

# Affordable and Attainable Housing in Fernie

Where We Have Been  
And  
Where and Why  
We Need to Keep Going

# Fernie

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- A community of about 4600 in southeastern corner of BC
- Strong Tourism and Mining Sectors
- Housing costs have risen drastically over the past 12 plus years
- Affordable housing stock has been reduced through strata titling and absentee ownership

# Affordable / Attainable Housing

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- Began in the 60's with the Tom Uphill Society:  
Tom Uphill Memorial Home ~ Seniors  
Housing
- Followed by Fernie Citizens Housing Society  
in the 70's: Trinity Lodge ~ Independent  
Seniors Housing
- Later with the Fernie Women's Center in the  
mid 90's: Chrysalis House ~ Second Stage  
Housing

# Fernie Women's Centre

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- Identified a need in the mid 90's for Second Stage Housing for women and children fleeing domestic violence
- Sought funding from BC Housing - Homeless at Risk program
- Chrysalis House 1998 - 11 apartment units created through a tendering process on City of Fernie leased land
- New society - Elk Valley Family Society

# Elk Valley Family Society

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- In conjunction with the Society for Community Living, identified a need for affordable and accessible housing for families, people with disabilities and seniors
- Received funding from BC Housing Homes BC Program
- A design build process on leased City of Fernie land was used

# Elk Valley Family Society

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- New Horizon Village 2001 - 32 townhouse units - included 8 one bedroom units, 14 two bedroom, 8 three bedroom and 2 four bedroom units
  - additional space in four bedroom unit to allow for a family daycare operation
  - 4 of the one bedroom units and 2 of the two bedroom units are wheel chair accessible
- New Society - Fernie Family Housing Society

# Changing Times - 2003

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- Affordable housing providers and service groups were becoming increasingly aware that the demand by our community's most vulnerable citizens for affordable and accessible housing was not being met.
- Supply of affordable was being eroded and there was a lack of accessible units.
- No housing programs available

# Home Grown Solutions

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- Five societies and the City of Fernie came together to form the Fernie Affordable Housing Partnership.
- The Partnership began researching options, identifying resources and creating connections with potential partners.
- The Partnership established themselves.

# Make-up of the Partnership

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- Partnership members brought a wealth of experience to the table but most importantly they brought their passion and commitment to improving the lives of our community's most vulnerable citizens.
- The Partnership adopted a “**Don't tell us no, tell us how**” attitude towards finding solutions to the various challenges faced.

# Experience Working in the Area of:

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- Affordable Housing
- Small Business
- Grant Development
- Social Enterprise
- Program delivery
- Target client group
- Construction industry and
- Working with various levels of government

# Identification of Need

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- Based on the gaps in the housing supply identified by the Partnership, Seed Funding from CMHC was accessed to conduct a Needs Assessment on the housing requirements of seniors in our area, which confirmed our assessment of the gaps.
- Volunteers, including seniors and people with disabilities, conducted the Needs Assessment on our behalf.

# Needs Assessment Results

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- Affordability was identified as a key issue for 27% of senior homeowners and 21% of senior renters
- 31% of the seniors expressed that they were having difficulty with doing chores around the house
- 35% of the seniors expressed that they were experiencing problems navigating the stairs in their homes
- Yard work and snow removal were the most problematic for the seniors

## Abbey Field House Model

- an opportunity to exchange vacant city property for a building owned by a local developer was explored. The building had the potential to be redeveloped into a 6 bedroom facility with shared living space.

# Properties Identified

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## Congregate Care / Supportive Housing Model

- a 50 bed residential care facility was in the process of being replaced with a new facility by the Interior Health Authority and had the potential to be converted to 24 – 27 self contained units. A full commercial kitchen offered the ability to include a meal program.

# Selected Concept – Supportive Housing

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- The vacant Residential Care Facility was selected by the Partnership to create 27 units of accessible, affordable supportive housing for seniors and people with disabilities.
- The configuration of the new units, was determined by the existing building footprint, funding limitations and identified client needs.







# 24 Units of Supportive Housing

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- Independent Living – suitable for someone who is able to live independently with minimal support
- Meal Program – evening meal is included with the potential to expend to include breakfast and lunch, if desired by the residents
- Optional housekeeping and laundry service available at an additional cost

# 3 Transitional Units

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- 210 Sq. Ft Unit
- Temporary housing – available to respond to emergency situations.
- Adaptable as a second bedroom to the adjoining one bedroom unit to accommodate siblings, friends or couples who are no longer able to share the same bedroom space.

# Challenges Faced

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- No Affordable Housing Program available
- Partnership was not a Legal Entity
- Securing the property
- Holding costs
- Determining the project viability
- Predevelopment costs
- Cost Over-runs
- Nay Sayers
- Operating Costs

# No Affordable Housing Program was available to create new units

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- Our experience in the provision of affordable housing showed us that, the debt servicing on other projects roughly equaled the subsidy received. Therefore, if there was no debt servicing, tenant revenues, even at an affordable level, would be enough to sustain the operating costs.
- **“No Debt meant No Debt Servicing Costs”**  
Therefore, we needed to fully fund the capital cost of the project in order to eliminate debt servicing costs from the operating budget - **No Debt**.

# Legal Entity

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- **The Partnership was not a legal entity and did not have any money to create these units.**
- The Partnership selected one of the Partnership member groups, Fernie Family Housing Society, to take the lead role in securing and redeveloping the selected property and applying for funding. The Partnership members became a sub-committee of the Society allowing this dedicated group to continue working on the project.

# Purchasing the Property

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- **The Interior Health Authority offered the property for sale for \$1.4 million.**
- Fernie Family Housing Society with the support of the partnership and community passion expressed their interest in the property for one dollar. Our MLA, was brought on board to assist with this task.

# Holding Costs – Property Transfer Tax, insurance, utilities, caretaker....

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- \$116,600 needed to cover holding costs; Property Transfer Tax - \$14,000, Insurance - \$60,000, Utilities - \$33,000, Ground and Building Maintenance - \$3,600, Caretaker service - \$3,400, Legal \$1,100 and Misc. - \$1,500 for 17 months.
- As we now owned the building and committed to retaining the Tom Uphill name, we became the benefactors of the remaining balance of a trust dedicated to that property.

# Determining the Project's Feasibility

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- Having determined the need and secured the property, we accessed local resources to help us assess the feasibility of the project.
- With this information, we approached potential partners for funding.
- BC Housing came on board and provided funding and expertise to conduct a more in-depth Feasibility Study.

# **Predevelopment cost escalated rapidly as the project moved along.**

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- The Feasibility Study produced favorable results that enabled us to move further along in the development process but everything has a price tag.
- With a favourable Feasibility Study, we were able to secure further funding in the form of Proposal Development funding from BC Housing and CMHC for a total of \$380,000.

# Cost Over-runs

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- Tenders came in \$400,000 over budget due to increases in construction costs, undervalued preliminary budget and changes in the scope of work,
- An intensive, cost cutting exercise was done to reduce the scope of work. \$300,000 in reductions were identified.
- Society was able to commit \$100,000 to bring the project back within budget.

# Nay Sayers

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- Although we have the support of the community, there are always people who would prefer to speak negatively about the project verses focusing on all the positive aspects.
- To combat this we took a positive approach and offered correct information through a variety of methods – print media, brochures, local trade fair booth, open houses, site tours, and word of mouth

# Operating Costs

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In order to ensure the project was sustainable, we:

- Focused on completing the project without the need to take on any debt, therefore no debt servicing. With our two major funders, CMHC - RRAP and BC Housing - Community Development, other funding partners were willing to come on board with this project.
- Identified cost saving opportunities
- Provided for Replacement Reserves
- Provided for Vacancy Loss

# Redevelopment Funding

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- We left no stone unturned when it came to looking for the remainder of funding partners needed to join our project.
- However, each funding partner came with their own timelines, criteria, funding areas, financial reporting requirements, etc...We have a total of 13 different funding allotments from 7 different funders spanning multiple fiscal periods, not including all the local service groups, businesses, churches and individuals.

# Balancing all the Funding Requirements

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- Preferred Model – Integrated one stop funding with flexible program guidelines that respond to the community's own identified needs in a manner that works for them.
- The reality is multiple partner projects in which patience and flexibility from all is critical to making it work. Funding a project today is complex with intertwined reporting, varying deadlines and funding criteria.

# Moving to the Redevelopment Phase

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- With the majority of funding in place, we began the process of selecting the consultants needed for this project.
  - Architect
  - Construction Manager
  - Development Consultant

# Construction – Full Steam Ahead

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- With the early demolition and exposure of the building prior to tendering, the risk to the sub-trades was minimized and costs reduced.
- Opened in October 2006 - one month early
- No major surprizes, although some typical renovation challenges such as incorporating existing mechanical systems.

# Operating Phase

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- The community was very pleased to have this community building returned to community ownership and restored, able to provide affordable accessible housing again to some of the communities most vulnerable.
- Rent up was a gradual process, taking a full year to fill up.
- Residents are now enjoying the benefits of having a supportive housing option in Fernie

# Key Design Points

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- 3 Transitional Units – Suitable for short term stays to respond to emergency situations and as flexible Units that can be connected to the adjacent one bedroom unit to create up to 3 two bedroom unit.
- Stoves – A contentious issue. Limited kitchen facilities only (no stoves) as participation in the Meal Program will be mandatory and a Resident Kitchen is available for use by the residents for baking, potlucks etc...
- Vented smoking lounge
- Guest bedroom for visiting family and friends
- Extensive interior and exterior common space

# Strategies Used in Development

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- Establishment of the groups credibility
- Positive approach
- Identified strengths and areas of interest of supporting community groups
- Identified the goals of potential partners
- Knowledge of the issue or challenge
- Involved the stakeholders in the project
- Utilized the varied skills of the Partnership
- Leveraged funding with other funding

# City of Fernie Maximizes Community Energy

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- Temporarily set aside their first right of refusal
- History of supporting affordable housing projects in the community
- Interested in developing a housing authority model to oversee the affordable housing issue in the community in conjunction with the non-profit sector
- Made changes to policy to stop the further erosion of our affordable housing stock and are providing support for the development of more housing
- Commissioned Attainable/Affordable Housing Strategy

# Today's Challenges

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- 2007 Attainable/Affordable Housing Strategy identified an immediate need for 30 to 40 units for low to moderate income residents.
- 51 families were evicted in 2007 – 2009 to make way for redevelopment of 3 apartment buildings.
- Continued demand by absentee owners
- Instability in the forestry, mining and construction industry

# What's Being Done

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- The issue of affordable housing has been expanded to include attainable housing as an important part of the continuum
- City of Fernie is working towards implementation of the 29 strategies identified in the 2007 Attainable/Affordable Housing Strategy
- Fernie and Area Builders and Developers Association has been formed to bring the construction industry perspective forward

# Fernie Family Housing Society

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- Monitoring current trends
- Supporting the City of Fernie to implement the 2007 Attainable/Affordable Housing Strategy
- Identifying and promoting opportunities for creation/protection of affordable housing
- Continuing to establish relationships with potential partners
- Investigating funding opportunities
- Building capacity

# ■ Housing Solution

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- **Veneto Project** – developed by a Parastone Construction, a local developer, in partnership with BC Housing, CMHC, City of Fernie, CBT, Community Futures and Fernie Family Housing Society

# ■ Identified Needs

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- Rental housing for lower income singles, families, seniors and people with disabilities as noted in housing strategy
- Partnership
- Attainable Home Ownership

## ■ The Veneto Solution (45 Units)

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- 12 -- one bedroom Rent Geared to Income rental units– Seniors and people with Disabilities
- 9 -- two bedroom low end of market rental units – RAP eligible
- 23 -- two bedroom attainable homeownership units

# In Summary

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- Establish a group to look at housing
- Identify and understand the needs
- Identify resources
- Build partnerships and allies
- Identify challenges and strategies to resolve
- Chose your battles wisely
- Be resilient, flexible and determined
- Do not tell us no, tell us how

“When I moved in a year ago, I did not know anyone, now I have all these friends.”

It's All Worth It