owner has prepared a Rent Roll document, projecting the current rent revenue from all sources in both apartment buildings.[54] KIKINAW will be responsible for registering the Rent Roll with the Province's Residential Tenancies Branch. KIKINAW is expected to pay back an estimated $27,000 to the tenants under RTB legislation.

KIKINAW has prepared a Ten (10) Year Pro Forma of Rental Operations on both Apartment Buildings.[55] The Directors have also prepared a preliminary Pro Forma Cost Estimates of Rehabilitation Program.[56] The Rehabilitation Pro Forma details a general rehabilitation scope of work and building retrofit specifications.

KIKINAW has applied to the Affordable Housing Initiative for Project Development Funding. Manitoba Housing & Renewal Corporation has confirmed that it will provide up to $55,000 in Project Development Funding loan to prepare a comprehensive rehabilitation program for both buildings.[57] KIKINAW partners will engage the necessary consultants in the preparation of this retrofit document. To date, preliminary Engineering Reports have been conducted on each building by Mr. Bill Shaver, Professional Engineer.[58]

KIKINAW has drafted an Alternate for Equity Distribution that spells out the property owned arrangement for the tenants.[59] The Affordable Housing Initiative authorities have accepted the alternative arrangement to the tenancy ownership model; an equity-share housing cooperative type arrangement is preferred.[60]

KIKINAW partners have been involved in a comprehensive fund-raising campaign for the post-property management stage of building operation.[61] KIKINAW property management model will be tenant-centred type. The tenant-centreed model will empower the residents and lead to greater personal capacity-building, plus support the larger community-building aspects as well. Lastly, KIKINAW partners have applied to Canada Customs and Revenue Agency for charitable status.

The partners of KIKINAW would like extend their appreciation to the three levels of government and the recent approval for funding from the Province of Manitoba, the Government of Canada and the City of Winnipeg.[62] KIKINAW would like to extend our gratitude for the keen interest that Minister Christine Melnick and Minister Greg Selinger have taken in this housing project.

[52] Montrose Mortgage. *Mortgage arrangement document*, 2005.

[53] *Carrying Costs*, estimate, 2005.

[54] 284 & 317 Young Street, *rent roll document*, January 2005.

[55] *Rental Operation Pro Forma*, Ten (10) years, revenue-OC projections, 2005.

[56] 284 & 317 Young Street, *Rehabilitation Pro Forma*, estimate, 2005..

[57] 284 & 317 Young Street, *Project Development Funding*, applications to AHI, 2004, 2005.

[58] 284 & 317 Young, *Engineering Reports*, Mr. Bill Shaver, P.Eng Manitoba, 2004, 2005.

[59] *Alternative for Equity Distribution of Property Owned by KIKINAW Inc. to Tenants*, conceptual document, 2005.

[60] *A Snapshot of the Project*, conceptual document, 2005.

[61] *Fund-raising activities list*, 2004-2005.

[62] Affordable Housing Initiative, *Letter of Approval for funding KIKINAW Housing Project*, February 7th, 2005.

APPENDIX
KIKINAW HOUSING PROJECT 2005

OFFER TO PURCHASE

4963254 Manitoba Association Inc./Kikinaw Housing Inc. (hereinafter called the "Purchaser") hereby offers and agrees to purchase from Mr. Jaroslaw Paduchowski (hereinafter called the "Vendor"), the lands and apartment buildings situate thereon, located at 284 and 317 Langside Street, in the city of Winnipeg, in the Province of Manitoba (hereinafter called the "Property") and legally described as follows:

Certificate of Title No. 1601079 - SP LOT 54 PLAN 34000 WLTO IN RL 80 TO 84 PARISH OF ST JAMES;

Certificate of Title No. 1601081 - SP LOT 43 PLAN 34000 WLTO IN RL 80 TO 84 PARISH OF ST JAMES;

including without limitation all buildings, structures, erections, improvements, appurtenances, rights, interests ,and benefits enjoyed in connection therewith. Such lands and premises are to be clear of all liens, charges or encumbrances except as are herein expressly agreed to be assumed and all encroachments and subject, to the Property being in compliance with all existing building and zoning restrictions unless otherwise herein stated, all at and foe the price of four hundred and fifteen thousand ($415,000.00) dollars hereinafter called the "Purchase Price") payable upon and subject to the terms and conditions as follows.

1. The Purchase Price shall be paid as follows:

a)	Initial Deposit in the amount of five hundred ($500.00) dollars to be remitted to Hillcrest Realty Ltd and held in a Trust Account at Hillcrest Realty Ltd to be applied against the Purchase Price at closing;	$ 500.00
b)	Second Deposit in the amount of nine thousand five hundred ($9,500.00) dollars to be remitted to Hillcrest Realty Ltd three (3) business days following removal of the Purchaser's conditions as set out in Section 11 hereof and said amount shall be held in a Trust Account at Hillcrest Realty Ltd to be applied against the Purchase Price at closing;	$ 9,500.00
c)	a further payment by way of cash or certified cheque or solicitor's trust cheque on the date of closing.	$405,000.00
	Total Purchase Price (plus or minus adjustments)	**$415,000.00**

All interest earned on the deposits shall accrue to the benefit of the Purchaser until the Date or Closing and all interest earned on the deposits shall accrue to the Vendor from and after the Date of Closing.

2. The Purchase Price shall include all systems, machinery and equipment used or intended to be used in connection with the operation and maintenance of the Property including, but not limited to, all electrical fixtures and switch boxes, boiler and appurtenances thereto, heating fixtures, air conditioning equipment, appliances, plumbing and bathroom fixtures as installed on the Property, screens, storm windows and doors, partitions, power wiring and installations, pylons and sign bands, pumps and compressors, tanks and sprinklers and parking lot equipment all of which are now situate on the Property and which are free and clear all liens, charges, encumbrances and interests.

3. The Vendor represents to the Purchaser that the Vendor shall, at the Date of Closing, have good and marketable title to the Property, free and clear of all liens, charges, mortgages, encumbrances and registrations, save and except for discharge from title or payment from the proceeds of sale hereunder to the satisfaction of the Purchaser. The Vendor warrants that it has no notice or knowledge of any builders liens, leases, restrictions or covenants other than those registered against the title which are in any way adverse to its interest therein.

4. This transaction of purchase and sale is to be completed on or before December 31, 2004 (herein called the "Date of Closing") which shall be the date of adjustments on which vacant possession of the Property is to be given to the Purchaser subject only to the existing residential tenancies.

5. Unearned fire and extended perils insurance premiums (if the Purchaser elects to assume any such insurance), rental, security deposits, prepaid rents, charges under contracts accepted by the Purchaser, realty taxes and such other matters as the parties may agree to adjust are to be apportioned and allowed to the Date of Closing. The realty tax adjustment shall be for the year only. The vendor shall pay all tax arrears for the years prior to 2004 (if any) with penalties thereon and shall also pay all water arrears to the Date of Closing with all penalties thereon.

6. All buildings and fixtures upon the Property shall be, and remain, at the risk of the Vendor until the Date of Closing. Pending completion of the sale, the Vendor shall not encumber or negotiate or complete any new leases or renewals of existing leases with respect to the Property, except with the express written consent of the Purchaser, and the Vendor shall maintain the Property in its present state except for normal wear and tear and shall insure the Property to its full insurable value and hold all insurance policies in good standing and the proceeds thereof in trust for the parties as their interests may appear. In the event of damage to the Property, howsoever occasioned, which shall effectively render the Property substantially less fit for use or occupancy than was the case at the time of the making of this Agreement, then the Purchaser may, at its sole option, elect to have paid to it the proceeds of the insurance and to complete the purchase, or may cancel the agreement and thereupon have all monies paid thereon to the time of the exercise of such option returned without penalty. The Vendor shall also, pending completion of the sale,

maintain in good standing all service, maintenance and management contracts and other contracts or agreements of similar nature relating to the equipment situate therein or elsewhere on the Property to the Date of Closing. The Purchaser shall not be obligated to assume any Management Agreement.

7. The Purchaser shall have the right to nominate in writing any person, firm or corporation, including a limited company, to be hereinafter incorporated, to take title to the Property in its place and stead. In such event, each and every of the Purchaser's agreements and/or covenants herein contained shall be assumed and discharged by such nominee and 4963254 Manitoba Association Inc./Kikinaw Housing Inc. shall have no further responsibility.

8. By its acceptance of this Offer, the Vendor covenants, represent and warrants to the Purchaser and it is a condition of the agreement resulting from the acceptance of this offer:

a) that the Vendor's title is, and on the Date of Closing will be, good and marketable and in fee simple in possession subject only to:

(i) those charges or encumbrances registered against the Property by the Purchaser (such charges or encumbrances are called herein the "Permitted Encumbrances").

b) that all heating, plumbing, air conditioning, electrical systems and chattel equipement is, and will be, on the Date of Closing, in good working order and that the roof is and will be in good repair;

c) that there are not now and will be no outstanding word orders thereunder of any authority having jurisdiction affecting the Property as at the Date of Closing;

d) That all accounts for work labour and materials with respect to the Property have been and will be paid in full and that there are not now and will be no existing lien rights as at the Date of Closing.

e) that at the Date of Closing there shall be no agreements or contracts outstanding with respect to the Property or its operation, management or maintenance except utility contracts which cannot be terminated on thirty (30) days notice or less;

f) that there is not now and will not be any agreement, contract or option for the purchase of the Property or any part thereof other than this Agreement;

g) that to the best of tile Vendor's knowledge and belief, the building is not now and never has been insulated with urea formaldehyde foam insulation or asbestos insulation, nor does it contain nor has it ever contained aluminium wiring;

h) that the Vendor will not on the Date of Closing, be a non-resident of Canada

7

within the meaning of the Income Tax Act (Canada);

i) that there are no outstanding orders, notices or similar requirements relating to the Land, buildings on the Land and the Purchased Assets, or any of them, issued by any building, environmental, fire, health labour or police authorities or from any other federal, provincial or municipal authority and there are no matters under discussion with any such authorities relating to such orders, notices or similar requirements;

j) that the Vendor operates its business on the Land and receives, handles, uses, stores, treats, ships and disposes of all environmental contaminants including the handling and disposal of medical waste in compliance with all approvals and no hazardous or toxic material, substances, pollutants, contaminants or wastes are being released in to the environment or deposited, discharged, placed or disposed of at or near the Land in the conduct of the business of the Vendor and none of the Land is being used by any person, or to the knowledge of the Vendor has been used by any person, as a land fill or waste disposal site; and,

k) no hazardous materials, wastes, pollutants or similar substances as those terms are defined by current applicable laws and regulations and no materials intended for use or generated in the business of the Vendor have been or are used, stored, treated or otherwise disposed of in violation of current applicable laws and regulations.

9. ~~The Offer, when accepted, shall be subject to the Purchaser's solicitor's approval within ten business days from the Date of acceptance to approve this Offer as to form and content.~~

10. Upon execution of this Agreement by both parties, and once Paragraph 9 has been removed by the purchaser, the Vendor shall deliver to the Purchaser within two (2) business days thereof:

a) copies of all leases and tenancy agreements, contracts, titles, zoning memoranda, easement documents and as-built drawings if in the Vendor's possession;

b) the existing survey certificate and building location certificate made or updated by a qualified Manitoba Land Surveyor within the last two years if in the Vendor's possession;

c) roof, heating, ventilation, air-conditioning, electrical and engineering reports, if any;

d) appraisal, if any;

e) property tax assessment notices for 2003 and 2004;

f) environmental report, if any;

g) a current rent roll for the Property including the amount of the security deposit, if any, paid by the tenant, and the date which such security deposit was paid.

11. From the date of the receipt of the documents referred to in Paragraph 10, the Purchaser shall have a period of thirty (30) days to review and approve same in its sole discretion. Failing such approval, this Agreement shall be null and void and the deposit returned forthwith to the Purchaser without deduction; and,

From the date of acceptance hereof, the Purchaser shall:

a) have a period of twenty seven (27) business days to arrange mortgage financing on terms and conditions acceptable to the Purchaser, in the Purchaser's sole discretion;

b) have a period of twenty-seven (27) business days to examine title and zoning of the Property at its own expense. If within that time any valid objection to title is made in writing to the Vendor which the Vendor shall be unable to remove and which the Purchaser shall not waive, or if zoning is not satisfactory in the Purchaser's sole discretion, this Agreement shall be null and void; and,

c) have a period of twenty-seven (27) business days to conduct such surveys, physical and structural/roofing inspections and/or soil tests of the Land and/or buildings and/or other Purchased Assets including a Phase I Environmental Study by such agents, consultants or other persons as it deems necessary. The Vendor, by its acceptance of this Offer, consents to request, furnish any consent, application or other writing to cause inspection to be made or undertaken by them, provided that the cost of every such survey, test, inspection or application shall be paid by the Purchaser who agrees to indemnify the Vendor against all expenses incurred therefor. If the results of such inspections are unsatisfactory to the Purchaser in its absolute discretion, the Purchaser may terminate any agreement resulting from acceptance of the Offer by notice in writing delivered to the vendor or its solicitors within the given time frame.

Failing such approval of a), b) and c) in the Purchaser's absolute and sole discretion, the Agreement shall be null and void and the deposits returned to the Purchaser without deduction.

On termination set out herein, the initial deposit of Five Hundred ($500.00) Dollars shall be returned to the Purchaser together with any interest earned thereon, without deduction.

12. It is understood and agreed that no representation, warranty, collateral agreement, promise, undertaking, guarantee or condition affecting this Agreement or the Property has been made by the Vendor or its agent other than as expressed herein in writing. The

Vendor indemnifies and saves harmless the Purchaser or its nominee, and/or its agent of deficiencies resulting from any misrepresentation, breach of warranty or condition, or default in performance of any covenant of the Vendor or omission or misrepresentation in any documents delivered to the Purchaser, all of which shall survive closing and not merge in title.

13. The Purchaser shall be solely responsible for the costs of registration of the transfer of land respecting the Property including, without limitation, the payment of the Manitoba Land Transfer Tax.

14. It is mutually agreed and understood between the Vendor and the Purchaser that:

a) at the Date of Closing, the Vendor shall deliver to the Purchaser vacant possession to the subject Property, except for the existing tenancies, free and clear of all liens, charges or encumbrances except for the Permitted Encumbrances as hereinbefore referred to; and,

b) on or before the Date of Closing, the Vendor shall pay for any and all outstanding improvement levies from the City of Winnipeg, whether accrued or unaccrued, with respect to the subject, as well as all outstanding realty taxes and water accounts.

15. The Vendor shall assign to the Purchaser all warranties in its possession respecting all heating, air-conditioning, machinery and other equipment respecting the Property or any part thereof.

16. The use of the subject assets shall on the Date of Closing be in conformity with all laws, by-laws, rules and regulations and any orders thereunder of all governmental authorities having jurisdiction over same.

17. On or before the Date of Closing the Purchaser shall pay to the Vendor for remittance to the appropriate taxing authority an amount equal to the tax exigible for any and all goods and services taxes, sales taxes, value added taxes or any other taxes of a similar nature imposed upon or collectable by the Vendor as a result of the transactions contemplated by this Offer and the Purchaser indemnifies and saves harmless the Vendor respecting any such taxes. The Vendor shall remit or cause to be remitted such taxes to the appropriate taxing authority within the time requirements of the applicable legislation. In the event that the Purchaser delivers to the Vendor on the Date of Closing a declaration confirming its registration number assigned to it and agreeing to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the GST, than and in that event the Purchaser shall not be obliged to pay GST to the Vendor nor shall the Vendor be required to collect the GST from the Purchaser.

18. Any notice required or permitted to be given hereunder or any tender or delivery of documents may be sufficiently given by personal delivery or by sending the same by prepaid registered mail or by transmission via electronic facsimile to the parties hereto as follows:

as to the Purchaser:

Brian Pannell
525-170 Watt St.
Winnipeg, Manitoba
R2L 2B5

Telephone No. (204) 997 4881
Fax No. (204) 334 9487

And the Purchaser's Solicitor:

Myers Weinberg
724-240 Graham Avenue
Winnipeg, Manitoba
R3C 0J7
Attention: Len Weinberg

Telephone No. (204) 926-1520
Fax No. (204) 956-0625

As to the Vendor:

c/o Hillcrest Realty Ltd.
896 Campbell Street
Winnipeg, Manitoba
R3N 1C7
Attention: Steve Chatzoglou

Telephone No. (204) 981-1499
Fax No. (204) 788-4222

and the Vendor's Solicitor

Kyle Soble
Barristers and Solicitors
202-1555 St. Mary's Road
Winnipeg, Manitoba
R2M 5L9

Telephone No.(204) 570-6061
Fax No. (204) 254-7183

Any notice or other document so mailed shall be deemed to have been given three (3) days following the date of mailing and any notice or other document personally delivered or sent by electronic facsimile transmission shall be deemed to have been given upon receipt. In the event of interruption of mail services through strike of similar reasons, all notices of delivery must be made by personal delivery or electronic facsimile.

19. The Offer, when accepted by the Vendor, shall constitute a binding contract of Purchase and Sale, and time shall in all respects be of the essence thereof.

20. This Offer shall remain open for acceptance by the Vendor until 12:00 p.m. (Noon), Winnipeg time on Friday, 29 October 2004.

21. This Offer and its acceptance is to be read with all changes of gender or number required by the context, and this Agreement shall endure to and be binding upon the successors and assigns of the parties hereto.

22. The Purchaser represents and warrants to the Vendor that it has not engaged any real estate agent or broker in connection with the purchase and sale of the Property.

25. It is understood and agreed that Hillcrest Realty Ltd. shall receive a commission equal to five (5%) percent of the sale price plus GST on the date of closing to be paid by the Vendor.

26. The agreement replaces any and all purchase and sale agreements made between the parties respecting the Property and such pre-existing purchase and sale agreements are hereby determined by the parties to be rescinded, null and void.

IN WITNESS WHEREOF the Purchaser has hereunto executed the Agreement, at the City of Winnipeg, in the Province of Manitoba, this 28th day of October, 2004

Witness

Per:
Brian Pannell
President,
Kikinaw Housing Inc.

Duplicate copy

Acceptance

The Vendor hereby accepts this Offer to Purchase and agrees to duly complete the sale on the terms and conditions contained herein.

IN WITNESS WHEREOF the Vendor has hereunto executed the Agreement, at the City of Winnipeg, in the Province of Manitoba, this 28th day of October, 2004.

Witness

Per:
Jaroslaw (Jerry) Paduchowski

ADDENDUM

This Addendum forms part of a certain Offer to Purchase made by 4963254 MANITOBA ASSOCIATION INC./ KÍKINAW HOUSING INC. on October 28, 2004, as Purchaser, and accepted by JAROSLAW PADUCHOWSKI on October 28, 2004, as Vendor, with respect to the properties commonly known as 284 and 317 Langside Street, Winnipeg, Manitoba, as amended by an Addendum dated November 6, 2004 ("Offer").

The Vendor and the Purchaser hereby agree as follows:

1. The Date of Closing shall be on or before 30 January 2005 and not 31 December 2004.

2. Notwithstanding anything to the contrary in Offer, the Purchaser shall have until 20 January 2005 to arrange mortgage financing on terms and conditions acceptable to the Purchaser, in the Purchaser's sole discretion.

3. Notwithstanding anything to the contrary in the Offer, the Purchaser shall have until 20 January 2005 to arrange a phase one environmental audit acceptable to the Purchaser, in the Purchaser's sole discretion. The Purchaser acknowledges that other inspections of the Property provided for in Clause c) of Paragraph 11 of the Offer are satisfactory to the Purchaser.

4. The Purchaser shall have until January 20, 2005, to undertake all investigations and related tasks with the Residential Tenancies Branch of the Province of Manitoba acceptable to the Purchaser.

5. Notwithstanding anything to the contrary in the Offer, the Purchaser shall have until January 20, 2004 to examine title and zoning of the Property at its own expense pursuant to Clause b) of Paragraph 11 of the Offer, which shall otherwise remain unchanged.

6. Failing such approval referred to in Paragraphs 2 - 5, inclusive, in the Purchaser's sole discretion, the Agreement shall be null and void and the deposits returned to the Purchaser together with any interest earned thereon, without deduction.

Dated at Winnipeg, Manitoba this 2nd day of December, 2004

Witness

Witness

Kíkinaw Housing Inc.
Per: _____
Brian Pannell - President

_____
Jaroslaw (Jerry) Paduchowski

ADDENDUM

This Addendum forms part of a certain Offer to Purchase made by 4963254 MANITOBA ASSOCIATION INC./KÍKINAW HOUSING INC. on 28 October 2004, as Purchaser, and accepted by JAROSLAW PADUCHOWSKI on 28 October 2004, as Vendor, with respect to the properties commonly known as 284 and 317 Langside Street, Winnipeg, Manitoba, as amended by an Addendum dated 6 November 2004 and an Addendum dated 2 December 2004 ("Offer").

The Vendor and Purchaser hereby agree as follows:

1. The date of Closing shall be on or before 15 February 2005 and not 30 January 2005.

2. Notwithstanding anything to the contrary in the Offer the Purchaser shall have until 5 February 2005 to:

   (i) arrange mortgage financing on terms and conditions;

   (ii) arrange a phase one environmental audit;

   (iii) undertake all investigations and related tasks with the Residential Tenancy Branch of the Province of Manitoba;

   (iv) examine title and zoning of the Property at the Purchaser's own expense pursuant to Clause b) of Paragraph 11 of the Offer, which shall otherwise remain unchanged;

   acceptable to the Purchaser in each case, in the Purchaser's sole discretion.

3. Failing such approval referred to in Paragraph 2, in the Purchaser's sole discretion, the Offer shall be null and void and the deposits returned to the Purchaser togther with interest earned thereon, without deduction.

Dated at Winnipeg, Manitoba this 19th day of January 2005.

Witness

Witness

Kikinaw Housing Inc.
Per:
Brian Pannell - President

Jaroslaw (Jerry) Paduchowski

ADDENDUM

This Addendum forms part of a certain Offer to Purchase made by 4963254 MANITOBA ASSOCIATION INC./ KIKINAW HOUSING INC. on October 28, 2004, as Purchaser, and accepted by JAROSLAW PADUCHOWSKI on October 28, 2004, as Vendor, with respect to the properties commonly known as 284 and 317 Langside Street, Winnipeg, Manitoba, as amended by an Addendum dated 6 November 2004, 2 December 2004 and 19 January 2005 ("Offer").

The Vendor and the Purchaser hereby agree that notwithstanding anything to the contrary in the Offer, the Purchaser shall have until 11 February 2005 to undertake all investigations and related tasks with the Residential Tenancies Branch of the Province of Manitoba acceptable to the Purchaser and failing approval in the Purchaser's sole discretion, the Agreement shall be null and void and the deposits returned to the Purchaser together with any interest earned thereon, without deduction.

Dated at Winnipeg, Manitoba this 5 day of February 2005.

Robert Sun
Witness

Monika Kubistal
Witness

Kikinaw Housing Inc.
Per: _____
Brian Palmeli - President

_____
Jaroslaw (Jerry) Paduchowski

KIKINAW Housing Project 2005
Carrying Cost Estimates

Costs for purchase (not otherwise included in $430,000.00 figure) and construction period

Vacancy allowance	$ 3,000.00
Rehab insurance	5,000.00
Interest	8,334.00
Taxes	2,300.00
Utilities	8,000.00
Rent up costs	2,000.00
Audit	1,500.00
Security deposit refund	4,400.00
CMHC (mort. insur.)	12,450.00
Appraisal	3,000.00
Subtotal	$49,984.00
GST @ 7%	3,498.88
Total	$ 53,482.88

Note 1: These figures represent a 6 month construction period. If the construction period is nine months the figure is $66,000.00.

Note 2: There are an additional $15,000.00 in purchase related costs (e.g.: mortgage brokerage fees, survey fees, search fees, land transfer fees, mortgage registration fees, etc.) which are not set out here. Most of the above figures come from the PDF applications. The CMHC figure comes from the Montrose letter respecting terms. The vacancy figure reflects increased vacancies at this time but is not likely conservative. Aside from the latter figure the amounts are conservative and savings may materialize. In particular, the CMHC fees are based on a mortgage of $430,000.00 and will decline with the size of the initial mortgage.

MONTROSE MORTGAGE

December 21, 2004

Terry

Kikinaw Housing Inc.
c/o Young United Church at Crossway in Common
222 Furby Street
Winnipeg, MB R3C 2A7

Attention: **Mr. Brian Pannell**

Dear Brian:

BY FAX 783-9908

Re: **284 Langside Street – 16 units**
317 Langside Street – 11 units
Multi Family Properties
Winnipeg, Manitoba

Further to our recent discussions, this letter will confirm that Montrose Mortgage is prepared to provide financing in accordance with the terms and conditions outlined below. This is not a commitment but rather represents our view of a loan structure that we feel is achievable in the current lending environment. A formal commitment is subject to approval by CMHC and our Lender Partner.

PURPOSE: To provide up to a ±$415,000 CMHC insured first mortgage plus fees and premiums to purchase and renovate two multi family properties known as 284 Langside Street and 317 Langside Street. The properties consist of 16 and 11 units respectively.

$332,000 shall be made available to assist with the purchase of the properties for $415,000 and a further advance of $83,000 following renovations (currently budgeted at $1,100,000) and achievement of stabilized pro forma rents.

BORROWER: Kikinaw Housing Inc. A newly formed non-profit organization formed through a partnership between the Young United Church, West Broadway Development Corporation, ASH Management Group Inc. and West Broadway Lan Trus Inc.

TERM: Ten (10) years.

INTEREST RATE: Fixed at the Lender's prime CMHC insured lending rate. Based upon today's bond market, we anticipate that the interest rate would be 4.80% for a 5-year term and 5.48% for a 10-year term. These rates are for indication purposes only and will be negotiated down to the lowest possible level.

The Borrower shall have the option of fixing the interest rate at commitment and funding the holdback into escrow to mitigate interest rate risk.

AMORTIZATION: Ten (10) years.

LOAN FUNDING: On or about January 30, 2005.

BUDGETED PROJECT COSTS:

Based on our review of the Borrower's development proposal, the total budgeted renovation costs is approximately $1,100,000. Any reduction in budgeted costs will be designated as a contingency reserve, which may, at the Lender's discretion, be used to cover overruns in other budgeted items and/or unbudgeted contingencies.

AVAILABILITY:

Funds shall be made available in accordance with the following:

	Borrower	Lender	AHI	Province/ City/ Private Donations	Total Availability
Acquisition		$332,000		$83,000	$415,000
Renovation	-$83,000 (1)	$83,000 (1)	$1,100,000		$1,100,000
Total	$0	$415,000	$1,100,000		$1,515,000

$83,000 shall be advanced upon satisfactory evidence to the Lender that the renovation program has been completed evidence of rental income in place of $135,000 as certified by the Borrower.

DRAWS:

All construction advances shall be funded on a cost to complete basis and are to be supported, in advance, by the following:

1. Receipt and satisfactory review of the final construction budget, prepared by the Borrower's Architect and acceptable to the Lender.
2. All progress claims shall be certified by the Borrower's Architect and shall contain a breakdown of the Contractor's account and other hard and soft costs.
3. Certificate from the General Contractor certifying:
   a. that the requisition for funds represents work completed on the Project less any deferred amounts for which payment has not been made by the Contractor;
   b. that all construction work done to date is in accordance with the plans and specifications;
   c. that the construction is progressing within the original time schedule;
   d. that the work to be completed does not exceed the undisbursed portion of the facility.
4. Receipt and satisfactory review of a title search on the day(s) of release confirming that there are no intervening liens on the Project.

CONDITIONS PRECEDENT TO FUNDING:

Prior to the advance of any funds, we anticipate that our Lender Partner will require the following:

1. Confirmation by the Lender's Solicitor that all Security Documents have been properly executed and registered, constituting a first fixed charge against title to the Project.

2. Receipt of a satisfactory, current Zoning Memorandums and Building Location Certificates prepared by and certified to by a qualified and licensed surveyor for the Project.

3. Receipt and satisfactory review of the final construction budget acceptable to the Lender. The budget shall contain a detailed renovation plan outlining all of the budgeted hard and soft costs on a line item basis.

4. Receipt and satisfactory review of a Structural Engineer's Report, prepared by a consultant acceptable to the Lender and directed to Montrose, commenting on the buildings' structure.

   Montrose would appreciate receiving a draft copy of the Structural Engineer's Report for review prior to completion.

5. Receipt and satisfactory review of a Phase 1 Environmental Audit for the subject property confirming that no hazardous materials or contaminations exist within or on the subject property, prepared by a consultant acceptable to the Lender and directed to Montrose.

   Montrose would appreciate receiving a draft copy of the Phase 1 Environmental Audit for review prior to completion.

6. Receipt and satisfactory review of a Certificate of Insurance ("COI") from CMHC on terms acceptable to the Lender and Borrower. Montrose will secure this certificate through our recommendation and internal underwriting.

7. Receipt and satisfactory review of development funding approvals from The Manitoba Housing and Renewal Corporation Affordable Housing Initiative, the Province of Manitoba, the City of Winnipeg and the Thomas Sill Foundation totaling $1,159,000, $40,000, $70,000 and $20,000 respectively.

8. Receipt and satisfactory review of an executed rental supplement agreement with Manitoba Housing for a 10 year term providing rent supplements of ±$124 per unit per month.

9. Receipt and satisfactory review of a construction management contract with ASH Management acceptable to the Lender.

10. Receipt and satisfactory review of financial statements for the Borrower, Young United Church, West Broadway Development Corp. and West Broadway Lan Trus Inc. Credit Reports shall also be obtained for each of the partners.

11. Confirmation that the building complies with all fire and safety bylaws.

12. Satisfactory review of comprehensive general liability and builders' all risk insurance on the project for the construction period.

13. Satisfactory review of comprehensive, all-risk and rental interruption insurance on the Project with the Lender shown as first loss payee.

14. Satisfactory site inspection of the Project by CMHC, the Lender or its representatives.

15. Other standard conditions associated with the real estate lending.

CONDITIONS PRECEDENT TO FUNDING HOLDBACK:

Prior to the advance of the holdback in the amount $83,000 we anticipate that our Lender Partner will require the following:

1. Evidence that the property has achieved substantially occupancy and minimum rental achievement of $137,000 as stipulated by CMHC's Certificate of Insurance.

2. Confirmation that the building complies with all of the terms of the CMHC Certificate of Insurance and Special Conditions.

SECURITY:

Prior to funds being advanced, we anticipate that the Lender will require the following minimum-security instruments.

1. A registered CMHC insured first mortgage on 284 Langside Street and 317 Langside Street in the amount of $415,000 plus CMHC fees and premiums. An initial advance of $332,000 will be provided to assist with the acquisition with the balance of funds in the amount of $83,000 advanced upon completion of the renovation and rental achievement.

2. A General Security Agreement which shall represent a first charge on all leases, rents, issues, sales proceeds and a Chattel Mortgage representing a first charge securing all furniture, fixtures, and building equipment used in connection with the operation of the property, Conditional Sales Contracts, and/or Lease Contracts, which shall be registered by way of a Financing Statement in the Personal Property Registry.

3. Assignment of the Affordable Housing Initiative, Province of Manitoba and City of Winnipeg funding agreements.

4. Assignment of the Manitoba Housing rental supplement agreements.

5. Assignment of the Project Management contract with ASH Management Co. Ltd.

6. First assignment of the Borrower's Comprehensive General Liability and Builders' All Risk insurance on the Project.

7. Confirmation that the Project has all the necessary zoning and development approvals and is in compliance with all legal requirements of the area and that all local improvements charges, realty taxes and other charges affecting the lands taken as security have been paid in full.

8. The mortgage documents shall provide that the mortgaged premises are to be operated at all times in accordance with all applicable laws and ordinances, whether municipal, county, provincial or federal, including the compliance in full with any legislation and regulation in respect of the handicapped, and environmental protection.

9. All other standard real estate security reasonably requested by the Lender and/or its solicitor.

10. Opinion of counsel.

CMHC FEES & PREMIUMS:

The CMHC fees and premiums can either be capitalized to the loan amount or paid for in cash and are calculated as follows:

Application Fee:	
$150/suite @ 27 suites =	$4,050.00
Premium:	
$415,000 @ 1.75% =	$7,262.50
(1) Rental Achievement surcharge:	
$415,000 @ 0.25% =	$1,037.50
Total	**$12,350.00**

(1) This surcharge will allow you to receive the rental achievement holdback immediately upon achieving the required rent level as opposed to demonstrating 12 months of stabilized rents.

REPLACEMENT RESERVE FUND:

CMHC shall require that a replacement reserve fund be established to ensure that funds are available to carry out capital replacements. The said reserve is to be funded annually commencing four (4) months after the first fiscal year-end following the Interest Adjustment Date with an amount equal to at least 4% of effective gross income ($5,490). This reserve funding shall remain in place until such time as there is a fully funded replacement reserve. The use and disposition of reserve funds so created shall be subject to the approval or direction of the Approved Lender. The said Replacement Reserve Fund is to be comprised of moneys deposited in a segregated bank account identified for its intended purpose and/or invested in such other securities as may be acceptable to the Approved Lender.

Montrose shall follow up with respect to identifying the replacement reserve and disposition of said reserve.

EARNEST DEPOSIT:

An Earnest Deposit of $5,000 will be required upon acceptance of this transaction outline. Should Montrose provide a Commitment Letter substantially in accordance with this outline, the deposit will be applied against the Underwriting Fee. If no commitment is provided, the Earnest Deposit will be refunded without interest to the Borrower.

Should the Borrower accept a competing offer from an outside source or alternatively discontinue or elect not to complete this mandate, Montrose shall be deemed to have earned the deposit. This fee shall represent compensation to Montrose for underwriting the loan and negotiating optimal terms with our Lender Partner.

UNDERWRITING FEE:

A fee of $5,000 shall be earned and payable to Montrose upon presentation of a formal commitment letter acceptable to the Borrower, the earnest deposit received will be applied to the Underwriting Fee. This fee shall represent compensation to Montrose for negotiating and processing the mortgage commitment, monitoring the documentation process, and assisting our Lender Partner in its due diligence to ensure a successful funding. The Borrower acknowledges that Montrose may be retained to provide underwriting and administration assistance for this loan and as such would receive compensation from our Lender Partner for this assistance.

COSTS:

All costs, including but not limited to the preparation, registration, or execution of the Lender's security, legal fees, survey, appraisal, insurance consultant, Supervisory Engineer and/or Engineer's Report or Environmental Audit shall be to the Borrower's account whether funded or not.

The foregoing represents the basic terms and conditions we believe are achievable for this Project. If these terms are satisfactory, kindly acknowledge your acceptance by signing and returning one copy of this letter together with a cheque in the amount of $5,000 representing the Earnest Deposit and $4,050 representing the CMHC application fee to our office at your earliest convenience.

We appreciate the opportunity to work with you on this financing and look forward to bringing this transaction through to a successful completion. Please do not hesitate to call me at 982-1132 if you have any questions.

Yours very truly,
MONTROSE MORTGAGE

Frank Azevedo

Acknowledged and accepted in Winnipeg, Manitoba this ____ day of December 2004.

AS BORROWER:
KIKINAW HOUSING INC.

Per:_____

Per:_____

CC: Mr. Robert Shaer By Fax: 956-5262

RENT ROLL

284 Langside Street

SUITE #	UNIT TYPE	CURRENT RENT
1	1 Bedroom	$ 320.00
2	""	300.00
3	""	300.00
4	""	300.00
5	""	340.00
6	""	300.00
7	""	340.00
8	""	300.00
9	""	300.00
10	""	340.00
11	""	300.00
12	""	300.00
14	""	300.00
15	""	300.00
16	""	300.00
17	""	300.00

RENT ROLL

317 Langside Street

SUITE #	UNIT TYPE	CURRENT RENT
1	Bachelor	$ 320.00
2	1 Bedroom	360.00
3	""	360.00
4	""	340.00
5	""	360.00
6	""	360.00
7	""	330.00
8	""	310.00
9	""	330.00
10	""	360.00
11	""	360.00

284 LANGSIDE STREET

TEN (10) YEAR PRO FORMA OF RENTAL OPERATIONS

REVENUE		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Gross residential lease revenue	(1)	59,520	60,413	61,319	62,239	63,172	64,120	65,082	66,058	67,049	68,055
Vacancy allowance	(2)	(1,353)	(1,373)	(1,394)	(1,415)	(1,436)	(1,457)	(1,479)	(1,501)	(1,524)	(1,547)
Laundry income	(3)	1,250	1,269	1,288	1,307	1,327	1,347	1,367	1,387	1,408	1,429
Other revenue	(4)	50	50	50	50	50	50	50	50	50	50
Effective Gross Income		59,467	60,359	61,263	62,181	63,113	64,059	65,019	65,994	66,983	67,987
OPERATING EXPENSES											
Administration expenses:											
Administration		300									
Advertising		360									
Bad debt/collection		1,200									
Management fees		2,905									
Insurance premiums		1,800									
Property taxes		4,600									
Legal and accounting fees		0									
Site staff wages		2,880									
		14,045	14,326	14,612	14,905	15,203	15,507	15,817	16,133	16,456	16,785
Utility costs:	(5)										
Water		4,000									
Hydro		4,800									
Gas		12,000									
Telephone		1,200									
		22,000	22,330	22,665	23,005	23,350	23,700	24,056	24,417	24,783	25,155
Repair and maintenance costs:	(6)										
Ensuite repairs		6,400									
Snow removal		400									
Landscaping		400									
Exterior building maintenance		500									
Common area repairs (corridors/lobbies)		500									
Refuse removal		480									
		8,680	8,897	9,119	9,347	9,581	9,821	10,066	10,318	10,576	10,840
Total Operating Expenses		44,725	45,553	46,397	47,257	48,134	49,028	49,939	50,868	51,815	52,780
Net Operating Income		14,742	14,806	14,866	14,924	14,979	15,032	15,081	15,126	15,169	15,207
Addition to capital reserve fund	(9)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Annual mortgage payments	(7)	10,757	10,757	10,757	10,757	10,757	10,757	10,757	10,757	10,757	10,757
FORECAST ANNUAL NET CASH FLOW		**(15)**	**49**	**109**	**167**	**222**	**275**	**324**	**369**	**412**	**450**

284 LANGSIDE STREET
Notes to accompany ten (10) year forecast of Rental Operations

(1) Rental rates assumed to be set at monthly rent levels as set out below:

unit type	# of units	monthly rent
one bedroom	12	$300
one bedroom	4	$340

It is assumed that the tenants would be recipients of shelter allowances totalling $286.00 monthly which together with rent supplements would be applied to the occupancy costs of rent and ensuite utilities. It is further assumed that the building would enter into a 10 year rental supplement agreement with Manitoba Housing.

(2) Vacancy has been assumed to average 2.5% annually, which is equivalent to 1/2 a unit vacant per month.

(3) Laundry income is generally estimated at $6.50 per unit monthly. This forecast assumes that laundry income would increase 1.5% annually.

(4) Other revenue is generally regarded as a miscellaneous item which represents payment of late fees, etc.

(5) Utilities are assumed to increase 1.5% generally each year of the forecast period. The telephone cost would represent the telephone to be installed in the common area for use by the residents (local calls only)

(6) This category of expenses are assumed to increase 2.5% annually and reflect the general operating costs of suite turnover and building/site maintenance.

(7) Debt service reflects the assumption that in order to fully fund the project the proponent would arrange a CMHC insured first mortgage in the amount of $154,056. It is assumed that the interest rate would be 5.0% and repayment amortized over 25 years.

(8) Grants, gifts, etc. would be secured for the costs of restoration, redevelopment.

(9) In each year of rental operations, a portion of the net cash flow will be transferred into an interest bearing reserve fund account to be applied to the replacement of major components in a timely manner in the future. The amount to be transferred each year will be established as:
years 1-10 $250.00

317 LANGSIDE STREET
TEN (10) YEAR PRO FORMA OF RENTAL OPERATIONS

REVENUE		**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
Gross residential lease revenue	(1)	46,080	46,771	47,473	48,185	48,908	49,641	50,386	51,142	51,909	52,687
Vacancy allowance	(2)	(1,047)	(1,063)	(1,079)	(1,095)	(1,112)	(1,128)	(1,145)	(1,162)	(1,180)	(1,197)
Laundry income	(3)	860	873	886	899	913	926	940	954	969	983
Other revenue	(4)	50	50	50	50	50	50	50	50	50	50
Effective Gross Income		45,943	46,631	47,330	48,039	48,759	49,490	50,231	50,984	51,748	52,523
OPERATING EXPENSES											
Administration expenses:											
Administration		300									
Advertising		240									
Bad debt/collection		800									
Management fees		1,200									
Insurance premiums		1,800									
Property taxes		3,850									
Legal and accounting fees		0									
Site staff wages		1,980									
		10,170	10,373	10,581	10,792	11,008	11,229	11,453	11,682	11,916	12,154
Utility costs:	(5)										
Water		3,600									
Hydro		3,600									
Gas		8,400									
Telephone		1,200									
		16,800	17,052	17,308	17,567	17,831	18,098	18,370	18,645	18,925	19,209
Repair and maintenance costs:	(6)										
Ensuite repairs		4,400									
Snow removal		300									
Landscaping		300									
Exterior building maintenance		500									
Common area repairs (corridors/lobbies)		360									
Refuse removal		480									
		6,340	6,499	6,661	6,827	6,998	7,173	7,352	7,536	7,725	7,918
Total Operating Expenses		33,310	33,924	34,550	35,187	35,837	36,500	37,175	37,864	38,566	39,281
Net Operating Income		12,633	12,707	12,780	12,852	12,921	12,989	13,056	13,120	13,182	13,242
Addition to capital reserve fund	(9) (8)	2,750	2,750	2,750	3,300	3,300	3,300	3,520	3,520	3,520	3,520
Annual mortgage payments	(7)	9,446	9,446	9,446	9,446	9,446	9,446	9,446	9,446	9,446	9,446
FORECAST ANNUAL NET CASH FLOW		**437**	**511**	**584**	**106**	**175**	**243**	**90**	**154**	**216**	**276**

317 LANGSIDE STREET

Notes to accompany ten (10) year forecast of Rental Operations

(1) Rental rates assumed to be set at monthly rent levels as set out below:

unit type	# of units	monthly rent
bachelor	1	$320
one bedroom	4	$340
one bedroom	6	$360

It is assumed that the tenants would be recipients of shelter allowances totalling $286.00 monthly which together with rent supplements would be applied to the occupancy costs of rent and ensuite utilities. It is further assumed that the building would enter into a 10 year rental supplement agreement with Manitoba Housing.

(2) Vacancy has been assumed to average 2.5% annually, which is equivalent to 1/2 a unit vacant per month.

(3) Laundry income is generally estimated at $6.50 per unit monthly. This forecast assumes that laundry income would increase 1.5% annually.

(4) Other revenue is generally regarded as a miscellaneous item which represents payment of late fees, etc.

(5) Utilities are assumed to increase 1.5% generally each year of the forecast period. The telephone cost would represent the telephone to be installed in the common area for use by the residents (local calls only).

(6) This category of expenses are assumed to increase 2.5% annually and reflect the general operating costs of suite turnover and building/site maintenance.

(7) Debt service reflects the assumption that in order to fully fund the project the proponent would arrange a CMHC insured first mortgage in the amount of $135,315. It is assumed that the interest rate would be 5.0% and repayment amortized over 25 years.

(8) Grants, gifts, etc. would be secured for the costs of restoration, redevelopment.

(9) In each year of rental operations, a portion of the net cash flow will be transferred into an interest bearing reserve fund account to be applied to the replacement of major components in a timely manner in the future. The amount to be transferred each year will be established as:

years 1-3	$250.00
years 4-6	$300.00
years 7-10	$320.00

284 LANGSIDE STREET - 16 SUITES

PRO FORMA COST ESTIMATES OF REHABILITATION PROGRAM

			DESCRIPTION OF REHABILITATION
BUILDING EXTERIOR			
Roof replacement	54,000		replacement of roof membrane and existing insulation with minimum R40 insulation and membrane with 15 year guarantee.
Window replacement	58,000		replacement units to be triple paned, energy efficient, argon gas filled, double hung c/w screens
Entrance canopy/railing/security door	5,000		improvement of functionality of existing condition for egress/access
Grounds/walkways	10,000		walkways to be leveled ; parking area to be illuminated and a portion to be converted to greenspace.
Painting	2,400		exterior trim
		129,400	
COMMON AREAS (corridors/lobby)			
Corridor lighting	1,200		energy efficient compact flourescent fixtures
Painting	8,000		paint shall be low VOC type
Flooring	10,400		new 32 oz. carpet in hallways and tiled stairways
Entry security system	4,000		intercom system c/w ensuite speaker
Laundry facility	2,400		lighting, sink, folding table, painting
Entry vestibule	5,000		provide mailboxes and new flooring
Storage lockers	2,200		one per suite c/w lockable door
Keys/locks	750		master key system on all common area, service and suite entry doors
		33,950	
SUITE INTERIORS			
Entry locks/keys/closures	2,000		entry and ensuite locks; closures to comply with By-law 4803/86
Lighting/fan	4,000		ceiling fan in living room; light fixtures throughtout
Window coverings	6,500		Venetian blinds (fire retardant) on all suite windows
Kitchen cabinets	32,000		inclusive of countertops; bathroom mirrors
Appliances	16,000		
Flooring - hardwoods	0		
-lino/carpet	36,000		standard to be 32 oz. Carpet in all areas except bath and kitchen which will receive lino
Painting/drywall repairs	25,000		suites to be completely repainted (inc. ceilings)
Plumbing system upgrade/galvanize rep.	40,000		change from galvanized to copper supply
Steam traps/boiler replacement	35,000		traps, contorls and actuators for individual radiators and replacement of existing boilers (2) with new copper tube units
Kitchen/bath sinks/toilet rep./tub refinish	25,000		new fixtures except bathtubs which will be resurfaced; installation of grab bars
Tub surrounds/drywall repairs	18,000		replace existing ceramic tile with fibreglass one-piece tub surrounds c/w aqua board
Medicine cabinets	2,400		
Mould remediation	32,000		mould from previous roof and window failures to be removed
Electrical system upgrade	19,200		fuse boxes to be relocated and replaced with circuit breakers; microwave plugs and GFI outlets to be added
Suite cleaning/general labour	3,200		
		296,300	

GENERAL CONDITIONS		
Refuse removal	9,000	
Architectural fees	12,500	
Structural repairs/ engineering fees	16,000	
Interior design fees	4,000	
Engineering fees	4,000	
Legal fees	4,000	
Tenant relocation costs	8,000	
Security deposit refunds	2,800	60,300
Contingency allowance	51,995	51,995
SUB-TOTAL OF ESTIMATED COSTS	571,945	
ADD: PROGRAM SUPERVISION	35,000	
GST 40,036		
RST 1,600		
		76,636
TOTAL ESTIMATED COSTS OF REHABILITATION PROGRAM		648,581

WEST BROADWAY DEVELOPMENT CORP. HAS COMMITTED $120,000 OF FUNDING TO BE APPLIED BY KIKINAW HOUSING INC. TO THE REHABILIATION COSTS.
LIMITATIONS OF THE CITY OF WINNIPEG COMMUNITY PROGRAM FUNDING MAY RESULT IN A REDUCTION TO THE CONTRIBUTION BY THE WEST BROADWAY DEVELOPMENT CORP. TO $85,000

THE FOREGOING ESTIMATE OF REHABILITATION COSTS ARE BASED ON A CLASS "D" BUDGET AND SUBJECT TO SOME VARIATION.

317 LANGSIDE STREET - 11 SUITES
PRO FORMA COST ESTIMATES OF
REHABILITATION PROGRAM

			DESCRIPTION OF REHABILITATION
BUILDING EXTERIOR			
Roof replacement	50,000		replacement of roof membrane and existing insulation with minimum R40 insulation and membrane with 15 year guarantee.
Window replacement	40,000		replacement units to be triple paned, energy efficient, argon gas filled, double hung c/w screens
Entrance canopy/railing/security door	5,000		improvement of functionality of existing condition for egress/access
Grounds/walkways	10,000		walkways to be leveled ; parking area to be illuminated and a portion to be converted to greenspace.
Painting	1,800		exterior trim
		106,800	
COMMON AREAS (corridors/lobby)			
Corridor lighting	1,000		energy efficient compact flourescent fixtures
Painting	6,000		paint shall be low VOC type
Flooring	7,650		new 32 oz. carpet in hallways and tiled stairways
Entry security system	4,000		intercom system c/w ensuite speaker
Laundry facility	2,400		lighting, sink, folding table, painting
Entry vestibule	5,000		provide mailboxes and new flooring
Storage lockers	2,000		one per suite c/w lockable door
Keys/locks	500		master key system on all common area, service and suite entry doors
		28,550	
SUITE INTERIORS			
Entry locks/keys/closures	1,100		entry and ensuite locks; closures to comply with By-law 4803/86
Lighting/fan	3,000		ceiling fan in living room; light fixtures throughtout
Window coverings	4,500		Venetian blinds (fire retardant) on all suite windows
Kitchen cabinets- repair/refinish	10,000		inclusive of countertops; bathroom mirrors
Appliances	11,000		
Flooring -hardwoods	3,850		
-lino/carpet	25,000		standard to be 32 oz. Carpet in all areas except bath and kitchen which will receive lino
Painting/drywall repairs	15,000		suites to be completely repainted (inc. ceilings)
Plumbing system repairs	5,000		
Steam traps/boiler replacement	22,500		traps, contorls and actuators for individual radiators and replacement of existing boilers (2) with new copper tube units
Kitchen/bath sinks/toilet rep./tub refinish	17,000		new fixtures except bathtubs which will be resurfaced; installation of grab bars
Tub surrounds/drywall repairs	11,000		replace existing ceramic tile with fibreglass one-piece tub surrounds c/w aqua board
Medicine cabinets	1,650		
Mould remediation (allowance)	11,000		mould, if present, to be removed
Electrical system upgrade	14,700		fuse boxes to be relocated and replaced with circuit breakers; microwave plugs and GFI outlets to be added
Suite cleaning/general labour	2,200		
		158,500	

GENERAL CONDITIONS			
	Refuse removal	7,500	
	Architectural fees	12,500	
	Structural repairs/ engineering fees	5,000	
	Interior design fees	4,000	
	Engineering fees	4,000	
	Legal fees	4,000	
	Tenant relocation costs	5,500	
	Security deposit refunds	1,925	44,425
	Contingency allowance	33,830	33,830
SUB-TOTAL OF ESTIMATED COSTS			372,105
ADD:	PROGRAM SUPERVISION	25,000	
	GST	28,000	
	RST	1,600	
			54,600
TOTAL ESTIMATED COSTS OF REHABILITATION PROGRAM			426,705

THE FOREGOING ESTIMATE OF REHABILITATION COSTS ARE BASED ON A CLASS "D" BUDGET AND SUBJECT TO SOME VARIATION. WEST BROADWAY DEVELOPMENT CORP. HAS COMMITTED $120,000 OF FUNDING TO BE APPLIED BY KIKINAW HOUSING INC. TO THE REHABILIATION COSTS.
LIMITATIONS OF THE CITY OF WINNIPEG COMMUNITY PROGRAM FUNDING MAY RESULT IN A REDUCTION TO THE CONTRIBUTION BY THE WEST BROADWAY DEVELOPMENT CORP. TO $85,000.

Proposal Development Funding Application Form

Group Information

Name of Proponent Group:
Kikinaw Housing Inc.

Address of Proponent Group:
c/o 100-222 Furby St.
Winnipeg, MB.,
R3C 2A7

Corporate Type:
✓ Private Non Profit
__ Co-operative

Corporate Status:
__ Incorporation Pending
✓ Incorporated (attach articles)
(Date: 28 July 2004)

Project Name:
Kikinaw Housing Inc. 284 Langside St. Apartment Building

Group Representatives

Name	Position	Occupation	Address	Phone #
Brian Pannell	President	Salesperson, South MB. Memorials	3517 Main St. Winnipeg, MB. R4A 1A1	334-9397 cell 997-4881
Stuart McMillan	Vice-President	Retiree	261 Langside St., Winnipeg, MB. R3C 1Z9	654-4731
Brian Grant	Secretary	Housing Coordinator, West Broadway Development Corporation	640 Broadway Winnipeg, MB. R3C 0X3	975-1656

Project Information

Client Type
__ Family
✓ Senior
✓ Persons with a disability
✓ Special EIA recipients, principally the non-employable

Development
__ New
✓ Acquisition & Rehabilitation
__ Conversion from Non-Residential
__ Other _____

Dwelling Type
__ Elevatored Apts.
✓ Walk-up Apts.
__ Townhouses
__ Other

Heating Fuel
__ Electricity
✓ Gas
__ Other

Heating System
__ Forced Air
✓ Hot Water
__ Electric
__ Other _____

Construction Method
✓ Woodframe/Stickbuilt
__ Steel Frame
__ Concrete Frame
✓ Other cinder block

Proposed Site Information

Civic Address:	284 Langside St., Winnipeg, Manitoba
Legal Description:	Certificate of Title No. 1601079 - SP LOT 54 PLAN 34000 WLTO IN RL 80 TO 84 PARISH OF ST. JAMES.
Existing Zoning:	_____ Required Zoning: _____
Size:	_____
Ownership:	Owned today by Jaroslaw Paduchowski, Offer to Purchase accepted and closes 15 February 2005.
Value/Price:	$247,680.00 (It is being purchased jointly with 317 Langside St. for a total of $415,000.00.)

Please describe space below any servicing considerations that may currently inhibit site development (e.g., require storm sewer, water or electric hook-ups, etc.):

N/A

Unit Description	Housing Units		
Unit Type	# Units Regular	# Units Mobility	# Units Total
One Bedroom	16		16
Two Bedroom			
Three Bedroom			
Four Bedroom			
		Total	16

Estimated Capital Costs

Item	Applicant Estimate	MHRC Use
PROPERTY-ACQUISITION & SERVICING COSTS		
1. Purchase Price of Land	$247,680.00	
2. Off-site Servicing	10,000.00	
3. Legal Services Fee (for land acquisition)	1,000.00	
4. Survey, Soils Test, Title, Land Transfer Tax & Recording Fees	5,000.00	
5. Variance Fees/Appraisals	4,000.00	
6. Other (please specify) Eng. Report; Land financing costs	3,400.00	
Subtotal 1	**270,680.00**	
FEES AND CHARGES		
7. Interest (5.85%i X (255,295 + 29,630) X .5 yr.	8,334.00	
8. Taxes during development (six months)	2,300.00	
9. Insurance during development (six months)	2,000.00	
10. Utilities during development (six months)	8,000.00	
11. Architect and Consultant Fees	20,500.00	
12. Development Fees	35,000.00	
13. Legal Charges (excluding land acquisition)	4,000.00	
14. G.S.T.	47,161.00	
15. Rent Up Costs	2,000.00	
16. Audit Charges	1,500.00	
17. Other (please specify) tenant reloc./sec. dep. refund.	5,800.00	
Subtotal 2	**134595.00**	
BUILDING AND LANDSCAPING COSTS		
18. Building Construction Costs	0.00	
19. Rehabilitation/Conversion/Demolition Costs	363,950.00	
20. Stoves, Refrigerators, Laundry Equipment	34,400.00	
21. Hard Furnishings (Kitchen/bath sinks/toilets, med. cabin., fans, kitchen cabin., counter-tops, lighting	77,300.00	
22. Landscaping	10,000.00	
23. On-Site Servicing	0.00	
24. Other (please specify) refuse removal	9,000.00	
25. PLUS: Contingency	61,248.00	
26. LESS: Revenue Prior to Interest Adjustment Date		
TOTAL COSTS		
27. **Total Capital Costs** (Lines 1 to 26)	**982,573.00**	
28. Less Equity (Line 48)	**773,036.00**	
29. **Total Debt Financing** (if applicable) (line 27 minus Line 28)	**209,537.00**	

ESTIMATED ANNUAL OPERATING COSTS

Item	Applicant Estimate	MHRC Use
30. Labour (maintenance)	2,800.00	
31 Materials and Service (maintenance)	7,800.00	
32. Utilities	22,000.00	
33. Property Taxes	4,600.00	
34. Insurance	1,800.00	
35. Administration and advertising	660.00	
36. Contingency for vacancies, etc.	1,833.00	
37. Replacement Reserves ($3,000 to $6,500 over ten years)	3,000.00	
38. Snow and Garbage removal, Landscaping, etc.	880.00	
39. Trustee Fees (Management fees)	2905.00	
40. Projected Debt service (5.85% over one year with a ten year amortization) (($209,537.00 X 5.85%) + principle)	31,806.00	
41. Other (please specify) tenant local phone	571.80	
42. Total Operating Costs (Lines 30 to 41)	80,655.80	

Additional Cost Information

Item	Applicant Estimate	MHRC Use
Equity		
43. Sponsor Equity (Appraised Property)		
44. Sponsor Equity (Unencumbered Funds)		
45. Tenant Equity to Capital		
46. Tenant Equity to Reserve		
47. Capital Grants		
Affordable Housing Initiative (AHI) In particular, some combination of AHI and/or NHA and/or RRAP	$696,000.00	
Prov. contribution to acquisition (16/27 X 40,000)	$23,703.00	
Other (please specify) City of Winnipeg (cash or multi-family dwelling program) (min.: 16/27 X $70,000 = $41,481.00	$41,481.00	
Thomas Sill Foundation (poss.) (16/27 X $20,000)	11,852.00	
Anonymous Donor (MB) $30,000 five year no-int. loan		
Jubilee Fund $50,000.00 guarantee of ACU line of credit		
Anonymous donor (poss.) ($24,000 to phone)		
" ($25,000 to dental prog.)		
Winnipeg Foundation " ($22,000 to dental prog.)		
48. Total Equity (Lines 43 to 47)	$773,036.00	
Non-Residential Space (if applicable)	n/a	
49. Anticipated Revenue	n/a	
50. Pro-rated capital costs	n/a	
51. Pro-rated operating costs	n/a	
52. Total Non-residential Surplus/Deficit (Line 49 minus sum of Lines 50 & 51)	n/a	

Estimated Annual Revenue

Item	Applicant Estimate	MHRC Use
53. Base Rent		
Unit Type: one bedroom (16 units @ $531.00 rent discounted to $420.00/month	$80,460.00	
Unit Type: _____(____ units @ ____ rent/month		
Unit Type: _____(____ units @ ____ rent/month		
Unit Type: _____(____ units @ ____ rent/month		
54. Parking _____ spaces @ $_____/month		
55. Laundry	1,250.00	
56. Surcharges, User Fees, etc.		
57. Other (please specify) late fees, interest	50.00	
Interest on phone fund monies	571.80	
58. Total Annual Revenue (lines 53 to 57)	82,511.80	

Principal Consultants

Type	Name & Address	Contact Person	Phone #
Project Development	ASH Management Group Inc. 100-233 Portage Ave., Wpg., Mb., R3B 2A7	Bob Shaer, President	982-7973
Architectural Firm	Architectural & Community Planning Inc., 261 Albany St., Wpg., Mb., R2C 2A9	Udo Staschik, President	831-0216
Law Firm	Filmore Riley	Mickey L. Rosenberg	957-8349

PDF Cost Estimate Summary			
Development Activity	**Estimated Total Costs***	**Requested PDF Funding****	**MHRC Use**
1. Enviro & Soil Assessments, zoning	2000.00	2000.00	
2. Architectural Services	12,500.00	12,500.00	
3. Project Development Consulting	11,000.00	11,000.00	
4. Marketing	2,000.00		
5. Legal Services	5,000.00	5,000.00	
6. Business Planning	0.00		
7. Land	247,680.00	23,703.00	
8.G.S.T.	4725.00	2345.00	
9. Other: Appraisal	3,000.00	3,000.00	
Total	$ 319,905.00	$59,5482.00	

** Estimated Total Costs are the entire anticipated expenses for the proposal development that will be incurred up to the time when mortgage financing may be approved.*
***A more detailed proposal development cost estimate breakdown must be provided as part of the final submission (see page 4 of the program guidelines).*

Estimated Completion Date for above activities: 31 August 2005

CERTIFICATION:

I, the undersigned, being an authorized signing officer of the Non-Profit Corporation/Co-operative, acknowledge that all information in this application, as well as any attachments, are to the best of my knowledge, free of omissions and accurate statements of fact.

Signature

29 November 2004
Date

Brian Pannell
Name (please print)

President
Position

525-170 Watt St. Wpg., Mb., R3C 2B5
Address

204-997-4881
Telephone No.

Proposal Development Funding Application Form

Group Information

Name of Proponent Group:
Kikinaw Housing Inc.
Address of Proponent Group:
c/o 100-222 Furby St.
Winnipeg, MB.,
R3C 2A7

Corporate Type:
✓ Private Non Profit
__ Co-operative

Corporate Status:
__ Incorporation Pending
✓ Incorporated (attach articles)
(Date: 28 July 2004)

Project Name:
Kikinaw Housing Inc. 317 Langside St. Apartment Building

Group Representatives

Name	Position	Occupation	Address	Phone #
Brian Pannell	President	Salesperson, South MB. Memorials	3517 Main St. Winnipeg, MB. R4A 1A1	334-9397 cell 997-4881
Stuart McMillan	Vice-President	Retiree	261 Langside St., Winnipeg, MB. R3C 1Z9	654-4731
Brian Grant	Secretary	Housing Coordinator, West Broadway Development Corporation	640 Broadway Winnipeg, MB. R3C 0X3	975-1656

Project Information

Client Type
__ Family
✓ Senior
✓ Persons with a disability
✓ Special EIA recipients, principally the non-employable

Development
__ New
✓ Acquisition & Rehabilitation
__ Conversion from Non-Residential
__ Other _____

Dwelling Type
__ Elevatored Apts.
✓ Walk-up Apts.
__ Townhouses
__ Other

Heating Fuel
__ Electricity
✓ Gas
__ Other

Heating System
__ Forced Air
✓ Hot Water
__ Electric
__ Other _____

Construction Method
✓ Woodframe/Stickbuilt
__ Steel Frame
__ Concrete Frame
✓ Other cinder block

Proposed Site Information

Civic Address: 317 Langside St., Winnipeg, Manitoba

Legal Description: Certificate of Title No. 16010 81 - SP LOT 43 PLAN 34000 WLTO IN RL 80 TO 84 PARISH OF ST. JAMES.

Existing Zoning: _____ Required Zoning: _____

Size: _____

Ownership: Owned today by Jaroslaw Paduchowski, Offer to Purchase accepted and closes 15 February 2005.

Value/Price: $173,330.00 (It is being purchased jointly with 284 Langside St. for a total of $415,000.00 plus legal fees etc.)

Please describe in space below any servicing considerations that may currently inhibit site development (e.g., require storm sewer, water or electric hook-ups, etc.):

N/A

Unit Description	Housing Units		
Unit Type	# Units Regular	# Units Mobility	# Units Total
One Bedroom	10		10
Two Bedroom			
Three Bedroom			
Bachelor	1		1
		Total	11

Estimated Capital Costs

Item	Applicant Estimate	MHRC Use
PROPERTY-ACQUISITION & SERVICING COSTS		
1. Purchase Price of Land	$167,320.00	
2. Off-site Servicing	10,000.00	
3. Legal Services Fee (for land acquisition)	1,000.00	
4. Survey, Soils Test, Title, Land Transfer Tax & Recording Fees	5,000.00	
5. Variance Fees/Appraisals	4,000.00	
6. Other (please specify) Eng. Report; Land financing costs	3,400.00	
Subtotal 1	**190,720.00**	
FEES AND CHARGES		
7. Interest (5.85%i X (167,320 +21,370) X .5 yr.	5,519.00	
8. Taxes during development (six months)	1,625.00	
9. Insurance during development (six months)	2,000.00	
10. Utilities during development (six months)	7,000.00	
11. Architect and Consultant Fees	20,500.00	
12. Development Fees	25,000.00	
13. Legal Charges (excluding land acquisition)	4,000.00	
14. G.S.T.	33,374.00	
15. Rent Up Costs	2,000.00	
16. Audit Charges	1,500.00	
17. Other (please specify) tenant reloc./sec. dep. refund.	7,425.00	
Subtotal 2	**109,943.00**	
BUILDING AND LANDSCAPING COSTS		
18. Building Construction Costs	0.00	
19. Rehabilitation/Conversion/Demolition Costs	255,551.00	
20. Stoves, Refrigerators, Laundry Equipment	24,400.00	
21. Hard Furnishings (Kitchen/bath sinks/toilets, med. cabin., fans, kitchen cabin., counter-tops, lighting	37,800.00	
22. Landscaping	10,000.00	
23. On-Site Servicing	0.00	
24. Other (please specify) refuse removal	7,500.00	
25. PLUS: Contingency	41,558.00	
26. LESS: Revenue Prior to Interest Adjustment Date		
TOTAL COSTS		
27. Total **Capital Costs** (Lines 1 to 26)	**677,472.00**	
28. Less Equity (Line 48)	**516,682.00**	
29. Total **Debt Financing** (if applicable) (line 27 minus Line 28)	**160,790.00**	

ESTIMATED ANNUAL OPERATING COSTS		
Item	**Applicant Estimate**	**MHRC Use**
30. Labour (maintenance)	1,980.00	
31 Materials and Service (maintenance)	5,260.00	
32. Utilities	16,800.00	
33. Property Taxes	3,850.00	
34. Insurance	1,800.00	
35. Administration and advertising	540.00	
36. Contingency for vacancies, etc.	1,271.00	
37. Replacement Reserves (2,070.00 to 4,070 over ten years)	2070.00	
38. Snow and Garbage removal, Landscaping, etc.	780.00	
39. Trustee Fees (Management fees)	1200.00	
40. Projected Debt service (5.85% over one year with a ten year amortization) (($160,790.00 X 5.85%) + principle)	21,487.00	
41. Other (please specify) tenant local phone	571.80	
42. Total Operating Costs (Lines 30 to 41)	57,609.80	

Additional Cost Information		
Item	**Applicant Estimate**	**MHRC Use**
Equity		
43. Sponsor Equity (Appraised Property)		
44. Sponsor Equity (Unencumbered Funds)		
45. Tenant Equity to Capital		
46. Tenant Equity to Reserve		
47. Capital Grants		
Affordable Housing Initiative (AHI) In particular, some combination of AHI and/or NHA and/or RRAP	$463,718.00	
Prov. contribution to acquisition (11/27 X 40,000)	$16,297.00	
Other (please specify) City of Winnipeg (cash or multi-family dwelling program) (min.: 11/27 X $70,000 = $41,481.00	$28,519.00	
Thomas Sill Foundation (poss.) (11/27 X $20,000)	8,148.00	
Anonymous Donor (MB) $30,000 five year no-int. loan		
Jubilee Fund $50,000.00 guarantee of ACU line of credit		
Anonymous donor (poss.) ($24,000 to phone)		
" ($25,000 to dental prog.)		
Winnipeg Foundation " ($22,000 to dental prog.)		
48. Total Equity (Lines 43 to 47)	$516,682.00	
Non-Residential Space (if applicable)	n/a	
49. Anticipated Revenue	n/a	
50. Pro-rated capital costs	n/a	
51. Pro-rated operating costs	n/a	
52. Total Non-residential Surplus/Deficit (Line 49 minus sum of Lines 50 & 51)	n/a	

Estimated Annual Revenue		
Item	**Applicant Estimate**	**MHRC Use**
53. Base Rent		
Unit Type: one bedroom (10 units @ $531.00 rent discounted to $440.00/month	$52,800.00	
Unit Type:Bachelor (1 units @ $420 rent discounted to $370.00 /month	4,440.00	
Unit Type: _____(_____ units @ ____ rent/month		
Unit Type: _____(_____ units @ ____ rent/month		
54. Parking _____ spaces @ $_____/month		
55. Laundry	860.00	
56. Surcharges, User Fees, etc.		
57. Other (please specify) late fees, interest	50.00	
Interest on phone fund monies	571.80	
58. Total Annual Revenue (lines 53 to 57)	58,721.00	

Principal Consultants			
Type	**Name & Address**	**Contact Person**	**Phone #**
Project Development	ASH Management Group Inc. 100-233 Portage Ave., Wpg., Mb., R3B 2A7	Bob Shaer, President	982-7973
Architectural Firm	Architectural & Community Planning Inc., 261 Albany St., Wpg., Mb., R2C 2A9	Udo Staschik, President	831-0216
Law Firm	Filmore Riley	Mickey L. Rosenberg	957-8349

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1. Enviro & Soil Assessments, zoning	2000.00	2000.00	
2. Architectural Services	12,500.00	12,500.00	
3. Project Development Consulting	11,000.00	11,000.00	
4. Marketing	2,000.00		
5. Legal Services	5,000.00	5,000.00	
6. Business Planning	0.00		
7. Land	167,320.00	16,297.00	
8.G.S.T.	4725.00	2,345.00	
9. Other: Appraisal	3,000.00	3,000.00	
Total	$ 319,905.00	$52,142.00	

** Estimated Total Costs are the entire anticipated expenses for the proposal development that will be incurred up to the time when mortgage financing may be approved.*
***A more detailed proposal development cost estimate breakdown must be provided as part of the final submission (see page 4 of the program guidelines).*

Estimated Completion Date for above activities: 31 August 2005

CERTIFICATION:

I, the undersigned, being an authorized signing officer of the Non-Profit Corporation/Co-operative, acknowledge that all information in this application, as well as any attachments, are to the best of my knowledge, free of omissions and accurate statements of fact.

Signature

29 November 2004
Date

Brian Pannell
Name (please print)

President
Position

525-170 Watt St. Wpg., Mb., R3C 2B5
Address

204-997-4881
Telephone No.

Mr. Brian Grant
West Broadway Development Corporation
640 Broadway Avenue
Winnipeg, Manitoba

November 19, 2004

Dear Mr. Grant:

Re: 284 Langside Street, Winnipeg, Manitoba

I have completed a visual inspection of the 16-suite apartment block structure at the above noted address and make the following observations and comments.

This assessment is based on a sample visual inspection of 4 suites and the basement suite that was converted to a maintenance room. A visual assessment was also made of the exterior walls and the landscaping.

The structure is approximately 50 years old. The structure has three levels; basement, main floor and second floor. The structure has reinforced poured concrete walls for the perimeter basement foundation. The basement floor is a poured concrete slab. Interior support walls, on each side of the hallways, consist of concrete block walls that are probably reinforced with vertical steel rods and cement. The main and second floor exterior perimeter walls are probably constructed the same as the interior support walls and finished with an exterior brick facing. There were no wall openings available to confirm the make up of the exterior walls.

The basement suite that was converted to a maintenance room had some ceiling openings that exposed the main floor support system. The main floor is supported on 2x12 joists on 12-inch centers with a clear span of about 19 feet. The basement ceilings are supported by 2x10 joists on 12-inch centers and also have clear span of about 19 feet. The ceiling joists are centered between the floor joists for the floor above. The joists are grouted into the cement block walls. Because the floor joists only support the floor loads and room dividing walls, the joist spans are well within maximum span allowances.

There has been some differential shifting in the northeast section of the structure, as evidenced by step cracking in the north wall and the north end of the east wall in this section. The most probable reasons for the shifting are:

1) The weight of the attached solid concrete step unit for the east entrance to the structure, causing an increased load to this section of the foundation.
2) The ground around the whole structure was paved with concrete. Over the years this concrete has heaved and broken resulting in an uneven surface. The uneven surface has resulted in some areas draining to the foundation

while other areas drain away. This would lead to differences in subsurface soil moisture content around the foundation.

The shifting may have also caused loosening of the grout around the support ends of the wood floor joists and loosening of the floor sheathing fasteners in this section of the building.

It is recommended that the east entrance concrete step unit be removed and replaced with a lighter step unit (such as a pre-cast hollow core step unit). The concrete paving ground cover around the foundation should be broken up and removed.

The floor joists in the northeast section of the structure should be re-aligned and the floor sheathing screwed to the floor joists.

The roof was not inspected but it is understood that your intent is to overbuild a sloped roof to cover the flat roof. This is a good idea because of the high maintenance cost and constant leakage potential of flat roofs. There was no evidence in the hallway ceilings or the ceilings of the upper suites observed, to indicate any severe roof leakage problems at the time of my inspection.

At this time I deem the structure to be sound and in good condition.

Yours truly,



William R. Shaver, P. Eng
C/o 10 Lake Grove Bay
Winnipeg, Manitoba
R3T 4N8

Mr. Brian Grant
West Broadway Development Corporation
640 Broadway Avenue
Winnipeg, Manitoba

January 28, 2005

Dear Mr. Grant:

Re: 317 Langside Street, Winnipeg, Manitoba

I have completed a visual inspection of the 11-suite apartment block structure at the above noted address and make the following observations and comments.

This assessment is based on a walk through of the center hallways and a viewing of the boiler room and laundry room. No suites were entered during the assessment. A visual assessment was also made of the exterior walls.

The structure is approximately 45 years old. The structure has three levels; basement, main floor and second floor. The structure has reinforced poured concrete walls for the perimeter basement foundation. The basement floor is a poured concrete slab. Interior support walls, on each side of the hallways, consist of concrete block walls that are probably reinforced with vertical steel rods and cement. The main and second floor exterior perimeter walls are probably constructed the same as the interior support walls and finished with an exterior brick facing. There were no wall openings available to confirm the make up of the exterior walls.

The ceilings of the basement boiler room and laundry room were finished so that the joist type and floor type could not be identified. The owner's agent informed me that the floors were concrete supported on steel joists. The thickness of the floor slabs and the joist style and spacing are not known although the center hallway floors are very solid and in good condition.

There is some minor step cracking in the hallway walls at each end of the building and each floor level. The front (west) and back (east) entrances have been finished with glazing and wood framing from ground level to the roof level. The wood framing for the glazing is in need of repair and re-caulking in many areas. The step cracking in the hallway walls is probably due to seasonal thermal expansion and contraction because of their proximity to the glazing panels at the end of each hallway.

The roof hatch in the ceiling of the third floor hallway has watermarking around it that indicates condensation or minor seepage around the hatch frame. The roof was not inspected but it is understood that your intent is to overbuild a sloped roof to cover the flat roof. This is a good idea because of the high maintenance cost and constant leakage potential of flat roofs.

The exterior brick walls were visually inspected by walking around the outside of the structure. There is no evident step cracking in the exterior brick facing to indicate differential settlement of the foundation. Several window frames are in weathered condition and will require replacement.

Because of snow cover, the roof and landscaping could not be properly assessed.

At this time I deem the structure to be sound.



Yours truly,

William R. Shaver, P. Eng
C/o 10 Lake Grove Bay
Winnipeg, Manitoba
R3T 4N8

Alternatives for Equity Distribution
of Property Owned by Kíkinaw Housing Inc. to Tenants
22 November 2004

Terry Wotton has indicated a concern over equity distribution related to Kíkinaw Housing Inc.'s intention to condominiumize its apartment buildings and provide an equity interest in each unit to the respective tenant. The concern is that public money invested in low income housing may be lost due to flipping of the units. This is not a trivial concern.

Kíkinaw Housing Inc.'s premise until now on equity distribution is to follow the West Broadway Lan Trus Inc. model. There, a tenant in the rent-to-own program, who has rented for at least five years, will acquire a ninety-nine year renewable lease in a condominium unit that is fully transferable to another person. As such, that leasehold interest can be sold. The lease provisions would provide that from the five year anniversary of tenancy the tenant would benefit from thirty-five percent of the proceeds from any sale of the lease. That percentage would climb one percent per annum over the next fifteen years, to a total of a fifty percent interest in the proceeds of any sale of the lease.

The purposes for equity distribution to tenants include:

a) To permit persons who otherwise could not easily acquire an asset to do so, thus acquiring the capacity to leverage further assets; and,

b) To increase personal feelings of security and accomplishment, and thereby introduce additional stabilizing factors into the person's life.

However, not every and, indeed, possibly few will succeed in using this asset base to move to improved economic circumstances. The Province has an interest in not squandering resources targeted for improving the lives of those persons who can not or choose not to reach for more. Thus, the task is to provide an opportunity for asset acquisition that does not put this affordable, safe and comfortable accommodation outside the ambit of persons on low income.

To reduce the potential for flipping of the leasehold interest, Kíkinaw proposes the following alternatives:

Alternative 1:

Continue the plan to condominiumize using the Lan Trus model but exert more control over the lease sale circumstances:

a) Transfers of the leasehold interest would be to the condominium corporation only;

b) The Kíkinaw Board of Directors would determine who could acquire the lease; and,

c) The Board of Directors of Kíkinaw would determine the leasehold transfer price whether or not that price was consistent with market rates;

Alternative 2:

Continue the plan to condominiumize essentially using the Lan Trus model and the conditions of Alternative 1, but reducing the maximum equitable interest acquirable by the tenant to twenty-five percent. In this alternative, a tenant would begin with ten percent equity a the five year mark.

Alternative 3:

Covert the corporation into a for-profit cooperative and provide a tenant distribution sinking fund in addition to the capital reserve fund. The Board of Directors of Kíkinaw would create rules of access to the tenant distribution sinking fund. This option would require greater income in the early years of operation as it does not depend on the value of the condominium unit to provide equity.

Application to the City of Winnipeg
16 February 2005

Snapshot of the Project

Four organizations, Young United Church, West Broadway Development Corporation, ASH Management Group Inc., and West Broadway Lan Trus Inc. are working to create a new model for low and middle income housing. The elements of that new model are:

- ✓ private sector, non-profit, church project
- ✓ 50% of the units dedicated to low income, single individuals
- ✓ tenants become owners of shares in a cooperative within ten years
- ✓ dental plan provided to occupants in the building via Faculty of Dentistry
- ✓ community phones in each building for local calls
- ✓ no drugs or alcohol on the premises
- ✓ used computers in each suite
- ✓ social support program
- ✓ augmented savings account program
- ✓ tenant advisory committee in anticipation of condominium corporation board

The notion is to provide predominantly low income persons safe, affordable and comfortable housing in an inner city neighbourhood (West Broadway) and in an non-stigma setting with as many supports as possible.

Residents of West Broadway, EIA and Present Housing Resources

Generally, single persons on Employment and Income Assistance receive $271.00 per month for rent and utilities. Persons defined as disabled receive $286.00 per month. These figures have not increased since 1993. By way of contrast, the cost of a bachelor apartment in Winnipeg as of October 2000 was $327.00.

The net effect of Employment and Income Assistance (EIA) rates combined with market conditions is that many recipients reside in rooming houses at or near slum conditions. In such circumstances, washroom facilities are typically shared. Lindor Reynolds, a Winnipeg Free Press columnist wrote on the topic of such conditions in an article published 28 January 2003, quoting a female rooming house resident: "How would you feel if the bathroom you had to use had faeces and urine all over the seat, all over the floor...." In the same article Bill Martin, director of the Canadian Mental Health Association stated: "I think it is still true that people who are disabled by mental illness live in poverty, in unsafe and unsanitary conditions."

The continuing retrofitting of the housing stock in the Broadway/Wolseley area has resulted in a gentrification of the neighbourhood. This is a relatively good thing from many perspectives but causes a side effect: slum rooming houses are being converted into

single family dwellings, reducing the available affordable housing for single people receiving EIA. Presently little of the local housing improvement program is aimed at single EIA recipients.

In light of these circumstances, it is part of this proposal that twenty-two of the proposed housing units be targeted for single people in receipt of EIA benefits, while the remaining five units will be targeted for low income wage earners.

Background on Young United Church and Crossways in Common

Young United Church is a partner in Kíkinaw Housing Inc. and is geographically close to the buildings (less than two blocks). The Church has been located at the corner of Broadway and Furby St. for one hundred and thirteen years. On 27 December 1987 the church buildings were burned by arsonists. That change allowed for the congregation to reconsider and rebuild. The result was the Crossways in Common building, which houses Day Nursery Centre Inc., West Broadway Youth Outreach Inc., West Broadway Community Services Inc., Artemis Housing Cooperative Inc., Horizons Learning Centre, the constituency office of the Member of the Legislative assembly for Wolseley and Hope Mennonite Church, in addition to Young United Church. In effect, Crossways is a community centre, and poverty relief and removal are central themes of all the organizations situate there. At Crossways, a person can use a free phone, shower, wash clothes, eat, find child care and after school child activities, get computer and internet access, and obtain a high school diploma. In none of these activities is worship a requirement, either formally or by innuendo. However, worship is not discouraged.

The Crossways in Common building will serve the tenants as it presently serves the community as a resource and spiritual hub.

Dental Plan Expenditures

The Faculty of Dentistry, University of Manitoba has agreed to provide a low cost dental program for the tenant/owners of these buildings. The program will initially involve a three stage program. The first stage is a screening exercise to determine the extent, if any, of dental services required by the tenant/owners. The second stage will be dental treatment as determined by the screening. The third stage will emphasise basic maintenance. Some complex dental procedures cannot be provided by the Faculty of Dentistry. Funds will be necessary to provide the Faculty of Dentistry its reduced fees and private dental services in complex cases. It is expected that dental service requirements will be heaviest during the first year after screening and decline as patients move toward the dental maintenance stage.

KÍKINAW Housing INC.

Computers

With the generous support of the Thomas Sill Foundation, we will provide each apartment unit with a used computer, so that persons can improve their typing and computer skills on their own time, prepare their resumes at home, write letters and otherwise have easy access to computing. Additionally, we hope to provide a printer for each suite.

Support Person

A support person has been hired through funding from the Winnipeg Foundation provided to Young United Church. The person will have role in the following areas:

identifying candidates for tenancy;
administering the dental plan;
offering information and assistance to the tenants on potentially useful governmental and community programs;
assisting a tenant advisory committee and facilitating its connection to the board of Kikinaw Housing Inc.
administering any other programming for the tenants of Kikinaw Housing Inc.; and,
fund raising,

The support person's office will be in the Crossways in Common building.

Community Phones

Each of the two buildings will be equipped with a phone in a common area available to all tenants to make local calls. There will be a time limit on use unless special arrangements are made in advance and notice posted. By this means, access to the phones will be available and equitable.

Tenant Gardens

We are presently examining the possibility of seeking funding for the acquisition of a parking area immediately to the north of one of the buildings. Acquisition of that property would be for the establishment of tenant gardens. This would provide tenants with an inexpensive supply of seasonal produce, a place to meet other tenant and socialize, and, for some, all for the possible of small enterprise, such as composting through the use of worms for commercial sale.

Transition Unit

One of the apartment units we wish to establish as a transition unit for persons who need short accommodation while looking for a permanent residence. Persons in such circumstances often do not have the financial capacity to pay rent and this unit requires external financial underpinning to make it viable. We are seeking $20,000.00 which approximately equals the fraction of the mortgage and related acquisition costs attributable to this unit plus provision for special rehabilitation. Although there are other

operating costs attributable to a suite in addition to the mortgage, not having to worry about the mortgage contribution from this unit will ensure that, after taking into account the anticipated rent subsidy, we do not need to receive regular rent in relation to this unit.

Entrepreneurial start-up funds

Significant work is required on both of the buildings presently in process of being purchased. Kíkinaw Housing Inc. wishes to provide opportunities to unemployed or under-employed persons to bid on rehabilitation work for the projects, in the hope that once started they will continue in business. Monies have been sought from a donor to provide entrepreneurial start-up funds to two persons.

Funds Raised Related to Kíkinaw Housing Inc.
Housing Project
27 Units
10 February 2005

A. Acquisition and Rehabilitation Expenses

1.0	Affordable Housing Initiative (Confirmed)	$ 941,707.00
2.0	Thomas Sill Foundation (Grant Awarded)	$ 20,000.00 (plus 30 computers)

B. Programatic Funding

3.0	Dental program		
	3.1	Wpg Foundation (Grant awarded; Anticipate additional 12,500 total over 2006, 2007)	$ 10,000.00
	3.2	Anonymous Alta. Donor (yr. 1 of 3 Pending)	$ 12,500.00
4.0	Tenant Support Person		
	4.1	Wpg Foundation Grant awarded Anticipate additional $90,900 {total) over 2006, 2007)	
		Salary	$ 28,000.00
		Other	$ 11,200.00
	4.2	Anonymous Alta. Donor (yr. 1 of 3 Pending)	$ 12,000.00
5.0	Assiniboine Credit Union /Jubilee Fund Guaranteed line of credit (Application pending)		$ 50,000.00

6. 0	Two no-user-fee local access phones	
6.1	Anonymous Alta. Donor (A grant to provide an annuity to pay the phone bill to ∞; Pending)	$ 25,000.00
7.0	Transitional unit	
7.1	Anonymous Manitoba Donor (Five year interest free loan; pending)	$ 30,000.00
7.2	Anonymous Alta. Donor (Pending)	$ 20,000.00
8.0	Entrepreneurial Start up Funds To allow opportunities for under-employed and unemployed persons to bid the rehabilitation work.	
8.1	Anonymous Alta. Donor (Pending)	$ 15,400.00
Total grants and forgivable loans awarded		$1,010,907.00 (plus 30 computers)
Total grants and forgivable loans pending		$ 496,093.00
Total repayable loans pending		$ 80,000.00
Total first mortgage pending		$150,000.00 to 289,000.00

Winnipeg Housing and Homelessness Initiative

361 Hargrave Street
Winnipeg, MB R3B 2K2
Phone: (204) 940-3070
Fax: (204) 940-3077

The Manitoba Housing and Renewal Corporation

Affordable Housing Initiative
Room 113 – 114 Garry Street
Winnipeg, MB R3C 4V4
Phone: (204) 945-5566
Fax: (204) 948-3035

February 7, 2005

Kikinaw Housing Inc. (the "Recipient")
c/o 100-222 Furby Street
Winnipeg, MB R3C 0R6

Re: **Affordable Housing Initiative New Rental Supply Program**
27Units – 284 Langside Street and 317 Langside Street, Winnipeg, Manitoba

On behalf of the federal and provincial governments, the Manitoba Housing and Renewal Corporation (the "MHRC") is pleased to advise that a loan under the Affordable Housing Initiative New Rental Supply Program (the "AHI loan") for the acquisition and renovation of the properties known as 284 Langside Street and 317 Langside Street in Winnipeg to 27 units of affordable rental housing (the "Project") has been approved in the amount of up to **Nine Hundred Forty One Thousand Seven Hundred Seven Dollars 00/100 ($941,707.00).**

The AHI loan details are as follows:

Maximum forgivable AHI loan amount:	$941,707.00
City of Winnipeg Contribution:	$ 85,000.00
Total number of eligible units:	27
Interest rate:	7.625%
Estimated Interest Adjustment Date (IAD):	September 1, 2005
Monthly Forgiveness (Payment – earned):	$5,231.71
First Payment Date:	October 1, 2005
Last Payment and Maturity Date:	September 1, 2020

The AHI loan will be earned on a *pro-rata* monthly basis over a period of **15 years** beginning the first day of the month following the Interest Adjustment Date.

THE AHI LOAN IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. The AHI loan may only be used to pay for eligible costs specified in the AHI Project Contribution Agreement (the "PCA") for the Project. The PCA will be provided to the Recipient for execution in the near future.
2. The AHI loan Contribution will be secured by the registration of a second charge against the title to the Project in the appropriate Land Titles Office.
3. The AHI loan is based on the estimated total eligible project costs of $1,316,078.00. Should the actual total eligible project costs be less, or should the amount of the City of Winnipeg contribution indicated above be increased, the AHI loan will be reduced accordingly.

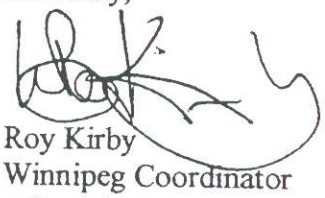
4. The Recipient is solely responsible for all cost overruns of the Project.
5. The Recipient shall provide final architectural drawings and specifications for the project for approval by the MHRC. The AHI loan may be cancelled if work on the Project commences prior to MHRC approval.
6. The Recipient is responsible for ensuring that construction is satisfactorily completed in accordance with the PCA, the architectural drawings and specifications, building code requirements, and any applicable local by-laws/regulations.
7. The Recipient is responsible for maintaining any lien holdbacks as required under the Builders Lien Act. The MHRC will not retain lien holdbacks.
8. The AHI loan may be cancelled if the construction is not completed by September 30, 2005.
9. Prior to the advance of any funds from the AHI loan, the Recipient shall provide to the MHRC an Environmental Site Assessment, including a Phase II Environmental Site Assessment if necessary, that confirms that the site has not been found to be contaminated at a level that would prevent or restrict the proposed use of the site.
10. Advances from the AHI Loan will only be made upon recommendation by the assigned MHRC Technical Officer. This recommendation will be based on an inspection of work completed to date. Reports or certificates from other authorities having jurisdiction may also be considered in determining the cost of work completed for advancing purposes.
11. A valid Occupancy Permit for the Project issued by the Municipal Authority having jurisdiction, as well as copies of all required licenses and permits required for the operation of the Project shall be provided to the MHRC prior to the final advance of the AHI loan.
12. Prior to the final advance of the AHI loan, an inspection may be performed by the MHRC to confirm that construction has been satisfactorily completed.
13. AHI loan security will not be released until the forgivable loan is fully earned or paid out.
14. The unearned portion of the AHI loan, plus interest, will become due and payable if:
    (a) the Terms and Conditions described herein as well as the terms and conditions of the PCA and the AHI loan security are not adhered to.
    (b) any statement made by the Recipient or any person representing the Recipient in any matter pursuant to the Project and/or the AHI loan is found to be false.
15. Should the Recipient default or repay the AHI loan during the construction period or within one year of completing the Project, interest will be charged on the total amount advanced, at the interest rate effective at the date of this approval and indicated in the AHI loan details above.

Before any advance under the AHI loan, the MHRC must be in receipt of the executed and sealed Project Contribution Agreement and AHI loan security documents, as well as all documentation required prior to the first advance of the AHI loan identified in the PCA. The AHI loan may be cancelled if the PCA is not executed by the Recipient within 30 days of being provided by the MHRC.

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Should you have any questions or require further assistance, please contact me at 940-3072. We look forward to working with you on the successful completion of this project.

Sincerely,



Roy Kirby
Winnipeg Coordinator
Affordable Housing Initiative

By signature below, the Recipient hereby acknowledges and agrees to the terms and conditions outlined in this Letter.

KIKINAW HOUSING INC.

Per: _____

Per: _____

Date: _____

cc: Terry Wotton