

SENIORS HOUSING FEASIBILITY STUDY

Prepared for: Edmonton Pride Seniors Group

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October 2020

*Creating an inclusive community, welcoming to LGBTQ2S+ residents and supporters
where people can age in place in a supportive environment*

INTRODUCTION AND BACKGROUND

For a number of years the Edmonton Pride Seniors Group having been looking both at housing needs and issues for members of the Pride Community as they age. In 2017, the Group engaged the services of Communitas to look at the feasibility of developing housing options for their community. An initial part of feasibility work was for the Group to develop a set of guiding principles. Through the various workshops, participants identified a number of guiding principles that would inform the overall framework of the proposed project.

These included:

- inclusive, welcoming to LBGTQ2S+ residents and supporters
- meets diverse community needs-social, health etc.
- mix of residents-i.e. not exclusively LBGTQ2S+
- can be rental or ownership depending on model
- to create a community and a supportive environment
- a place where people are not judged
- a place where one can be part of the tribe
- a place where you don't have to prove yourself
- a place where you can be yourself
- having what we have now: garden, green space, peace and quiet, desk
- "home" - not institution
- maximize independence
- safety
 - physical
 - not-predatory
 - psychological
- pet friendly
- design flexibility (aging in place)
- creating a choice when one no longer has a choice
- providing a transition into supportive living

During these sessions the participants identified that their neighbourhood of choice was Oliver. An initial feasibility was conducted based upon buildings designed for two different lot configurations, one a 100' x 120' lot and the other a 150' x 150' lot. One building contained 52 units and the other 50 suites. Both building include community facilities and underground parking.

The study concluded that it would be possible to create an inclusive mixed income community, that is welcoming to LBGTQ2S+ residents and supporters where people can age in place in a supportive environment. Feedback from potential residents though the meetings, workshops and survey indicated that there is a need for this type of development. The architect was able to design a couple of options that met the requirements of the design program. The initial financial analysis indicated that a development could be built that would provide units with rents at market rates. The feasibility analysis also indicated that in order to provide lower rental rates that would

affordable to households not able to pay the market rates, external grant funding would be necessary.

THE NEED AND DEMAND SURVEY

Subsequent to the initial feasibility analysis, the Committee undertook a need and demand analysis. In late 2019, the housing committee, now called Housing Development Committee (HDC), determined that a broader consultation within the LGBTQ2S+ community was required to assess actual demand, to promote interest in the project and to act as a launch pad for pursuing actual development. This survey was intended to reach as many people in the LGBTQ2S+ community as possible to:

- Conclusively confirm the need and demand;
- Identify individuals and households who might be interested in moving into the development;
- Confirm the importance of various seniors' housing features;
- Determine financial considerations/constraints for potential residents; and
- Determine timing.

To gather this information, the Housing Development Committee developed this survey accessible through Survey Monkey. The survey distribution began on February 28, 2020 and included communication with 32 diverse LGBTQ2S+ social media groups, community groups and key personalities in the LGBTQ2S+ community about the need for safe and inclusive seniors' housing. Moderators of these social media groups and various contacts in the community showed enthusiastic support for this project. A copy of the survey results is included in Appendix 1.

The following excerpt from the Executive Summary of the survey results provides an overview of the key findings.

We received 199 responses, from people identifying as female (34%), male (62%) and other (5%). 52 respondents indicated they would be interested in moving into LGBTQ2S+ friendly seniors' housing within the next four to six years – this level of support is a great starting place for us as we work to advance and advocate for this type of housing.

We learned that one-bedroom plus den is the preferred type of apartment (48%), followed by two-bedroom units (26%). Respondents felt our housing should be in the Oliver neighbourhood and be a gathering place for the LGBTQ2+ community. Features like recreation spaces, green space and access to home care are preferred so people can age in place in a supportive environment.

Survey respondents emphasized rent affordability as a key issue for them – roughly 60% of the respondents indicated they would be able to pay no more than \$1,400 per month. To meet this range of affordability, we will need to develop a mixed income model with subsidized rents. Most respondents (64%) indicated they would be interested in sharing a suite with a

friend, partner or spouse.

THE REVISED PROGRAM

Building Overview- Base Building

The proposed building will accommodate an apartment building with 50 self-contained suites, which would each have a full kitchen and individual laundry equipment. The following breakdown of suite preference is based on the 2020 survey. Sizes have been added for the purpose of developing a building that could be priced. These unit sizes reflect the fact that this is a building designed to universal design standards and will allow residents to age in place ¹.

- 14- one-bedroom - 650 sq ft
- 24- one-bedroom, plus den - 750 sq ft
- 12- two Bedroom - 900 sq ft

In addition to the suites, 25% of the total suite area has been added as circulation space for halls, stairs, entry and elevators. Four thousand five hundred square feet has also been included for community space. The following table provides an overview of the projected overall building square footage.

Bedrooms	Number	Size Sq Ft	Total Sq Ft
One	14	650	9100
One plus Den	24	750	18000
Two	12	900	10800
Total (units & suite area)	50		37900
Circulation Space 25%			9475
Total Base Space			47375
Amenity Space			4500
Total Building Area			51875

A total of 40 underground stalls and 10 surface stalls have been included. Bicycle storage has also been included in the underground parkade area. In addition, a closed storage area (s) has been included in the parkade for resident storage. The building will have two elevators, one of which will be able to accommodate a gurney.

1. Universal design creates housing that can work for everyone. It makes housing accessible to those with disabilities. It also lets people stay in their homes as their circumstances change, without expensive renovations. And because a well-designed accessible unit doesn't look different from a standard unit, it appeals to those who need special features — and to those who don't. (Source: Universal Design for New Housing Units, CMHC, Published: May 15, 2019)

The development will be designed and constructed as an energy efficient building to “passive house standards”.

Passive housing is a building standard that is truly energy efficient, comfortable, affordable and ecological at the same time. Passive House is not a brand name, but a construction concept that can be applied by anyone and that has stood the test of practice.

Yet, a Passive House is more than just a low-energy building.

- *Passive House buildings allow for heating and cooling related energy savings of up to 90% compared with typical building stock and over 75% compared with average new builds. In terms of heating oil, Passive House buildings use less than 1.5 litres per square meter of living space per year – far less than typical low-energy buildings. Similar energy savings have been demonstrated in warm climates where buildings require more energy for cooling than for heating.*
- *Passive House buildings are also praised for their high level of comfort. They use energy sources inside the building such as the body heat from the residents or solar heat entering the building – making heating a lot easier.*
- *Appropriate windows with good insulation and a building shell consisting of good insulated exterior walls, roof and floor slab keep the heat during winter in the house – and keep it out during summer.*
- *A ventilation system consistently supplies fresh air making for superior air quality without causing any unpleasant draughts. This is e.g. a guarantee for low Radon levels and improves the health conditions. A highly efficient heat recovery unit allows for the heat contained in the exhaust air to be re-used. (Source: https://passipedia.org/basics/what_is_a_passive_house)*

A Passive house is designed to realize an energy consumption and Green House Gas (GHG) emissions that surpass the minimum decrease in energy consumption and GHG emissions required by projects requesting financing under the National Housing Co-investment Fund (NHCIF). Projects applying for funding under the NHCIF must be designed to achieve a minimum 25% decrease in energy consumption and Greenhouse Gas (GHG) emissions outlined in the requirements of the 2015 National Energy Code for Buildings (NECB) or the 2015 National Building Code (NBC).

Amenities

The following table details the base amenities should be included in the development.

Amenity Space		Sq. ft.	
Dining for 50 people		600	round (12 sq ft per person)
Commercial Kitchen		1000	
Offices -3	150 sq ft each	450	
Multipurpose Room	50 people	400	mixed standing and sitting (8 sq ft per person)
Exercise		400	
Guest suite with bath		250	
Lobby & sitting area/ building café		500	
Laundry		100	
Total		3700	

Within the current building footprint, 4,500 sq. ft. has been allocated for amenity space. Not only will this amount square footage accommodate the minimum amenities, but it will allow for the capacity to either add amenities or increase the individual amenity spaces.

During the study process, the participants indicated that they were not interested in purchasing a suite. As a result a rental form of tenure is used as the basis for the capital and operating cost analysis as well as the analysis of mortgage capacity and equity/grant requirements.

THE UPDATED FINANCIAL ANALYSIS

Capital Costs

(see notes for base financial assumptions)

Land and Related Costs (note 1)	\$2,551,344
Soft Costs (note 2)	\$2,649,662
Construction (note 3)	\$14,895,000
Contingency (note 4)	\$446,850
GST	\$513,571
Total Costs	\$21,056,427
Per Unit	\$421,129

Notes:

1. This includes land costs, legal fees related to land titles, survey and recording fees, permits and zoning amendments. The land cost is based upon a site that is 20,000 square feet priced at \$125 per square foot. While it is possible to develop a project on 18,000 square feet for this analysis 20,000 square feet was used.
2. This includes interest during construction (3.5%), taxes, insurance, architects/engineers fees, project management fees, legal, marketing, lenders fees, appraisals and testing, quantity surveyor and a soft cost contingency.

3. This includes the building and parkade construction. An average of the per square foot construction costs for a medium range medium rise buildings from three 2020 cost guides was used, the Altus Guide, the Cuthbert Smith Guide and the Turner Townsend Guide. This cost was adjusted upwards by 10% to account for an energy efficient building. A cost of \$30,000 per underground parking stall was used.
4. This is 3% of the construction cost.

Rental Revenue

The rental rates that are used in this updated analysis take into account the fact that the project must serve a range of incomes. Affordability of rental costs is a significant issue. Approximately 60% of the respondents to the need and demand survey indicated they can pay less than \$1,400 per month. Three rental rates have been established:

- 80% of the Canada Mortgage and Housing Corporation Average Market rental rates (October 2019 Survey)
- Lower end of market, which was established through an updated rental market survey of rental properties in Oliver and Downtown (August 2020). The lower end of market was set as the rate just below the median rental rate or at a rate that was determined to be at the lower end of market.
- Average market rates which is the average of all of the units within a bedroom type based upon the updated rental market survey of rental properties in Oliver and Downtown (August 2020).

The following table provides a summary of the various rental rates.

Proposed Rental Rates	1 bedroom	1 plus den	2 bedroom
80% of CMHC Average Market Rates	\$821	\$901	\$1,010
Lower End of Market per Survey	\$1,101	\$1,200	\$1,395
Average Market per Survey	\$1,351	\$1,451	\$1,898

The following table provides an overview of the proposed rental rate distribution among the various types of units within the project.

Units	1 bedroom	1 plus den	2 bedroom
80% of CMHC Average Market Rates	5	12	4
Lower End of Market	5	3	4
Average Market	4	9	4
Total	14	24	12

This distribution was based upon the information gathered through the survey which indicated that:

Affordability of rental costs is a significant issue. Approximately 60% of the respondents indicated they can pay less than \$1,400 per month.

- *Of these 38.5% can only pay \$1000 or less and 21.2% between \$1001-\$1400.*
 - *A further 17.3% indicated they could pay between \$1400-\$1800. Therefore, approximately one third can pay between \$1,400 and \$2,800.*
 - *It is important to note that a majority of respondents (71%) indicated that they would share the suite with a friend, partner or spouse to enhance affordability.*
- (Source: LGBTQ2S+ Seniors' Housing Survey: Full Report, page 5)

Based upon this distribution and the rental rates identified in the previous table the following table provides a summary of the potential rental income.

Income	1 bedroom	1 plus den	2 bedroom
80% of CMHC Average Market Rates	\$4,105	\$10,812	\$4,040
Lower End of Market	\$5,504	\$3,600	\$5,580
Average Market	\$5,404	\$13,058	\$7,591
Total Monthly	\$15,012	\$27,470	\$17,211
Total Annual	\$180,148	\$329,640	\$206,531
Total Annual Income	\$716,319		
Less Vacancy Loss 5%	\$35,816		
Net Revenue	\$680,503		

Operating Costs

The operating cost budget is based upon a non-profit operation of the facility. While it is possible that both the owner and the operator of the facility may be different organizations, it is assumed that both would be not-profit entities. Should the facility be developed and operated by a private operator, the revenue would need to be adjusted to ensure a return on investment. These operating costs relate specifically to the building operations and do not include any costs associated with providing the support/home care or food services.

Maintenance (note 1)	\$100,560
Taxes	\$75,000
Garbage	\$16,755
Reserve Fund Allocation	\$25,000
Property Management (note 2)	\$20,457
Insurance	\$23,088
Utilities	\$80,069
Total	\$340,928

Note 1: Maintenance includes elevator monitoring & phone, caretaker/cleaning, window cleaning, supplies,

tests/inspections, mechanical systems service agreements, repairs, parkade cleaning, building control systems monitoring, grounds keeping and snow removal.

Note 2: Property management includes financial administration and bookkeeping, tenant relations and rentals as well as the management of the building maintenance.

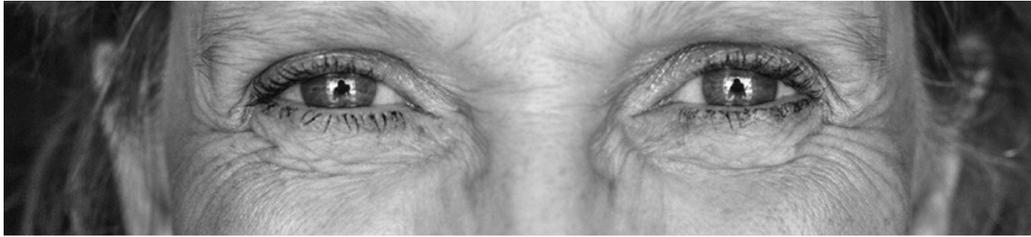
Mortgage Capacity and Equity / Grant Finding Required

Based upon the capital cost, revenue and expenses the following table provides an overview of the mortgage carrying capacity and the equity or grant funding required to develop the project. Two options are provided one based upon a 25 year amortization and the other on a 40 year amortization. Under its mortgage loan insurance program for affordable housing CMHC may consider amortization periods of up to 40 years. Depending upon the eligibility criteria at the time of application, the project may or may not qualify for a 40 year amortization. A premium surcharge applies for amortization periods greater than 25 years. The amortization period must not exceed the remaining economic life of the property, as determined by CMHC. In both instances a 3% mortgage rate was used.

	25 Year Amortization	40 year Amortization
Revenue	\$680,503	\$680,503
Expenses	\$340,928	\$340,928
Difference	\$339,574	\$339,574
Monthly	\$28,298	\$28,298
Mortgage Capacity	\$5,979,492	\$7,928,469
Capital Cost	\$21,056,427	\$21,056,427
Difference	\$15,076,935	\$13,127,958
Grant/Equity Required	\$15,076,935	\$13,127,958
Per Units Basis	\$301,539	\$262,559

APPENDIX 1

LGBTQ2S+ Seniors' Housing Survey: Full Report



Edmonton Pride Seniors Group

Creating Inclusive Spaces for LGBTQ Elders

www.epsg.ca

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1. Background

“LGBTQ2S+” is the acronym we have chosen to represent the diversity and uniqueness of all the non-heteronormative and gender non-conforming people who worked on and were consulted during this project, and all who will eventually benefit.

i. Exploring Housing Options for LGBTQ2S+ Seniors

In winter and spring of 2018, the Housing Development Committee reviewed various housing approaches and options and received input from potential residents via workshops, focus groups and a survey of a small group of interested participants.

Through these engagement opportunities, participants developed guiding principles and two housing options for the most appropriate form of accommodation. The most important guiding principle was having an inclusive facility for LGBTQ2S+ seniors and their friends/supporters. The preferred housing option identified was rental apartment housing of self-contained suites with one bedroom plus den or two-bedroom units, certain amenities or community facilities, underground parking and access to supports and homecare as required over time. The Oliver neighbourhood was the most preferred location.

The information gathered in 2018 was used to develop a feasibility study for a facility in Oliver in 2019. The feasibility was done in partnership with SAGE, who helped us to engage the Communitas group to prepare the study. The feasibility study was based on further meetings and workshops, which confirmed the need for this type of development. An architect was then engaged to design two concepts that met the requirements of the committee. The feasibility study indicated that it is possible to create an inclusive mixed-income facility that is welcoming to LGBTQ2S+ residents and supporters where people can age-in-place in a supportive environment.

ii. Community Survey

In late 2019, the housing committee, now called Housing Development Committee (HDC), determined that a broader consultation within the LGBTQ2S+ community was required to assess actual demand, to promote interest in the project and to act as a launch pad for pursuing actual development. This survey was intended to reach as many people in the LGBTQ2S+ community as possible to:

1. Conclusively confirm the need and demand;
2. Identify individuals and households who might be interested in moving into the development;
3. Confirm the importance of various seniors’ housing features;
4. Determine financial considerations/constraints for potential residents; and
5. Determine timing.

Though we have now released the findings of that survey and are moving forward based on the high degree of interested expressed, we fully intend to continue outreach to the LGBTQ2S+ community, specifically with seniors, to understand the community’s needs and feedback throughout the course of this project and beyond.

iii. Survey Distribution Strategy

To gather this information, the Housing Development Committee developed this survey accessible through Survey Monkey. The survey distribution began on February 28, 2020 and included communication with 32 diverse LGBTQ2S+ social media groups, community groups and key personalities in our community about the need for safe and inclusive seniors' housing. Moderators of these social media groups and various contacts in the community showed enthusiastic support for this project.

Additionally, members of our community sent out the survey link to their informal networks of friends in the community. Follow-up reminders were sent in late March and early April. These reminders increased the survey responses from 114 responses by March 25 to 199 by the survey close date of April 10. In addition, hard copies were made available to those who did not have access to the electronic version. The survey was launched on February 28, 2020 and closed on Friday April 10, 2020.

2. Survey Responses

199 people completed the survey. Of the respondents, 183 provided gender information: 62 (34%) identified as female, 114 (62%) identified as male and 7 (5%) identified as fluid, non-binary, trans and other. Of the 199 respondents, 52 (26%) were interested in moving into the project. This following section provides an overview of key survey results and themes for the total responses and an additional analysis of the subgroup that indicated interest in actually moving into the proposed housing facility.

i. Confirming Interest and Demand for Housing Project

Significant Demand and Support: There is significant demand and strong support in the LGBTQ2S+ community for seniors' housing. Fifty-two (26%) respondents indicated they wanted to move into this housing in 4 to 6 years. 45% of the total respondents also provided their names to form a list of potential residents. This indicates a high level of future demand!

A significant proportion of respondents indicated they were interested in working on the development of the project and being informed about the progress of the development. Specifically:

- 73 (37%) indicated that they were interested in working on the development of the project;
- 87 (45%) indicated that they were interested in having their names added to a list of potential residents; and
- 124 (65%) indicated that they were interested in receiving email updates as the project progresses.

52 Want to Move In: Our most significant result is that 52 respondents (26%) indicated they would like to move into this housing project within 4-6 years. The remaining 67% indicated they were not yet ready to move in but might be in the future.

ii. Rental Costs and Affordability Constraints

Affordability of rental costs is a significant issue. Approximately 60% of the respondents indicated they can pay less than \$1,400 per month.

- Of these 30.3% are willing to pay \$1000 or less and 29% between \$1001-\$1400.
- A further 18.2% indicated they are willing to pay between \$1400-\$1800.
- It is important to note that a majority of respondents (64%) indicated that they would share the suite with a friend, partner or spouse to enhance affordability.

iii. Importance of Various Seniors' Housing Features

One Bedroom plus Den is Preferred: The preferred size of apartment was a one bedroom plus den (48%) followed by a two-bedroom apartment (26%).

Inclusive facility: The vast majority (87.4%) of potential residents indicated an inclusive facility for LGBTQ2S+ seniors & their friends/supporters was the most important housing feature. The most important features and amenities were as follows:

1. Recreation Space (70.1%)
2. Home care/health support services as needed (68.5%)
3. Outdoor courtyard (66.0%)
4. Common Lounge/gathering space (67.3%)
5. Gardening/Green Spaces (64%)
6. Private Outdoor space (59.6%)
7. A pet-friendly building (i.e. small dogs, cats, and birds) (59.4%)
8. Underground Parking (56.1%)

*Note: The percentages indicated are a sum of ratings of “somewhat important” and “very important”.

iv. Age of Respondents

Most respondents were seniors, and most currently own their home. The respondents represented a wide range of ages with the majority (64%) between the ages of 50-69. Five percent were under 40 and 16% were between 40 to 49. A further 15% were aged 70+. A majority (71%) of respondents owned their own home, followed by 27% who rented.

Table 1: Age of All Respondents

Age of Respondents	Number	%
Under 40	8	5%
40 to 49	29	16%
50 to 59	57	32%
60 to 69	57	32%
70 plus	26	15%
Total	177	100%

Note: 22 respondents did not provide their age.

3. Overview of Respondents Interested in Moving In

This section provides an overview of the 52 respondents who indicated an interest in moving in.

Demand

52 (26%) respondents indicated they were interested in moving in within 4-6 years.

Demographics of Potential Residents

The average age range of this group was older than all respondents. The overwhelming majority (94%) of respondents were over 50. Of these, 76% were aged 50-69, and a further 18% were 70+. The majority of this

group (64%) own their own home. However, compared to all respondents, a larger proportion of this group (34%) rent their accommodation.

Of the 52 interested respondents, 48 provided gender information. 16 (33%) identified as female, 30 (63%) identified as male, and two respondents identified as Other or trans.

Table 2: Age of Respondents Who Want to Move In

Age of Respondents	Number	%
Under 40	2	4%
40 to 49	1	2%
50 to 59	15	31%
60 to 69	22	45%
70 plus	9	18%
Total	49	100%

Note: 3 respondents did not provide their age.

Rental Costs and Affordability Constraints

Affordability of rental costs is a significant issue. Approximately 60% of the respondents indicated they can pay less than \$1,400 per month.

- Of these 38.5% can only pay \$1000 or less and 21.2% between \$1001-\$1400.
- A further 17.3% indicated they could pay between \$1400-\$1800. Therefore, approximately one third can pay between \$1,400 and \$2,800.
- It is important to note that a majority of respondents (71%) indicated that they would share the suite with a friend, partner or spouse to enhance affordability.

Since there is a range of affordability preferences, the Housing Development Committee will need to engage in further discussions of potential strategies to develop a mixed income model with subsidized rents.

Importance of Various Seniors' Housing Features

The vast majority (85%) of potential residents indicated that inclusivity and friendliness for LGBTQ2S+ seniors & their friends/supporters was the most important housing feature for this project. The potential residents ranked the importance of various features differently than all survey respondents. A common lounge, outdoor spaces and a pet friendly building were ranked higher by those in the potential resident group, and interestingly this group also ranked home care and health support services as less important than the average pool of respondents.

The most important features and amenities were as follows:

1. Recreation Space (70.1%)
2. Common Lounge/gathering space (67.3%)
3. Outdoor courtyard (63.5%)

4. Private Outdoor space (65.4%)
5. A pet-friendly building (i.e. small dogs, cats, and birds) (58.7%)
6. Gardening/Green Spaces (55.8%)
7. Underground Parking (55.8%)
8. Home care/health support services as needed (50.0%)

*Note: The percentages indicated are a sum of the ratings of “somewhat important” and “very important”.

4. Implications for Moving Forward

- The degree of interest and the stated actual demand indicates a tangible need for safe and inclusive LGBTQ2S+ seniors’ housing.
- Given the significant interest in this housing project, it is critical that this momentum and interest is maintained by ensuring these respondents and others in the LGBTQ2S+ community are provided with regular updates as the project progresses.
- Since affordability of rental costs is a major issue, it is necessary to develop a housing model of mixed income with appropriate subsidization to meet the needs of the community.
- In addition to maintaining growing support and interest, it is essential to personally connect with members of the LGBTQ2S+ community to ensure the project implements inclusive, safe and welcoming community-focused principles.
- Strategies to make strong linkages with the LGBTQ2S+ community are critical to ensure the project secures appropriate partners along with development and construction funding support. There may be opportunities to explore financial investments by the LGBTQ2S+ community in this project.
- The information from this broad-based community survey along with the Feasibility Study will be important considerations when the project applies to various federal, provincial and municipal funding strategies as the development proceeds.