

Sunnyhill Housing Futures Project

Package of Resolutions for the January 27th
General Meeting

ITEM 1: ONE BEDROOM MEMBER – PROVISIONS FOR DISRUPTION

Purpose

In the coming weeks, we will be discussing housing redevelopment options and making decisions that could profoundly disrupt the living situations of some members. Before embarking on these discussions in a substantive way, the Planning and Development herein proposes a set of principles to guide Sunnyhill's decision-making related to those members presently living in units that would mostly likely be affected by any decision to redevelop.

Background

Investigations to date tell us that CMHC financing for a deep energy retrofit of Sunnyhill rest on us being able to meet two conditions:

- 20% of units meeting accessibility criteria
- Being able to increase the number of affordable housing units

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.

We also know from our investigations that: the 2 & 3 bedroom townhouses cannot be made accessible without spending an amount equivalent to new construction costs and that, even if all the 1 bedroom units were to be made accessible, we would be short of the 20% threshold.

Thus, the 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.

Argument

Redevelopment will provide a long-term benefit to SHC, as a whole. As such, the cost in both social and financial terms should be distributed equally across the membership. Accordingly, the financial resources required to provide temporary relocation of some members should be factored into our redevelopment budget and the voices of the most affected members of the Coop should be heard in our deliberations.

Motion

Planning and Development motions membership support for each of the following:

1. Decisions related to redevelopment—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 according to the most current information. That is to say, 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 for the period coinciding with the redevelopment work. 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 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. 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. The final plan will be crafted under our bylaws and policies. As well as considering our physical buildings these core documents speak to member rights, including housing security.
7. In the event that an unaffected one-bedroom unit become available, priority should be given to the members in units 762 to 768 who may be displaced by redevelopment or renovation. This would mean that the affected one-bedroom member has priority over the candidate at the top of the one-bedroom waiting list.

Attachment: Costing Estimate

Sunnyhill Housing Co-operative
DRAFT One Bedroom Relocation BUDGET

January 15, 2020

This budget is an estimate of the costs that will be incurred by the SHC members residing in the one bedroom units (762-768 4th St NW) when they are required to change residences during the construction of a new building of one bedroom units. For this estimate, we are assuming that the residents in question will be residing elsewhere, assisted by SHC, for 2 years during construction.

Packing and Moving

(packing,loading, transporting,unloading,unpacking)

\$60/hr (2 people and truck) x 10 hrs x 4 units x2 moves= \$4,800

Storage

(items that will not go into new location)

25 sq ft @\$90 x4 units x 24 months \$1,800

Disposal Services

Rent bin 10 days \$270, delivery and removal (tipping fee) \$600 \$ 870

Additional Housing Costs

Assume \$600/mo currently, to market rate \$1100/mo

\$500/mo x 4 units x 24months \$48,000

Additional Insurance

\$150/year x 4 units x 2 years \$1,200

Per Diems (based on receipts)

day before move, move day, day after = 3 days per person

3 days per x 4 units x \$60/day= \$720 x 2 moves \$1,440

Loss of personal property due to land use change,

e.g. built in dishwasher installed by resident

And compensation for Interior renovations incurred directly

prior to Jan 30, 2020 e.g. newly painted walls

Based on depreciated rate of unrecoverable costs \$500/unit x 4 \$2,000

Start up costs associated with move

Eg. utility hookup & disconnection fees, \$400 per unit x 4

(NB 1st month security deposit - recoverable expense) \$1,600

Contingency 10%

As project progresses, amounts from the Contingency will be moved

to the appropriate budget category to deal with unforeseen expenditures \$6,160

TOTAL

\$67,870

ITEM 2: URBAN MATTERS HOUSING STUDY RECOMMENDATIONS

Background

At the June 14, 2019 General Meeting the membership passed three important motions. These motions (see below) outlined the priorities of SHC and provided a timeframe for the work of Planning and Development. Since August of 2019 Planning and Development and Urban Matters have undertaken the following work as part of Phase I of the evidence decision making process:

- an Accessibility Analysis
- a Schematic (design) Study with emphasis on energy efficiency
- a working Asset Management Plan
- Engagement with the membership, CMHC, City Affordable Housing, Real Estate and Development Services, City Planning, Non-profit housing providers, Councillor Druh Farrell, and community association

As a result of this work Urban Matters 'has identified "a development concept that enhances the co-operative's support offerings, provides amenity offerings for current and future participants, is appropriately-sized and financially feasible." As such, Urban Matters has provided SHC a "recommendation that summarizes next steps related to design, site, planning support, financial analysis and funding opportunities." These recommendations include: the rehabilitation of our building envelop with an eye toward energy efficiency, add at minimum 16 new accessible units, pursue CMHC Co-investment funding that could include a combination of grant monies and financing, and to land purchase at book value.

See Jan 17th memo from Urban Matters, below this motion.

Motion

Eric Moschopedis on behalf of the Planning and Development Committee moves that the membership approve Urban Matters recommendations and that Planning and Development continue working towards an "environmentally and economically sustainable" "deep green retrofit" as the standard for rehabilitation of our housing stock and the development of evidence-based scenarios for "aging in place" at SHC

with an eye towards accessibility as defined by CHMC's Co-investment Fund until proven unviable or until October 2021.

MOTION: Eric Moschopedis on behalf of the Planning and Development Committee moves that the membership approve an "environmentally and economically sustainable" "deep green retrofit" as the standard for rehabilitation of our housing stock. Membership agrees to pursue the "deep green retrofit" above all other options until proven unviable or until October 2021.

MOTION: Eric Moschopedis on behalf of the Planning and Development Committee moves that the membership approve a robust analysis and the development of evidence-based scenarios for "aging in place" at SHC with an eye towards accessibility as defined by CHMC's Co-investment Fund until proven unviable or until October 2021.

MOTION: Eric Moschopedis on behalf of Planning and Development Committee moves that SHC approve up to \$200,000 in spending to contract Calgary-based Urban Matters to project manage an evidence-based "due diligence" process that will confirm or discredit the viability of: 1. the environmentally and economically sustainable rehabilitation of our housing stock; 2. aging in place/accessibility. The resources to contract Urban Matters will be allocated from the remaining balance between amounts of the old and new mortgages, grants, and Planning and Developments annual operating budget.

MEMORANDUM



Date: January 17, 2020
To: Eric Moschopedis, Sunnyhill Co-operative Development Committee
From: Lee Prevost, Housing Development Lead - Urban Matters C.C.C.
File: 4700.0001.01
Subject: Sunnyhill Co-op Preservation Program

SUMMARY RECOMMENDATIONS

The following recommendation summary is the result of a four month process to investigate Sunnyhill's opportunity to regenerate their existing buildings utilizing primary funding from the National Housing Strategy (NHS). The NHS has specific performance pre-requisites that must be achieved in order to be eligible for capital funding. Those requirements include ensuring that at least 20% of units are accessible, and achieving a minimum reduction in energy consumption of 25%. Recognizing these and other program application criteria for receiving funding via the NHS, and guided by discussions with the program administrator - Canada Mortgage and Housing Corporation (CMHC), Urban Matters worked to resolve information gaps related to unit and co-op accessibility, sustainability opportunities, and the existing condition of assets, while acknowledging membership aspirations, land lease requirements and stakeholder interests. A significant portion of the research was provided through work previously completed by the Sunnyhill Development Committee, the result of previous efforts to address changing needs of the co-op.

Guiding Principles

Through the project initiation meeting and membership engagement, the following five guiding principles were identified to serve as checkpoints for evaluating redevelopment options.

1. Strong membership support for aging-in-place opportunities,
2. Strong commitment to energy efficiency/sustainability upgrades,
3. Successful land lease/purchase from the City of Calgary,
4. Ability to satisfy funding (CMHC) opportunities, and
5. Impact to operating pro-forma, debt-servicing ability and rents.

Two options were evaluated for their ability to satisfy the guiding principles. The first was a program focused on upgrades to existing residences that would address the deteriorating nature of the building envelopes while improving overall energy performance. The second evaluated the additional benefits of introducing new units to address both the accessibility requirements of the NHS and the aging-in-place aspirations of the membership. Both options are summarized below.

OPTION 1 – Building Envelope Upgrades

The focus included upgrades to the building envelope necessary to achieve NHS performance requirements while identifying practicable improvements to the accessibility of existing residential units. With this background, this opportunity to address aging-in-place opportunities, to support a lease extension with the City of Calgary and to elicit funding from via CMHC was evaluated. Several positives were identified including;

- Reduced chance tenants would need to be temporarily displaced,
- Lower capital borrowing requirement, greater likelihood of maintaining affordability,
- Less Phase 2 feasibility requirements, resulting in a quicker timeline to construction, and
- Perceived less complex process to gain a lease extension from the City.

But through the research activities it was determined that Option 1 would have difficulty satisfying several guiding principles. Some of the areas where it would fall short are;

- Would not address the key membership desire for age-in-place units,
- Would not meet minimum CMHC accessibility requirements,
- Given direction in the City of Calgary's Affordable Housing Strategy to support development of new units of affordable housing with below-market land sales, a lack of new units could be a barrier to successful lease extension or land purchase negotiations that are required to receive capital funding, and
- Limited opportunities to identify capital and operating partnerships.

OPTION 2 – Building Envelope Upgrades + New Age-In-Place Units

The second option was to proceed with the building envelope upgrades while adding an additional 16 fully accessible age-in-place units. While significantly more complex, within the existing competitive evaluation process to receive funding, additional age-in-place fully accessible units could provide a far more compelling funding narrative. In addition, the following benefits could be recognized;

- Would provide the cradle to retirement housing options identified as key to the membership,
- Would better address the City's program to support affordable housing providers through a below-market land sale by leading to the development of new units. A below-market value land sale from the City would also be recognized as a development partnership, a key aspect of successful funding applications,
- Introduces new fully accessible units sufficient to meet NHS funding requirements, while opening up additional funding avenues for accessibility upgrades to existing units and the campus as a whole,
- Potential for an additional revenue stream (new rents) to address capital borrowing carrying costs, and
- A more competitive CMCH application since in addition to preserving existing units, new affordable units would be provided in the accessibility and age-in-place spaces that are identified as of critical need.

Date: January 17, 2020
File: UM0789.0016.00
Subject: Canmore Town Centre Master Plan
Page: 3 of 3

In addition to better satisfying the Guiding Principles for this project, any feasibility steps undertaken to confirm the viability of the second option, would equally inform the viability of Options 1, creating a fall-back possibility in the event Option 2 cannot be realized. The same would not likely be achieved through a feasibility analysis performed on Option 1.

Weighing the benefits and challenges of both options, and recognizing the significant risks of proceeding with any development undertaking, our recommendation is that Option 2 presents as most able to satisfy the membership's desire for age-in-place options while meeting the same energy efficiency/sustainability options as would be achieved with Option 1. It would also better support a lease extension or purchase from the City of Calgary, the latter of which could help secure a permanent future for Sunnyhill in its established, supported location. Option 2 also has the much better chance of meeting the CMHC's accessibility requirements and thereby contributing to a competitive funding application because it addresses the accessibility requirement. And lastly, Option 2 provides more options to find partnership capital contributions and operating proforma supports.

Thank you for the opportunity to support Sunnyhill in this investigation. We're keenly interested in how existing affordable housing units can be regenerated in order to provide successive generations with the level of support and sense of community that is unique to co-operatives. We're happy to discuss further our recommendation. If you have any questions, please don't hesitate to contact me.

Sincerely,



Urban Matters CCC

Lee Prevost

Housing Development Lead

ITEM 3: SUCCESSION PLANNING AT SUNNYHILL

Background

As part of the Asset Management Plan, Urban Matters and Planning and Development identified succession planning as a medium strategic risk to the services SHC provides and how we provide them. Succession Planning by definition means the preparation of up-and-coming people to become replacements of leaders when they leave, retire, or die. Of course, SHC does not have a formal leadership structure, so succession for us mean preparing all members for the inevitable turn over of roles and responsibilities within the community.

Planning and Development isn't entirely certain what succession planning will look like, what doors it will open, or what procedural or policy changes they might lead to (if any), but there are factors that indicate that now is the time to undertake a study of this kind. For instance, if we are intending to extend the life of the co-op indefinitely by purchasing the land and extending the life of our buildings by 60 -75 years, then it behooves to also look at the operational life of the co-op. How does SHC function operationally over the next 25 years, for instance.

To support this motion, we have asked our Privacy Officer (Sherry) to bring forward some statistics to underscore the need for succession planning. It appears that within our committee structure we have approximately 20% or 18 members undertaking the "day-to-day" operational work done by the Board, P & D, Grounds and Communications. Of these 18 folks, approximate 75%-80% are above the age of 55. The math is similar for our other committees that undertake the less regular, but equally important work of the co-op. This will have an impact on a number of things: aging in place (which we are addressing), our subsidy system and housing charges (will this stress it? how do we deal with a growing number of folks retiring to fixed incomes?), levels of participation within the co-op, and our ability to remain affordable.

Motion

Eric Moschopedis on behalf of Planning and Development Committee moves that SHC approve an evidence-based succession planning process that may include, but is not limited to, a robust membership engagement process, collecting statistical information,

membership surveys, proposed changes, updates or additions to policy, and recommendations for the role, quantification, and definition of participation at SHC.

ITEM 4: ASSESSMENT OF FOUNDATION STRENGTH

Background

When our current BCA was prepared, it included the recommendation that the wood pilings our buildings are built upon be inspected. The initial inspection is visual and involves looking at the pilings where they are exposed. This is paired with visual inspection of interior walls for any signs of foundation failure.

IRC Building Science, the company that prepared our BCA quoted \$1800.00 for this work.

It is prudent that we carry out this inspection before proceeding with our major renovation project.

Should the visual inspection identify areas of concern that require further investigation by way of excavation we will present a further motion for approval of that work.

Motion

David Broadhead on behalf of Planning & Development moves that:

IRC Building Science be retained to complete a visual inspection of SHC foundations. This will include visual inspection of exterior and interior surfaces.

The cost of this inspection will be \$1800.00. This amount is not included in any current committee budget and will be paid from SHC reserves.

Any additional excavation work if required will be extra. A separate motion will be presented for any additional work.

ITEM 5: ENERGY AUDIT FOR SUNNYHILL

Background

A condition of the grant received from CMHC is that we obtain an Energy Audit. This audit will provide a baseline against which our energy efficiency improvements are measured. The grant is intended to cover this expense.

P&D received three quotes and selected XYZ Consulting as the preferred candidate.

Motion

David Broadhead on behalf of Planning and Development moves that we contract XYZ Consulting to provide an Energy Audit as required by CMHC.

The cost for this energy audit is \$XX,XXX.

The funds for this audit were received from CMHC. This expense will be paid from these funds. It is not included in the P&D budget.

Please note: as of today we do not have the quotes in place. They will be available at the meeting.