



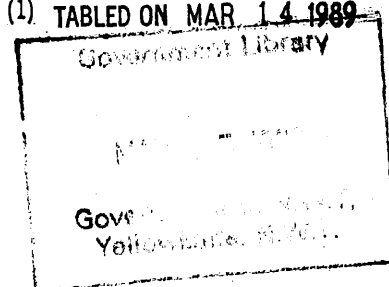
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ARCTIC BAY HOUSING ASSOCIATION

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February 06th, 1988

Ludy Pudluk
M.L.A. for High Arctic
P.O. Box 240
Resolute Bay, N.W.T.
X0A 0V0

Dear Pudluk:

Re: PUBLIC HOUSING RENT SCALE DISCUSSION PAPER II

As a Chairman, and representative of the Arctic Bay Housing Association tenants, I'd like to present my concerns and suggestions regarding the rent scale discussion paper II. These concerns and suggestions are according to the responses from our tenants and Board of Directors when we publicized this discussion paper last July 1988.

There were number of concerns brought up to my attention related to this new rent scale. The main concerns were that the rental arrears may increased if the tenants will be assessed equally or higher to operate private homes. There will be no alternative to save some income due to a very high cost of foods, clothings, and rent. They are afraid that if they become homeowners and the income earner no longer makes income or died, the family who live there would be left alone without any support at all. Majority of tenants do not agree to impliment rent assessment based on household incomes because sometimes even if one of the household earns, the head of the household do not get any financial support. There has been a major setback for hunters who earn from their catches therefore incomes from hunting should not be considered at all in our new rent scale. There are tenants who are afraid to become homeowners because of their insucurity on their jobs and uncertainty if they become home owners.

The first objective of the new rent scale stated to be simple and offers one large deduction that will applied equally to every tenant households. This statement will undermines some of

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the impacts it will have on the tenants. According to our study, if the new rent scale will be based on same deductions applied to each unit instead of each person in a household. It will definitely not be applied equally to a larger family of ten or twelve with one supporting person compared to a smaller family of three to six. Simply because the higher number of people there is, the greater living allowance they require. According to the G.N.W.T. monthly assistance program for 1982, only seven people, which is quite low for some families in this community, required at least \$876.00 for food, clothing, and personal cares alone. For this year 1989 statistic must have increased if it is based on inflation rate. It is quite clear that the average family requires considerable amount of income for their daily needs. Just to give an example, if the household of seven people earns monthly income of \$1,500.00, after all the mandatory deductions and rent deduction of \$207.00 is cleared, their net income would be at least \$1,050.00. Out of this amount, each person would earn only \$4.84 a day. This doesn't even cover their daily expenses on lunches and supper not to mention other needs. It is even worse for a larger family of ten or twelve even if they earn \$3,000.00 a month the calculation of daily earning would be only \$4.77. Therefore statements say a large deduction of \$800.00 per household under estimate the actual cost of living in the north especially for larger family.

If the new rent scale will come into effect, it will also have an impact on seasonal or short term employees, not to mention permanent employees with larger dependents. As it mentions that the rent scale will promote Homeownership program by implementing assessment equally or even higher to operate private homes. It will be very difficult for the employees who don't have any alternative to operate private homes due to their limited employments and other financial problems or social problems they incurred. It will be a catch twenty two situation for them. While the rent scale will promote homeownership program but on the other hand it will limit their financial abilities through rent assessment. This approach to effect rent assessment for tenants who are genuinely incapable of operating private homes will only cause further disadvantage on their rent assessment. It will be discouraging for new employees to commit career and better employment for them.

The new rent scale also stated that it will eliminate special exemption, reductions, and deductions and replace it with one large deduction. Although the rent scale itself will become simpler it will no longer recognize the basic needs and problems of its tenants before they become eligible to own private homes. It will mainly affect those tenants with large dependents, elders with employed dependents, handicaps, tenants with financial difficulties, tenants with limited employment, tenants who have no experience of building houses, and especially head of the household who is keeping up with the rent, and tenants who may have large remuneration for one month but unable to receive afterward. A rent scale without social aspects and special recognition will only lead to further unhappiness and disadvantage

-3-

Although the rent scale will be simpler, make tenants wishing to become financially self-supporting and able to promote home-ownership program but it will have a major impact on those people who are considered to be capable of financial self-sufficient without it's actual facts. No matter what kind of financial difficulties or social difficulties the tenants may have, unfortunately the rent assesement will still cause effects on the financial need without any justification at all if it will nolonger recognize the special needs and problems of the tenants. Therefore the community of Arctic Bay is oppose to this new perposed rent scale until the following conditions are met,

- 1) The deduction of \$800.00 per unit shall be repealed and replace it with the deduction based on number of people in each household according to the Government of Northwest Territories monthly Social assistance program figures,
- 2) Special exemptions and reductions of the rent calculation shall not be eliminated dued to the fact that those has actual purposes and recognition of the financial need in the Northwest Territories,
- 3) The rent scale shall based on the sizes and conditions of the houses dued to the fact that most of the housing conditions in Northwest Territories are still below the standard requirement in Canada,
- 4) The rent-to-income shall based on the Net Income of the tenant and its spouse after income tax deduction and mandatory deduction are cleared,
- 5) The calculation of Household Income other than tenant and its spouse shall be limited to specific amount in order to cause less disadvantage to the rent payer,
- 6) The maximum rent shall never be elimanated simply because every tenant household will not only be equalize to the social assistant recipients but they will never make enough income in order to become financially self supporting.

Until these six major conditions are implimented in the the new rent scale, we the Board of Directors and representatives of the Arctic Bay Housing Association tenants will firmly stand against the proposed rent scale or any futura proposed scale

I will again thank you for attention to our recommendations and opposition to the new proposed rent scale and hoping the best results to come.

Sincerely Yours



David Kalluk

Chairman of Board of Directors

recognition with any rent assessment. It will have a definite effect and force on the rent assessment but it won't be able to make capable to make and own private homes for those unfortunate tenants. People in charge of rent policy will be able to say that he/she is incapable to own private home but they won't be able to do anything about their rent assessment and that's where our most difficult disadvantage comes to reality. This is one of the shortfalls it has by losing everything it has gained by learning and processing in the past and replace it at the end with simple one way deduction.

Chairman of Board of Directors
Arctic Bay Housing Association