

Sunnyhill Housing Co-operative Ltd.
787 Third Street NW
Calgary, Alberta T2N 1P1
403-270-8405

Notice of IMPORTANT Planning and Development Meeting

Monday, December 16th, 2019
7:00pm – 9:00pm
Calgary Curling Club
720 3 St NW, Calgary, AB T2N 1N9

Proposed Agenda

1. Call to order
2. Opening remarks and introductions
3. Approval of proposed agenda
4. Business -
 - A. Review and discussion of One Bedroom motion approved by P&D (no vote. Will be brought to GM in new year)
 - B. Planning and Development update:

**i. Urban Matters presentation of
Recommended Next Steps**

5. Adjournment

****If you require babysitting please let Andrea know in advance****

*Approved by Planning and Development Committee on December 5, 2019 as follows:
In favour: Eric Moschopedis, David Broadhead, Herta Fidler, Bob Bott, Mark Terrell. No
opposition.*

Purpose

The purpose of this document is to set out an understanding of how we, as a community, will address any redevelopment discussions that arise in the coming weeks as a result of our investigative work on housing options. In particular, it sets out some principles pertaining to the wellbeing of our members presently living in units that would mostly likely be affected by a decision to redevelop.

Background

Based on the Accessibility Analysis undertaken by Urban Matters the block of units that is made up of four one bedroom units, namely units numbered 762 to 768 are the best candidates for renovation. Further to this, the land occupied by the one bedroom units is the only location at SHC suitable for a potential increase to the number of units SHC has. The townhouses cannot be made accessible, as we currently understand it, without spending an amount equivalent to new construction costs. These four one bedroom units and/or the land they are on offer a potential pathway for increasing the number of accessible units required to meet CMHC financing or contribution requirements. Redevelopment would provide a long-term benefit to SHC as a whole, therefore the cost, in both social and financial terms, should be met by SHC, not the affected members alone.

This motion proposes a way forward to provide housing security for members living in the above mentioned one bedroom units that might be redeveloped—ie. renovated or replaced—to provide further accessible housing units for SHC.

Planning and Development proposes that the SHC Board move as follows:

1. Decisions related to redevelopment— ie. renovation or replacement—are still to be determined by the membership at a general meeting. However, this motion indicates the strong will and good faith of SHC to ensure affected one-bedroom members are protected as we develop, decide and implement redevelopment plans. Redevelopment details depend on many factors outside of SHC's control such as, but not limited to approvals, specifications, costs, timelines and other factors. SHC will continue to revisit and amend our commitments based on the best evidence in hand.

2. If the option of redeveloping these units—renovation or replacement—proceeds, it is incumbent upon SHC in co-operation with the Board, Planning and Development, and the affected members to identify and secure appropriate temporary housing. Appropriate housing options must take into account the location of the housing, condition of the unit, buildings, and grounds and be pet friendly. Ideally all members would move into the same complex so as to maintain continuity and camaraderie. If SHC Board and other one bedroom residents cannot mutually agree upon acceptable interim housing, there will be an automatic appeal to the membership for a decision.
3. This motion is a commitment from membership that any costs incurred due to redevelopment will be SHC expenses. These expenses include, but are not limited to packing, storage, hiring of movers, additional insurance, loss of personal property due to land use change, compensation for interior renovations incurred directly by the member, disposal services, per diems, and a small allowance for start up costs associated with any move.
4. Any housing costs while off-site—including damage deposit or equivalent—over and above the current rates, adjusted to include any subsidy, will be a SHC expense. This guarantee means that SHC will ensure one bedroom residents will pay only the amount for housing as determined by the Economic Housing Charge that is determined annually by the membership during the budget process.
5. SHC will include one bedroom residents in decisions regarding construction and design decisions. SHC commits to including resident preferences when and where feasible, recognizing that this commitment is not specific or ironclad. Fulfilling this commitment requires that SHC as a whole acts in the best interest of our people. It is an exercise in trust and community building.
6. SHC cannot commit to details until a completed and approved design is passed. We are not able to guarantee unit size or orientation, certain surface finishes, grounds or garden details or any other construction related items.
7. The final plan will be crafted with reference to our bylaws and policies. As well as considering our physical buildings, these core documents speak to member rights, including housing security.

Committee Summary:

Since August 2019 Urban Matters has worked diligently to identify a path forward for SHC's future. Urban Matters in collaboration with Planning and Development Committee have undertaken the following studies and processes:

- Accessibility Analysis
- Schematic Study
- Sustainability Opportunities
- Asset Management Plan
- Engagement with Internal and External Stakeholders

Now completed, Urban Matters will be making recommendations that summarizes next steps related to design, site, planning support, financial analysis and funding opportunities.

Urban Matters will discuss two distinct options for Sunnyhill. These options were recently described in an email to P&D. The official report will be released the night of the meeting, so we may see some changes between what is below and what is ultimately presented. See below:

The guiding principles Urban Matters is using for their recommendation are as follows:

- Strong membership interest in age-in-place opportunities
- Ability to secure lease/land sale from the City
- Likelihood of receiving CMHC (and other) funding
- Impact to operating pro-forma and ultimately Housing Charges

OPTION 1:

As presented at the September membership meeting, two options showed the most potential. The first was the simplest, and at the time the direction in which Urban Matters was leaning. To focus on the building envelope changes, with improvements to the *visitability* of units built into the funding ask. Improvements to door hardware, potentially better access to the office and some limited grounds/landscaping changes would be the accessibility scope. Because the sustainability options were pointing to a 25% - 40% improvement in energy efficiency, we would essentially attempt to trade additional sustainability gains for less progress on the accessibility of the units. This resonated well with Urban Matters for the following reasons;

- wouldn't displace existing tenants
- lowest capital borrowing required
- requiring limited additional feasibility work, ensuring a quicker timeline to redevelopment

- includes the option for additional phased sustainability improvements over time, as funding/financing becomes available
- providing the best chance of maintaining affordable housing charge rates over time (because of the lower capital requirements)
- less complex process to gain a lease extension from the City

But upon further research, the re-skinning option is proving to have some serious limitations;

- doesn't address one of the membership's key concern about the ability to age-in-place
- doesn't meet CMHC's accessibility requirements - the process is a competition with other submissions from around the country, its hard to imagine this option beating out others for funding
- difficult to argue for additional funding for things like electrical vehicle charging stations and shared vehicle stalls, where new units could include such a rationale
- given the level of engagement required even to do the regeneration work, that time might be better used to advocate for new units too
- no partnership opportunities to absorb some of the capital requirements or support operations

The bottom line is that Urban Matters hasn't received much of an indication that such a submission (without satisfying the accessibility requirements) would be much of a candidate for further feasibility funding.

OPTION 2

The second option was to proceed with the re-skinning of the building envelope and add an additional 16 fully accessible age-in-place units, likely in the area currently occupied by the one-storey units. While significantly more complex, in a competitive process to receive funding, additional age-in-place, accessible units are a far more compelling argument. There is also these additional benefits;

- provides the cradle to retirement co-op housing that so many members identified as an aspirational goal (during the summer bbq engagement session)
- the City appears more interested in a book value sale to the co-op than a lease extension. In a situation where the sale would be sole-sourced, the additional accessible units help the project satisfy a large number of the City's Affordable Housing Strategy objectives, which makes it more likely Council would be supportive
- Including accessible units opens up additional grant-funding, which can help lower the amount that must be repaid over time, coupled with the additional units over which to spread operating costs
- Introducing new units opens up sustainability funding opportunities from FCM (Federation of Canadian Municipalities)

- More compelling for the City to sell the land because it will lead to additional units
- Additional rental income to support the new capital borrowing
- More competitive CMCH application nationally because it preserves existing units, adds new ones, provides full accessibility and age-in-place components that are singled out in the NHS as of critical need, and can garner the most feasibility funding.
- The City's sale of land at book value becomes a key partnership aspect of a CMHC application

Urban Matters also thinks that if it became apparent through the feasibility assessment that adding the additional age-in-place units wouldn't be viable, falling back to just the regeneration option would be more likely to be seriously considered, because the process would have legitimately determined the age-in-place solution wasn't viable. But they would still be compelled to see a positive outcome for the co-op. The risk is the additional time required to put together the second option, and the added complexities around the operating pro-forma and additional responsibilities for the co-op board and related committees.

Weighing all of this, our recommendation is leaning towards Option 2 because of it's much more compelling narrative at a time when there is a lot of competition for the available funding. It also seems like the option most compelling to the City in support of a sale at book value.