

## For Immediate Release

### **After years of deliberation, consideration, and debate, the North Peace Housing Foundation has decided to wind down the operations of the Autumn Lodge in Berwyn.**

The Autumn Lodge, built in 1959, is one of the 50 original u-shaped lodges constructed in the Province of Alberta. It was designed with a functionally independent senior in mind. Considerations were not made for the wheelchairs, walkers, or ramps now required for universal access into these building and the additional interior space needed to accommodate these mobility aides was not envisioned. The room design was considerably smaller than what is considered appropriate for today's senior and the functionality of the current building no longer meets the expectations of our seniors.

Due to the age of the building, a significant investment would be required to bring the building up to the standards of today. In March of 2009, a functional assessment of Autumn Lodge was completed for the Provincial Government by Wade Engineering Limited. At that time, they estimated that the cost of retrofitting the existing facility would be approximately \$6.5 million, which would be closer to \$10 million in today's figures. All of these capital funds for the redevelopment of the property would need to come from either the provincial or the municipal tax base or both. The retrofit would modify the interior space, but the building envelope would still be that of 1959 construction. There would continue to be 41 rooms, which means that the lodge would continue to operate at a substantial operating deficit. The deficit for the Autumn Lodge reached in excess of \$340,000.00 for 2016. With the vacancies that have accumulated over the past several years, Heritage Tower now too is operating in a deficit position. The projected three year accumulated deficit to the end of 2017 is close to \$1 million. Lack of economies of scale, given the cost to provide supportive living services, and the age of the facility are the two most significant contributing factors to that deficit.

Deficit projection for Heritage Tower in 2017 will be over \$220,000.00. With the combination of our facilities however, the deficit can be eliminated.

Of primary concern with the Autumn Lodge, is the fact that the lodges of the 1959 era were constructed under much different building and safety codes. At the time of original construction, buildings like Autumn Lodge were not equipped with fire suppression systems and the safety of the residents accommodated in the older lodge facilities had been called into question, particularly after the fire in L'Isle Verte, Quebec took the lives of 32 seniors in 2014.

The Alberta Government announced an investment of \$70 Million for Housing Management Bodies to make upgrades to sprinkler and fire safety systems in older seniors care facilities, with Autumn Lodge being one of those facilities. The impending decision about the Autumn Lodge's future became more urgent as expectations grew that the building would have sprinklers installed. As the Foundation moved through the design process, another compelling reason for making the decision on the building's future presented itself. A hazardous materials assessment was commissioned after the discovery of asbestos in the drywall compound in another North Peace Housing Foundation building preparing for their sprinkler system install. This review at Autumn Lodge brought the discovery of asbestos in some of the building material, a complication that would undoubtedly add further to the cost of any renovations, future retrofit, or sprinkler installation. The issues surrounding the facility became overwhelming, and a decision of the Board of Directors came this week. Autumn Lodge needs to be replaced.

### **North Peace Housing Foundation Charts a New Course**

The Board of Directors, in their most recent business planning session, has chartered a course to redefine our business model over the next five years. Changing demographics, changing expectations, changing industry players and changing needs of our populations have led us to the conclusion that the business model we have today no longer provides the tools and the programs to effectively fulfill our mandate. To provide the type of affordable supportive housing that the people of this region require, expect, and would embrace, we need to chart a new course. The North Peace Housing Foundation over the next

decade, through a series of capital investments, will begin adjusting its business to incorporate higher levels of care in its facilities that have the appropriate spaces to provide that care. With facilities that bring higher standards for living spaces, and built to bring the economies of scale that will allow rates to remain affordable, the North Peace Housing Foundation is planning for the future.

This, however, cannot be done overnight, and with an overall change of strategy to incorporate higher care in North Peace Housing Foundation supportive living facilities, we need to ensure we build the right number of units in the right place. Facility reconfigurations, building additions and new construction will all be done with this goal in mind. Projects in each of our four core business areas are being planned including the Grimshaw area.

A reconfiguration project in Manning has received planning funding from the province and work has begun to move that project forward to a 2018 completion. The Foundation has done preliminary design work on a building addition onto the Harvest Lodge in Fairview, and the Foundation has begun the land preparation for a long discussed new supportive living facility in Peace River. Design of that facility will begin in earnest in 2018.

New demand for seniors housing in the Grimshaw area will present an opportunity to re-enter the market, but that is somewhere down the road. In the meantime, Stonebrook is providing the supportive living option for this area. Our decision could provide them an opportunity to adjust their own business model, potentially offering more options for senior supportive living for the Grimshaw area.

It is for all of these reasons, the North Peace Housing Foundation has made the decision to wind down the operation at Autumn Lodge and combine our supportive housing operations for this part of the region into Peace River. Over the course of the next three months we will be moving our operations and staff into Heritage Tower Lodge in Peace River, and we are confident that the transition will go smoothly and all residents can be relocated by the end of September of this year. As the residents relocate, staff from Autumn Lodge will be reassigned as well, either to Heritage Tower in Peace River, or to Harvest Lodge in Fairview, if they so choose.

In addition, over the course of the next several months, the North Peace Housing Foundation will be presenting more details of our plans to adjust and improve our business model to better serve the needs of our clients, and to provide the additional care our residents require to maintain a good quality of life at an affordable rate. Our redesign plans for our facilities and the commitment to build new supply that matches the changing demographics of our region, will allow us to meet the expectations of today's seniors and those of the seniors of tomorrow and assist us in fulfilling our mandate. Information on this decision will be continually posted on our website at [www.northpeacehousing.ca](http://www.northpeacehousing.ca) or visit our Facebook page.