

Partner Contributions and Supports: Case Studies on Affordable Housing Redevelopment and P3 Renovations

Presentation: PHRN Housing Partnerships Panel
at Housing Central 2017

Purpose of Presentation

- Introduce upcoming lessons learned case study series
 - **Redevelopment Case Studies**
 - Lynnhaven – Abbotsford
 - Kiwanis – Richmond
 - Pleasantvale – Kelowna
 - **SRO Renewal Initiative**
 - P3 Model
 - Hazmat Issues
 - Heritage Restoration
 - Temporary resident relocations (already released)
- Discuss some challenges identified in case studies/examples of partner roles in mitigating challenges



Overview of Redeveloped Case Study Sites

	Lynnhaven	Kiwanis	Pleasantvale
Society	Lynnhaven Society	Kiwanis Club	Original: Rotary Club of Kelowna New: Society of Hope
Client Group Served	Original: Low Income Seniors New: Low Income Seniors + Adults w/ Disabilities	Low Income seniors	Original: Low Income Seniors New: Low Income Seniors + Adults w/ Disabilities + Low/Moderate Income Families
Original Structure	40 detached ranch-style multi-bedroom units	- 24 2-bedroom cottages -98 bachelor units in 3 buildings	- 6 detached buildings -50 1 bedroom units
New Structure	-64 bachelor units (micro suites) -2 towers	- 296 1-bedroom units -Two towers	-50 1 bedroom units in 4 storey building - 20 townhouses in 2 buildings
Existing/New Site?	New site	Existing	Existing + 2 adjoining city-owned plots
Temp Hsg Needed?	No	Yes	Yes

Typical Challenges and Examples of Partner Mitigation Strategies

Challenges	BC Housing	Municipalities	Non-Profit	Developer
Acquiring funding for redevelopment	<ul style="list-style-type: none"> - Interim/construction financing - Funding for redevelopment feasibility study - Development expertise 	<ul style="list-style-type: none"> - Waiving DCCs - Funding contributions - Transferred land - Allowed transfer of funds for affordable housing requirements to non-profit 	<ul style="list-style-type: none"> - Contributed land 	<ul style="list-style-type: none"> - Purchased portions of site - Land swap - Used existing unit design to save costs - Pursued GST exemption
Ensuring project is affordable and viable	<ul style="list-style-type: none"> - Arranged long-term mortgage - Operating budget advice 	<ul style="list-style-type: none"> - Rezoning - Reduce parking requirements 	<ul style="list-style-type: none"> - Helped residents access rent supplements as needed - Cross-subsidized across units 	n/a

Typical Challenges and Examples of Partner Mitigation Strategies

Challenges	Non-Profit	Developer
Finding temp housing for residents	<ul style="list-style-type: none">- Assisted residents in finding temporary or alternative permanent units as appropriate- Provided rent supplements	<ul style="list-style-type: none">- For land swap, built new site first- Accommodated some residents in units w/in their portfolio
Moving residents	<ul style="list-style-type: none">- Provided funds to cover moving expenses	<ul style="list-style-type: none">- Included built-in furniture to limit need to move furniture items



What is a P3

- According to P3 Canada (<http://www.p3canada.ca/en/about-p3s/>):
 - P3s are a long-term, performance-based approach to procuring public infrastructure
 - Risk associated w/ development taken on by private sector
 - Private sector responsible for ongoing maintenance to quality of original construction



Positive Outcomes of SRORI for Stakeholders

Residents

•Safer homes

- Sense of pride in homes
- Improved spaces for on-site supports and programming

Non-Profits

•Safer workspace

- More functional space
- Sense of pride in work space
- Buildings well maintained for next 15 years



Positive Outcomes of SRORI for Stakeholders

BC Housing/ Taxpayers

• Strong value for money

- Funding through P3 Canada
- Support w/Project Agreement from P3 Canada/Partnerships BC
- Mostly fixed maintenance costs for 15 years
- Faster timelines for renovations

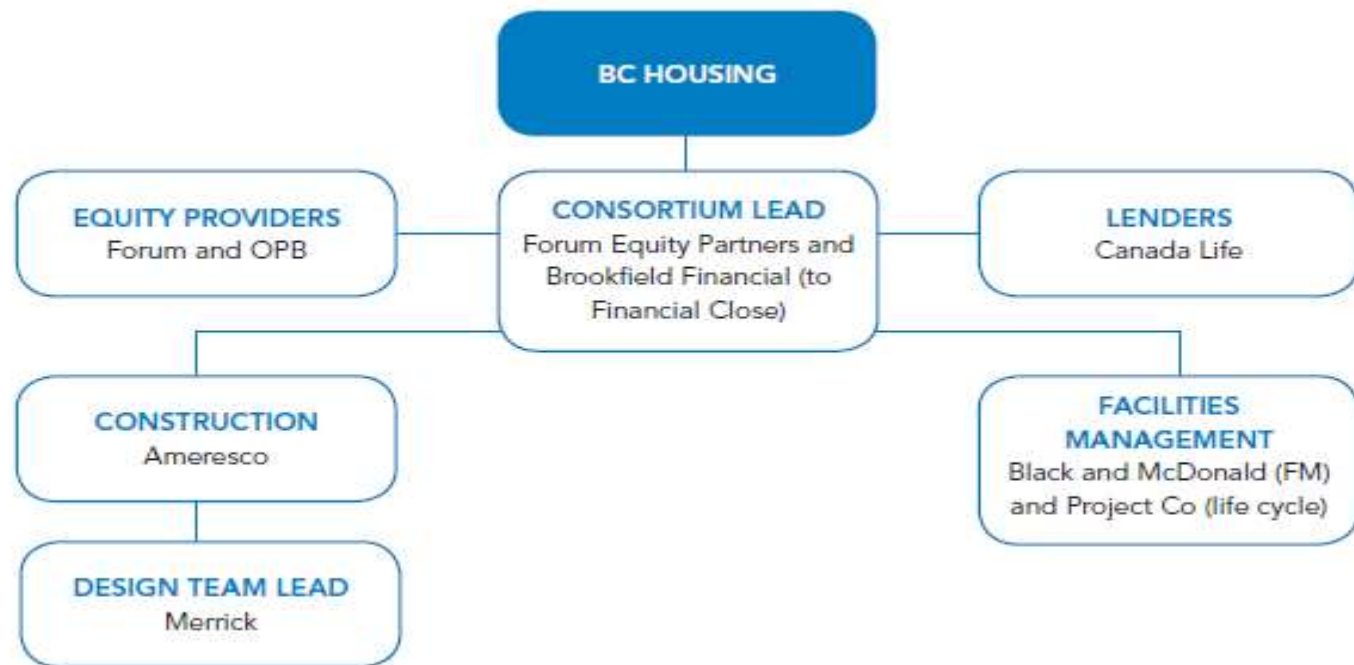
Private Partner

Benefit from economies of scale

- Contract with multiple buildings rather than separate contracts,
- Long-term maintenance contract



SRORI Partner Roles: P3



Partner Challenges of P3 for SRORI Stakeholders

Risk Transfer

- **Building Owner**
- Some private partners may find project too risky to bid, limiting the pool of bidders
- **Private Partner**
- Unknown challenges can be financial risk

Bundling of Buildings

- **Building Owner**
- Responsible for costs for events in buildings scheduled later in project
- Can overwhelm inspectors causing project delays
- **Private Partner**
- Project delays have domino event on schedule



Partner Challenges of P3 for SRORI Stakeholders

Risk Transfer

- **Building Owner**
- Destructive testing to examine structure/mechanical
- Cash allowances
- Advice from P3 Canada and Partnerships BC
- Open communication

- **Private Partner**
- Bidding teams walked through buildings during RFQ process
- Built contingencies into budgets
- Open communication

Bundling of Buildings

- **Building Owner**
- Created working group with City/3rd party utilities

- **Private Partner**
- Apply learnings from first renovations to renovations later in schedule



Partner Challenges of P3 for SRORI Stakeholders

Risk Transfer

- **Building Owner**
 - Vacate and gut 3 units per site
 - Seek ongoing advice from P3 Canada and Partnerships
- **Private Partner**
 - Would bid more and add additional contingencies
 - Could request more cash allowances

Bundling of Buildings

- **Building Owner**
 - Set up working group to expedite trade permits
- **Private Partner**
 - Could take over responsibility of all buildings at financial close to maintain buildings

