

BUILDING KNOWLEDGE



The purpose of this series is to highlight examples of how BC Housing has worked with non-profit providers to facilitate redevelopment of affordable housing sites, as well as capture some of the lessons learned from those experiences. These case studies can be used to spark ideas for non-profit housing providers in B.C. and across Canada who may be considering redevelopment of their sites.

Redevelopment Case Study Series: Lynnhaven Manor, Abbotsford



Located near transit and shopping, Lynnhaven Manor has 64 units of housing in two mid-rise buildings (McCarger and McMath).

Background

Lynnhaven Society (Lynnhaven) in Abbotsford is an independent housing society, established in 1957 by the Royal Canadian Legion Branch 13 to house military veterans and their spouses. Over the course of decades, the client group transitioned to low-income seniors and persons with disabilities. The Society was mortgage-free, funding their aging, 40-unit development on below-market rents.

While the semi-detached homes gave residents direct access to the outdoors, urban amenities were too far to reach on foot, and bus service was infrequent. Many of the homes, built in the 1950s, required extensive repairs.

In the case of Lynnhaven, the operating agreement (with operating subsidies) had expired in 2001. The project operated without subsidy with rents geared to resident incomes, but like some other projects facing the end of their operating agreements, the buildings were aging and there was no budget to renovate the units. Though expiry of operating agreements was not the motivation for the redevelopment, the experience of redeveloping Lynnhaven could be applicable to other projects considering redevelopment as they plan for expiry of operating agreements with aging building assets.

Catalyst for Redevelopment

Recognizing that the housing was beyond repair and wanting to help meet the demand for affordable housing in Abbotsford, Lynnhaven needed to make big changes. The cost of maintaining and operating the aging units was outpacing the revenue provided by rents. Lynnhaven owned their 2.5 acre site on Lynn Avenue and were mortgage-free, but the City's Official Community Plan (OCP) prohibited them from building a higher-density development, and they had no money.

Redevelopment

As with other housing providers looking to redevelop, Lynnhaven's most valuable asset was its land. Algra Bros, a Chilliwack BC-based developer and builder, was interested in helping. The company had land to trade that was zoned to accommodate more units and fit with the City of Abbotsford community plans. They also had developed a design plan for micro-suites with built-in furniture that would help keep development costs low. Their design and development services were provided at below-market rates.

BC Housing played an important role in developing a budget and financing plan and provided access to interim financing. Through the Community Partnership Initiative, BC Housing provided a loan for all construction costs at a rate of interest Lynnhaven would not otherwise be able to access commercially. Lower interest rates, efficient design and keeping development and operating costs low, helped achieve affordable rents.

The ability to acquire long-term take-out financing is vital to successful affordable housing development, and typically is not available to independent borrowers such as Lynnhaven. BC Housing provided access to their bulk mortgage rate backed by Canada Mortgage and Housing Corporation (CMHC) and amortized over 35 years.

A key aspect of the land swap arrangement between Lynnhaven and Algra Bros was the developer-builders' willingness to build a new facility on their land first, before beginning their own project on the Lynn Avenue site. Lynnhaven residents were spared the inconvenience and disruption of moving twice, a situation often faced by residents in properties undergoing redevelopment.

Lynnhaven Society and Algra Bros met with City councilors and the mayor throughout the planning process to ensure there was common understanding of the project's goals and challenges. By meeting with decision-makers before making formal proposals, questions were addressed early and decisions were timely with few surprises.

Rezoning of the Algra Bros site from single-family to multi-unit residential was accomplished in two months. The City of Abbotsford would not permit redevelopment on the original site at levels that would allow the project to be financially viable, but were supportive of the relocation of Lynnhaven. Neighborhood opposition at the new site was limited to business owners' concerns over potential impact on their parking spaces and social outreach workers from a nearby support centre supporting street-involved women. There were concerns over potential interactions between seniors and people working in the sex trade or selling illegal drugs. The support centre was temporarily located near the new Lynnhaven site, but soon relocated permanently to a new site outside the neighborhood to allay concerns.

Although Abbotsford did not waive Development Cost Charges, they contributed to the construction budget through the Affordable Housing Fund. The City also relaxed the requirements for on-site parking, recognizing that low-income residents with easy access to shopping, transit and health care would not need many vehicles.

With fewer parking spaces occupying valuable land and City zoning allowing for more storeys, the building could be designed for more units, ultimately accommodating 24 more residents than the previous site and helping ensure the operating costs could be met by rent revenue.

Not all residents moved into the new facility when it opened, as some transitioned to long-term care homes, and others sought housing elsewhere.

There were no rent increases, but there were other significant changes for residents in the new building. Eligible residents received rental assistance through BC Housing's Shelter Aid for Elderly Renters (SAFER) or housing allowances through Income Assistance (Person's with Disabilities).

Compared to their former ranch-style homes with multiple rooms, new units were compact, efficient, studio-style homes with built-in desks, tables, and beds with storage below. For some residents, the biggest change was the new no-smoking policy.

The quality of the new units compared to the old duplexes helped to compensate for the reduction in living space. Every unit was air-conditioned with a dishwasher and in-suite laundry.

The first of the two 32-unit buildings opened to residents on Jan 31, 2014 and residents moved and occupied the entire building in just one day. With built-in furniture, and the help of Lynnhaven board members and volunteers, moving went quickly. Units were filled by residents from the original site and new residents. Some residents from the original site went to assisted living facilities rather than moving to the new development site as appropriate and some chose not to move to the new units, making other housing arrangements. The second phase was completed in April 2014. There is now a one-year wait list for prospective residents.

Although Lynnhaven worked closely with Algra Bros on interior design, they realized after construction was complete that a few changes were needed. A gazebo was converted to a storage shed for scooters to prevent damage to hallways and elevators, and an automatic door-opener was installed to aid elderly residents.

The new buildings were easier to maintain than the former site, where units were in a poor state of repair and spread over a greater area. The higher-density new buildings with interactive common areas also facilitated social connections among residents. Lynnhaven expanded its Board of Directors to help manage the project and to maintain strong community connections.

Lynnhaven is self-sustaining without ongoing government funding. They cross-subsidize eight units at \$375 rent for disabled adults who are 55 years old or more, who do not yet qualify for a senior's pension or SAFER, but receive income assistance as a person with a disability.

Timeline

- 1957 Royal Canadian Legion Branch 13 creates Lynnhaven Society as an independent housing provider
- 1957 Lynnhaven Society opens with 10 duplex housing units on 2.5 acres of land on Lynn Avenue, housing military veterans and their spouses with rents geared-to-income
- 1982 Final of the 40 units was built as funding allowed
- 1989 Federal Canada Mortgage and Housing Corporation (CMHC) operating agreement begins
- 2001 CMHC operating agreement ends
- 2010 Housing society asks BC Housing for help
 - > aging buildings driving high maintenance costs
 - > rent revenues insufficient
- 2010 Lynnhaven sells Lynn Avenue property to Algra Bros
- 2012 Rezoning of new site undertaken and completed
- 2013 Construction begins
- 2014 Opens first phase in January; second phase April



Client Groups

Original development

- › Rent geared-to-income
- › Military veterans and their spouses
- › Low-income seniors 55+

Redevelopment

- › Rent is set to SAFER maximum rent ceiling for seniors and to Income Assistance shelter allowance for younger people with disabilities (if residents are no longer eligible for income assistance due to age or another factor, their rent will change to the SAFER maximum rental ceiling and they will be assisted with applying for SAFER if eligible; appropriate advance notice and reminders are given)
- › Rent is below market, but enough to sustain operations and maintenance
- › Low-income seniors (eligible clients are assisted with SAFER applications)
- › Persons with disabilities

Units

Original development

- › 40 detached 'ranch-style' multi-bedroom units

Redevelopment

- › 64, two towers – McCargar and McMath – with 32 bachelor units in each

Financing

- \$4.0 M Land sale to Algra Bros
- \$3.0 M BC Housing-arranged low interest interim construction financing and long-term take-out mortgage
- \$320 K City of Abbotsford Affordable Housing Grant

Stakeholder Contributions

BC Housing

- › Low-interest loan under Community Partnership Initiative for interim financing
- › Arranged long-term take-out mortgage through BC Housing
- › Assisted with operating budget preparation

Lynnhaven Society

- › Land value of original site
- › Management of resident transitions
- › Worked with developer to modify the developer's existing project design
- › Management of original and new development

Algra Bros

- › Design and development services provided at below-market value
- › Pre-existing building design for micro-suites with built-in furniture
- › Land value of site of redevelopment

City of Abbotsford

- › Rezoned Algra Bros site for Lynnhaven redevelopment
- › Affordable Housing Grant - \$320 K



Successes	Factors of Success
<ul style="list-style-type: none"> › New development has 64 units, 24 more than the original site 	<ul style="list-style-type: none"> › Swapped land that could be rezoned to accommodate more units › Redeveloped with two towers rather than low-density semi-detached units › Relaxed parking requirements allowed for more units on the site › Redeveloped site with micro-units, which were smaller than the units at the original site › Accessibility features were incorporated into the design where possible or added after construction, including electronic door openers and safety bars in bathrooms
<ul style="list-style-type: none"> › Phase one residents moved in a single day 	<ul style="list-style-type: none"> › Built-in furniture in new units eliminated need to move large furniture items › Board members and staff volunteered to assist residents with moves
<ul style="list-style-type: none"> › Rents remain affordable: 56 units rent at \$650; 8 units at \$375 for older adults receiving income assistance as a person with a disability, but not yet eligible for senior's pension or SAFER 	<ul style="list-style-type: none"> › Charge below-market rents and use this rent revenue to cross-subsidize the units set-to-Income Assistance Shelter rates for non-senior residents with disabilities › Provide information on SAFER and assist residents with the application process as needed



New units include built-in shelves, in-suite laundry and air conditioning.



Challenges	Mitigation Strategies
<ul style="list-style-type: none"> › Changes to the City of Abbotsford’s official community plan prohibited redevelopment on the existing site 	<ul style="list-style-type: none"> › Engaged in a land swap deal with a developer interested in their land that owned land closer to amenities › New site also required rezoning to allow for additional storeys
<ul style="list-style-type: none"> › Client group changes created new dynamics among residents and the need to accommodate greater mobility and cognitive limitations 	<ul style="list-style-type: none"> › Accessibility features were incorporated into the design where possible or added after construction, including electronic door openers and safety bars in bathrooms
<ul style="list-style-type: none"> › Smoking had been allowed in the old development, but was prohibited in the new building causing concern among residents 	<ul style="list-style-type: none"> › Residents were advised in 2013, prior to construction, that smoking would be prohibited in units, so some residents chose not to move into the new development › All residents were evicted prior to demolition of the original development and new tenancy agreements prohibited smoking › Two outdoor, covered smoking areas were created in the new development
<ul style="list-style-type: none"> › Ensuring financial viability of the project 	<ul style="list-style-type: none"> › Accessed low-interest construction financing from BC Housing for redevelopment phase › Accessed long-term take-out mortgage › Swapped location with developer to access site closer to amenities to reduce need for parking spaces to increase number of units on site, thereby increasing revenue › Rezoned land to increase number of units on site, thereby increasing revenue › Cost-savings were achieved through working with a developer that already had a unit design that could be easily adapted to meet the needs for this project
<ul style="list-style-type: none"> › Elderly residents needed assistance with moving to new units 	<ul style="list-style-type: none"> › Through land swap, the new site could be developed while residents remained in their original units, eliminating the need for residents to move more than once › Board members provided hands-on assistance to residents with packing and moving › Moving expenses were covered by Lynnhaven › Built-in furniture at the new site reduced the need to move large furniture items › Rents at redeveloped site were unchanged for existing residents
<ul style="list-style-type: none"> › New units are smaller 	<ul style="list-style-type: none"> › Units have built-in furniture – table, desk, captain’s bed with drawers › New units have features such as air-conditioning, dishwashers, in-suite laundry to make the smaller units more appealing
<ul style="list-style-type: none"> › Business owners nearby worried that with only 24 parking spots for residents overflow parking would have a negative impact on their business 	<ul style="list-style-type: none"> › Lynnhaven demonstrated that the ratio of parking to residential units was unchanged from the original development, an argument that was critical to achieving relaxation of on-site parking requirements

Lessons Learned

- › Working with a developer that donated a building design for micro-suites provided significant savings in construction, helping to reduce operating costs and rents
- › Installing accessibility aids during construction (i.e. automatic door openers) helped to avoid extra expense later
- › Scooters need to be stored outside of residential units to avoid damage to interiors
- › Work with City staff and councillors so they understand and support the project in context to help ensure timely processing of any permit variances
- › Meet with councillors early to explain the society's mandate and describe the project before decisions are put before them in order to avoid delays
- › Work closely with BC Housing advisors to ensure operating budget is accurate and complete
- › Incorporating built-in furniture can help make the moves for existing and new residents easier, as well as reduce the possibility of bug infestations
- › Swapping land can provide access to land that allows for more density and is closer to amenities so parking requirements can be relaxed, which means more units can be built to help increase rent revenues to ensure viability of the project
- › Swapping land means new site can be developed while residents remain in their original units, which eliminates the need for multiple moves and acquiring transitional housing

More Information:

Visit BC Housing's Research Centre at www.bchousing.org to find the latest workshops, research and publications on the key challenges and successes in building and operating affordable, sustainable housing.

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