

Operations and Engagement

Although the Haven more than doubled the number of units owned and operated, MHI has been operating properties for fifteen years, including when it was still an entirely volunteer-run charity. A key strategy MHI uses is a third-party property management company, Lori Simpson Management (LSM) Services. With deep roots in the cooperative housing sector, LSM Services has expertise in all facets of affordable housing property management, including administration of social housing and rental assistance programs. For MHI, LSM provides full-service property management, including building operations and maintenance, leasing, and annual reporting.

The scale of the Haven required close coordination, especially around outreach, leasing and rent-up. The application process required interested tenants to go to the office of Ottawa's Social Housing Registry, the nonprofit that manages the waitlist for social housing in the City. The order was by position in the line – which resulted in hundreds of people gathering hours before the office opened on a frigid February morning.

Many potential tenants learned of the project through their faith communities as well as through the Registry, and inquiries on the building mounted over the months before the opening. Ultimately, the call was successful in attracting diverse households, including newcomers, seniors, and working families. Prior to opening, MHI also established two formal partnerships for the Haven. The community included units set aside for LiveWorkPlay, a charity providing services to people with intellectual disabilities. The Catholic Centre for Immigrants came on board to provide housing assistance, integration and settlement services to newcomers.

LSM did the rent-up, meeting each household individually and providing information on the lease, property and unit operations. MHI volunteers were invaluable in conducting property tours and unit visits. This approach effectively provided a 'social' orientation separate from the formal landlord meeting. This helped tenants feel welcome and gave them a person and place to go for questions about their new homes and their new community of Barrhaven. Several building routines and systems required ongoing communications and contact, including the waste management protocols.

As with most new buildings, LSM and MHI encountered deficiencies. In one case, the air leakage from windows was identified months after opening, as the weather turned cold. This has required continued work with the general contractor to tackle the issue. The team continues to assess and learn about systems, material and finishes that stand up to tenant use, function across seasonality, and are easy to maintain. These will inform vendors and choices for future projects.

Overall, however, every person interviewed including some current residents were resounding in their praise of the design. Visitors, residents and staff reinforce that the design has brought to life the values of connectivity and inclusion anticipated in the original vision:

1. The Grande Allee is a lively mini-main street where people chat, and children play. I saw a neighbour run to help someone juggling groceries and a stroller.
2. The multi-purpose room is a true community centre. In many housing projects, these spaces can sit empty or are used by only a handful of tenants or groups. The room is a point of pride and a hive of programming and activity. One extraordinary tradition is the community wide celebration of traditions across all faiths represented amongst the tenants. These have built friendships and educated people on faiths and perspectives new to them. One tenant shared how welcome and proud she felt sharing Eid-al-Fitr traditions with her neighbours.
3. The community gardens have also proven popular – with tenants working together to create a plan for access and managing the garden. Plans are underway to expand this to include spaces for young residents to garden.
4. The Haven is also a no-smoking property, which is enforced and by all accounts, generally respected. Smokers are able to use a landscaped seating area with ashtray at the entrance.
5. All identified that conflicts, such as about noise, have been minimal and readily managed.

¹² <https://www.amo.on.ca/AMO-PDFs/Reports/2019/Fixing-Housing-Affordability-Crisis-2019-08-14-RPT.aspx>



While good design is necessary, it is not always sufficient for achieving cohesive communities in a multi-building project like the Haven. MHI's small staff team of five includes a full-time Manager of Community Engagement and Volunteers. Funding this position is meaningful, as it signals to MHI members, residents and partners that community-building is a priority. A key facet of her work is liaising with member faith communities to engage volunteers, open their doors to residents, and participate in building programs and events. Many faith members helped raise money for the Haven and remain engaged as volunteers. The Manager works across all of MHI buildings but is onsite regularly at the Haven; tenants immediately noted that she was a vital part of the community and its spirit of inclusion. The Manager has a model of 'doing with' not 'doing for': she effectively balances organizing programming and volunteers directly with creating room and capacity for tenants to identify, coordinate and lead events and initiatives.

Positive Practices: Operations and Engagement

Know what you are good at organizationally and where you are best served through third-party services and partnerships.

Create an intentional orientation approach – volunteers put a friendly face on the new community while helping new residents get practical home and community information.

Funding someone whose job is engagement and community building signals intentionality and helps transform housing into homes and residents into neighbours.

Similarly, turning a multipurpose room from a space to a community place requires planning, scheduling and partnerships.

Plan for long-term operations from day one.

Current affordable housing residents can be ambassadors for building awareness and mitigating 'NIMBY'.

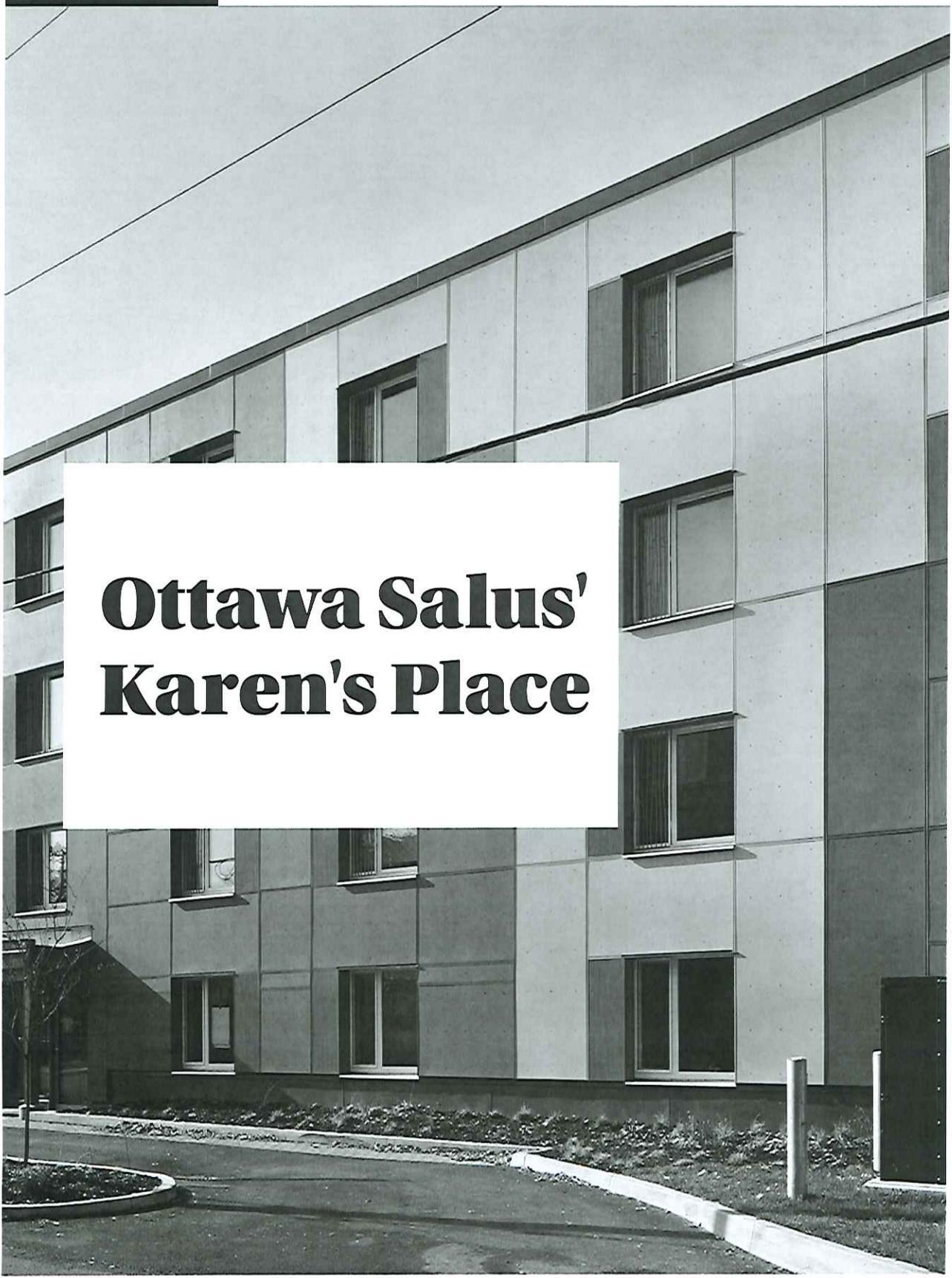
Continuous Improvement

1. For future multi-family projects, MHI could explore other application and selection processes including lotteries or value exchange or sweat-equity approaches through which potential tenants volunteer.
2. It's the little things – learning from building operators can inform basics that enhance every day operations - locks and keys, system phones, bulbs and appliances
3. Monitor to ensure that equipment and systems are operating as intended; track and manage warranties before the building opens.

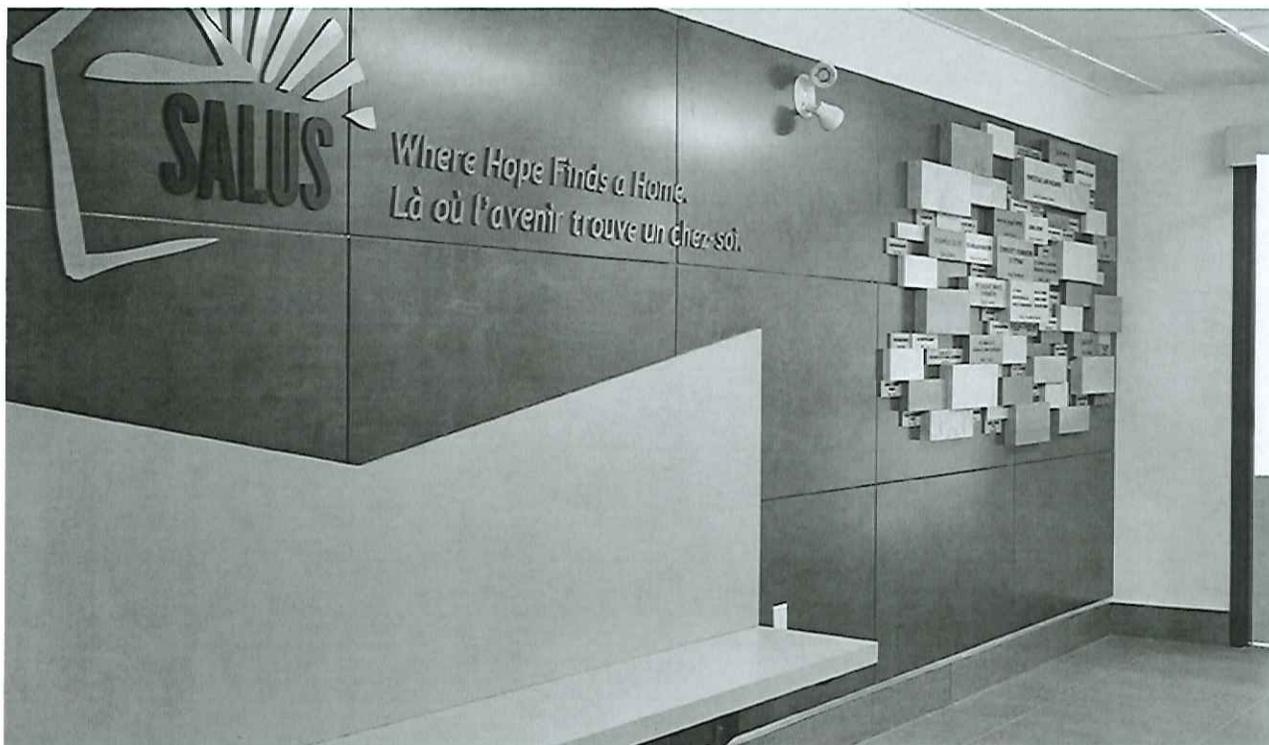


Multifaith Housing Initiative's The Haven





Ottawa Salus' Karen's Place



Chapter 5

Ottawa Salus: Karen's Place

Formed over 40 years ago, the mission of the Ottawa Salus Corporation (Salus) is to create opportunities for adults with mental illness to live in the community by providing housing and support services.¹³

Registered as a charity in 1978, the organization was formed to find housing and supports for people with severe mental illnesses being discharged from hospitals without assistance. Using personal guarantees, the group took out a loan and purchased a house that provided shared living for 10 residents. A social worker provided services for free. Within two years the group succeeded in securing funding from CMHC to repay the mortgage and from the Province to provide operating funding. Today, Salus owns and operates nine apartment buildings, a single-family home, two shared living homes and two transitional rehabilitation homes. In addition, Salus provides access to 148 affordable housing opportunities in the Ottawa community via various partnerships. Using referrals to affordable housing providers such as Ottawa Community Housing, CCOC and Co-op Voisins as well as City and Provincial Ministry of Health rent subsidies and rent supplement agreements with private landlords, Salus is able to fa-

ilitate access to affordable housing in the community with appropriate support. The organization provides in-house property management, social services and community development programs through a staff team of over 100 employees.





5.1

Karen's Place: Developmental Overview

In 2006, Salus opened its largest project to date, a new construction project on the corner of Scott and Alhona. The building provides 40 units of supportive housing, space for onsite services and houses the organization's head office and program space.

This project demonstrated that the size met a 'sweet spot' – it was large enough to generate sustainable revenues and operations, but not so large as to compromise service quality and a sense of community. With strategic expansion goals, the then Executive Director began to search for a new site for a similar-sized building. In 2010, using its own funding, Salus purchased three contiguous lots that had been recently cleared of buildings for \$675,000. The location, on Clementine Street in Ottawa's east end, was well-located with active transit and shopping on the Bank Street corridor. The proposed building size, density and setback was 'as of right' and met the local zoning by-law; to maximize the site and in line with a resident community that did not drive, the project required a parking variance. Its proximity to transit and the City's affordable housing policy reinforced the likelihood of receiving the variance. The site also aligned with typical eligibility requirements of government capital funding, including leveraging the land value as an equity contribution.

7
Doreeth

Also in 2010, the baton was passed to a new Executive Director. She was committed to 'upping the game' on design and facilities that could achieve a reduced environmental footprint, healthier living environments and sustainable operations. Learning about the benefits of Passive House, she facilitated a learning process with her board and team to explore targeting certification. Motivated by the impacts and mission visibility of being an early adopter, the board supported the goal.

As shown in the timeline on the next page, the project experienced delays when local residents appealed to the Ontario Municipal Board, the Provincial land use tribunal. Residents were clear in their statements that they did not want Salus or their residents on the street. They contested the parking variance that the City had indeed granted causing an 8-month delay. Ultimately the tribunal decided to uphold the variance – in Salus' favour.

Karen's Place opened in October 2016. Today it is a four-storey building with 42 studio apartments as well as a multi-purpose room with kitchen, communal laundry and a community garden. Like all of Salus' communities, Karen's Place provides homes to people with persistent and severe mental illness but within this, includes individuals who were previously homeless.

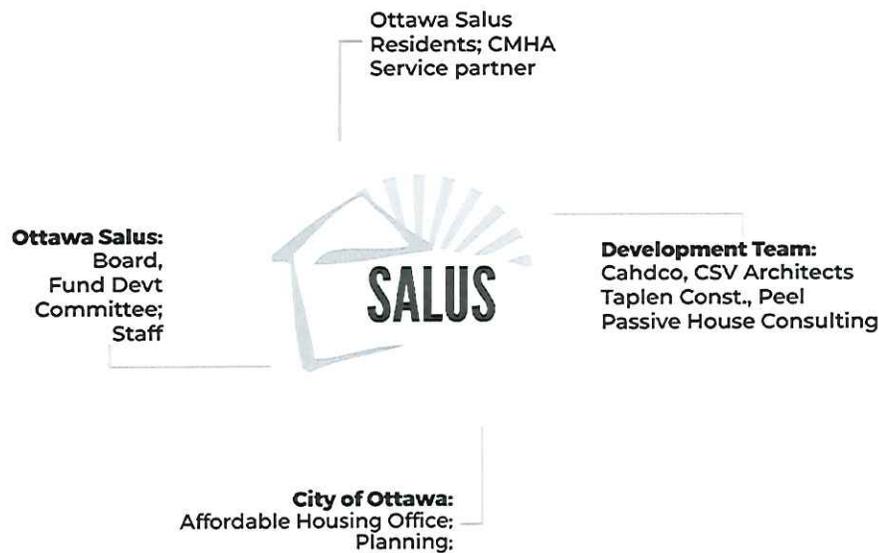
Karen's Place achieved the goal set out by the board and staff: it is North America's first International certified Passive House affordable multi-residential building. Karen's Place also achieved LEED platinum.



Karen's Place Project Timeline

The Development Players

When it was exploring the fit and feasibility of the Clementine properties, Salus turned to Anthony Leaning of CSV Architects, with whom they had worked on a number of previous projects including the Athlone building. Unlike MHI, which had to assemble a team quickly, Salus used its investigation into doing Passive House to help define the qualities it would need in other development team members including its contractor. The ambitious environmental goal meant that a sustainability consultant would also need to be part of the development planning. The timing of the project being ready to apply for funding coincided with the revival of Cahdco. Salus and Karen's Place became its first development consulting client working closely with new Cahdco president, Graeme Hussey. The intersection of the Integrated Design Process and the development team is outlined in more detail below.



TEAM AND STAKEHOLDERS ENGAGED IN THE KAREN'S PLACE DEVELOPMENT PROCESS

¹³ A timeline of Salus' history is at <https://www.salusottawa.org/about-salus/salus-history/>

Sources and Uses

Here are the project sources and uses:

Sources	\$	Notes
Equity & Fundraising	\$2,902,432	Land value, direct equity, and capital campaign
Mortgage	\$1,908,696	CMHC-insured
Capital Grant	\$5,080,200	Action Ottawa and IAH
Total Sources	\$9,891,328	
Uses	\$	Notes
Land Costs	\$682,630	
Hard Costs	\$7,825,698	Approx \$140/SF inclusive of landscaping
Hard Cost Contingency	\$343,000	Contingency at 5%
Soft costs	\$711,000	Includes Architect fees 4% of TDCs; project management fees 1% of TDC (!)
Soft cost contingency	\$24,500	Contingency at 5%
HST	\$304,500	
Total Uses	\$9,891,328	



Ottawa Salus' Karen's Place Building Exterior

Karen's Place Development Framework

Ottawa Salus also incorporated strategies across all four blocks of the development framework. The high bar to achieve Passive House certification required the organization and development partners to accommodate a construction cost premium as well as responding to the time delay of the appeal to the land use tribunal.

Land

Ottawa Salus identified the opportunity to grow its portfolio through a targeted strategy of supportive housing projects of 40 units. They searched and optioned a site and based on location and zoning analysis acquired it for future use. The site provided as of right zoning for the use, height and set back of the building. The site did pose some constraints: it was mid-block and narrow, resulting in a tight footprint that required costs related to staging the construction. The narrow site also limited the building orientation to an east-west plane, precluding windows facing south that could take advantage of solar gain for comfort and energy. The tight site also did not support the number of required parking units; while ideal for a housing project in which residents do not have cars and require parking, this factor did put it at risk for requiring a variance.

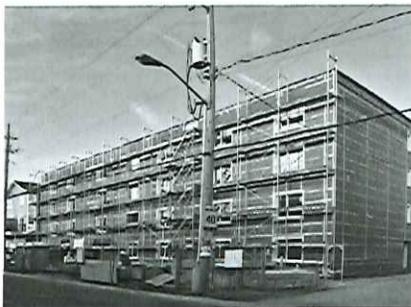
Construction

The decision to achieve Passive House certification meant additional upfront capital costs to invest in the building envelope, windows and systems. Being located in a cold climate, the project required more insulation than certified projects in other locations including Europe. In Ottawa, building design needs to address significant seismic hazard to meet code. Karen's Place used light steel construction, which is more resilient in earthquakes and due to its assembly, can be well-suited to tight urban lots.

Like MHI, Ottawa Salus had Cahdco as its development consultant including to represent it in the construction process. Taplen was engaged as the general contractor through a standard construction management contract¹⁴ that was later optioned to include a Guaranteed Maximum Price (GMP). CSV served as the project architect. The project team conducted weekly construction meetings, which included stickhandling challenges unique to doing Passive House. The overall construction cost benefitted from permit and fee waivers.

Financing

Similar to the Haven, Ottawa Salus brought together equity, capital subsidy, and financing to finance Karen Place. Through the city's Action Ottawa award, the project received \$5,080,200 - approximately \$125,000/unit - from the Federal/Provincial/municipal Investment in Affordable Housing fund; of this amount, municipal support accounted for nearly two-thirds of 3.2 million. Ottawa Salus contributed the land as owner equity and embarked on a fundraising campaign, raising \$2.4 million. The construction was financed through a \$2 million loan from Royal Bank of Canada. Upon project completion, RBC converted the financing to a permanent loan with CMHC-backed 2.72% financing for a 10-year term with a 30-year amortization. The permanent mortgage required a low debt service coverage ratio; because supportive housing projects do not generate excess cash flow, this is an important loan term as it ensures the financing can be repaid and that the project can comfortably break even without higher surplus margins required with conventional financing.



¹⁴ The form of construction contract used was the Canadian Construction Documents Committee CCDC-5B CM. <https://www.ccdc.org/document/ccdc5b/>

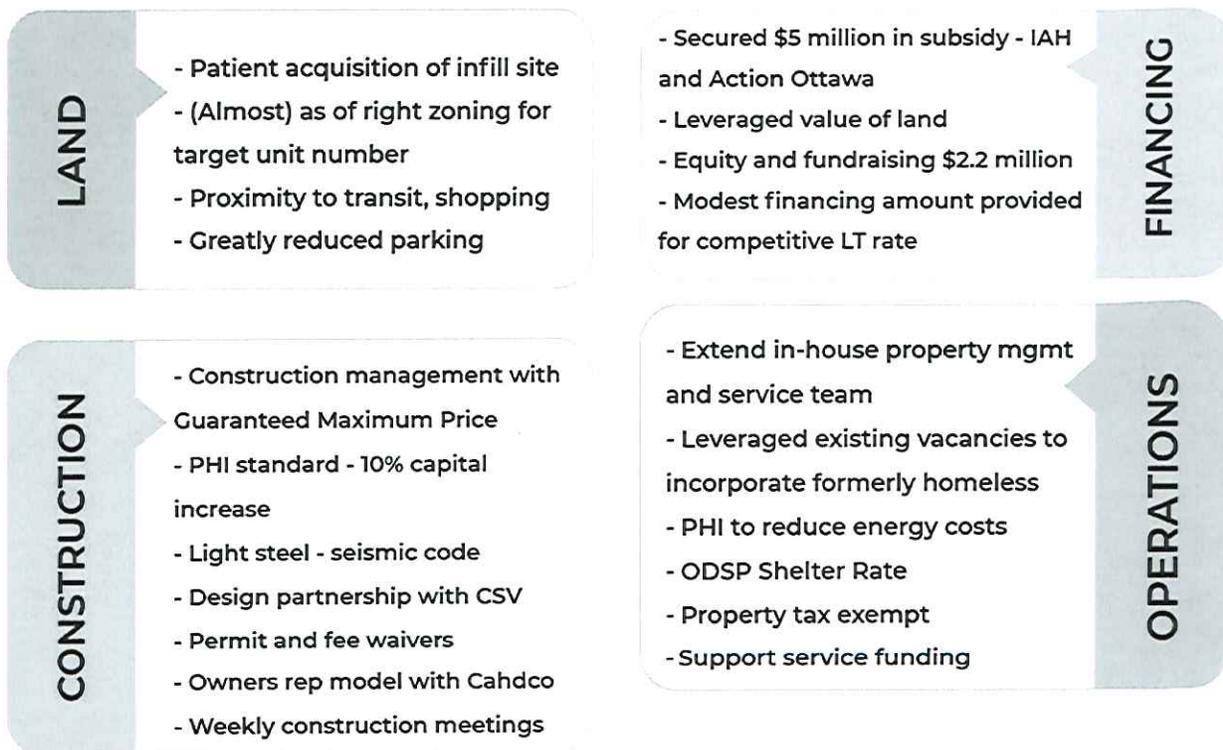
Operations

Cost-efficient operations are key to sustaining operations in supportive housing projects like Karen's Place, in which all units are serving vulnerable households with extremely limited income – most at the Ontario Disability Support Program shelter rate of \$479 at building opening. Many supportive housing projects have lower “Net Operating Incomes” and so benefit from up-front capital project strategies to reduce operating costs as well as to have modest or no permanent financing payments. For Ottawa Salus, building to passive house certification was a defining strategy of the project. By limiting utility costs, which can be amongst the highest and most variable operating expenses, Karen's Place can preserve its deep affordability and mitigate other operating risks.

Equally important is reliable and consistent funding for social services. Having recently launched its Homelessness and Housing Plan, the City of Ottawa bundled support service funding in with the capital project award for the first time in the Action Ottawa RFP for which Salus was a successful proponent. The RFP prioritized households experiencing homelessness or chronic homelessness. Although Ottawa Salus had not previously prioritized formerly homeless over other people with severe mental health needs, it was well-placed to meet the mandate. Rather than wait until the building was complete, Salus created a strategy to use vacancies as they arose in other properties to begin to incorporate those coming directly out of the shelter system. This allowed Salus to create transfer opportunities in the new building for existing Salus tenants. Through a cross-portfolio approach, Salus was able to create housing opportunities for chronically homeless individuals that supported a mix of previous and new residents and enabled support service systems to ramp up at a manageable pace.

Like MHI, Salus properties qualify for a full property tax exemption. Salus also received a tax exemption through construction and operations through separate applications.

As the largest provider of supportive housing in Ottawa, Salus was also able to achieve economies of scale by extending its in-house property management, support service and community engagement capacity to the new building.



5.2

Karen's Place Lessons Learned Framework

The Big Bet

Ottawa Salus decides to build Canada's first affordable multi-family project to be certified to International Passive House (PHI) standard.

The Pivotal Shift

Aspiring to and achieving Passive House catapulted Ottawa Salus from supportive housing provider to housing innovator connecting tenant well-being with community and climate resilience.

Governance and Leadership

With 40 years under its belt, Ottawa Salus has a well-established board of private sector, public sector and *non-profit* leaders committed to its mission as a source of housing and hope for people with severe mental illnesses. Some have personal connections through family or other loved ones. The 15-member board includes 6 committees as well as the executive committees. New building projects as well as organizational asset management draw on expertise in the Finance and Investment and Property committees.

At the onset, Karen's Place required two important leaps for the board: it was proposing a relatively unknown building model of Passive House, and it had a funding gap that would put much higher targets on the organization's fundraising capacity.

The organization had taken on its largest project a few years earlier with its Athlone 40-unit building. That project incorporated sustainability and green design so leadership had buy-in in continuing to prioritize climate change and sustainability goals in future projects. That said, Passive House was relatively unknown in North America and in Canada, when the Executive Director identified it as a means for doing a healthy, net-zero and cost-efficient new building.



Governance and Leadership (cont.)

Led by the Executive Director, the organization embarked on a thoughtful period of learning and review on Passive House. This included a kick-off learning presentation on Passive House from then staff of the Housing Services Corporation, an arms-length Provincial non-profit providing natural gas and energy conservation services to the social housing sector. Reassured by its experience with green design at Athlone and intrigued by Passive House examples in energy use that was reduced to a fraction of a typical building, the board supported paying for a facilitated integrated design charrette. Members of the board participated in the charrette and other learning opportunities, becoming advocates for achieving the Passive House goal.

Karen's Place also meant an unprecedented fundraising target of over \$1 million. Its prior largest capital fundraising achieved had been \$400,000 for its Athlone building; while the organization had a steady base of donors, it had little experience with large gifts or a protracted capital campaign. This represented an important opportunity to heighten the visibility and embrace opportunities to build stronger external and government relations. To this end, the board invested in the services of a fundraising coach to guide a capital campaign strategy and enhance the fundraising skills of the Executive Director. A key component of the strategy was to invite potential donors to experience the building during its construction phase and to visit the organization for an in-depth tour of services including conversations with staff and managers on Salus' work. This resulted in donors feeling a connection both to the organization's mandate in mental health as well as a sense of co-creating an environmental first and a home for 42 individuals. This leap has continued to pay off for Salus. Raising funds for Karen's Place prompted the organization to hire a fund development manager and expand its fundraising events into an annual gala, now in its fourth year, that is one of the most prominent and profitable amongst area nonprofits.

The organization's mission and story of the project ultimately prompted a prominent local family and business to make a large gift in honour of their sister who had lived with mental illness. Karen's Place takes its name from that sister, Karen Nesrallah, and includes her story as a welcome to all who enter.

Positive Practices: Governance and leadership
Proactively engage and educate the board and staff on new technologies and models. Building in exchange and learning across the organization with technical experts early infuses the organization with knowledge needed to adapt and problem-solve.
Big bets don't work with business as usual. Invest in capacity - sometimes outside expertise is needed to supplement the talent and skills you have on your team and board. Paying for expertise upfront can pay off in multiple dividends by achieving the project goals and strengthening organizational capacity.
Don't wait until the doors open to tout your innovation. Instead use your innovation to motivate volunteers, donors and partners to open doors.



Development Team

Development Consultant

The Clementine project as it was initially known took a different path than that of MHI. Salus first moved the design and sustainability goals forward and sought out a development consultant to take it through to financing and construction. The timing aligned with Cahdco's relaunch; Karen's Place was Cahdco's first significant engagement after the entity was revived. The two organizations joined forces to tackle the Action Ottawa RFP with Cahdco providing the preparation on speculation. Seeking to support a signature project, Cahdco offered a below-market competitive consulting fee. Through its role with its sister entity CCOC on Beaver Barracks, Cahdco brought to the table potent expertise and a seasoned construction manager with direct experience in constructing a project with sustainable design innovation. From the get-go, Cahdco shared Salus' belief in achieving PHI.

Architect

CSV Architects, through Principal Anthony Leaning, served as the architect. CSV had previously worked with Salus and brought to the table strong supportive and affordable housing experience. When assessing sites for their next project, Salus called on CSV to do preliminary design and zoning analysis. Over the course of the project, the CSV project lead became certified as a Passive House designer and helped support all facets of the design and certification process.

General Contractor

Salus selected a contractor through an invited RFP process. Taplen Commercial Construction was selected as the builder. The principal, Michael Assal had been a participant in the initial design charrette and had experience and commitment to sustainable buildings adapting emerging technologies. The project was structured through a construction management contract.

Sustainability Consultant

Because PHI required third-party assessment, Salus used the services of Peel Passive House consulting to provide support for the pre-certification and the final certification submission.

The Development team faced some challenges that tested trust and problemsolving. The final project budget climbed to \$1.75 million more than the original budget submitted in the RFP. Some of this increase was manageable and planned. As a narrow infill site, access for cranes and equipment was constrained. The soil conditions were not ideal for pouring footings. Other costs and challenges emerged while construction was underway. Most significantly, the building design required modifications to tackle thermal bridging – meaning that the building was vulnerable to heat transfer and would not achieve energy efficiency let alone certification – especially given the additional insulation required given Ottawa's cold climate. The team creatively mitigated this through increased insulation and cladding using an innovative structural insulated panel. Being on the early adopter side of a global advancement like Passive House also meant that North American suppliers of some required materials and systems were limited, requiring product to be sourced from Europe.

The project also faced the months-long delay due to the appeal – pushing it into the winter months. Although the appeal delayed construction, it did provide welcome time to support testing solutions and sourcing materials. The team also saw some changes in key technical staff assigned to the project, including the lead mechanical engineer and lead architect who had achieved passive house certification and was a passionate champion for the project.

Positive Practices: Choosing a Development Team
Sometimes waiting to choose a team is prudent. Using a facilitated integrated design process helped Salus deepen and refine project goals and inform the development team selection.
Find the win-win. All partners had requisite experience, including with nonprofits, affordable housing and government funded and financed projects. BUT none had extensive experience with Passive House. Development team members saw the learning curve as an opportunity to support a mission-based project while growing their expertise in a cutting-edge model. They invested time jointly from the earliest stages to learn.
As with MHI, the development team members served as ambassadors for the project and the Passive House certification, using industry networks to raise awareness and enhancing the ability to secure financing and fundraising donations.
Helpful Resource: Passive House

Integrated Design Process

As noted above, Salus leadership recognized that embarking on a new technology needed to bring different perspectives and technical expertise together to probe risks and options for the building overall as well as across each key system. The organization decided to conduct an integrated design charrette. In October 2012, a one-day charrette brought together technical expertise including the project architect already on board, a sustainability-focused engineering firm, an area-based Passive House expert and modeller, a general contractor and a cost estimator. Also present were six Ottawa Salus board and staff, Carleton University architecture students were present to take notes. The one-day workshop got into the nitty gritty of building envelope, heating and ventilation and other system choices – many of which carried through to the final design.

A key outcome of the charrette was to equip the organization with the multidisciplinary technical expertise essential to making an informed go/no-go decision for the organization. The charrette laid a foundation for seeking a high bar for sustainability and the ultimate decision Salus made to proceed with making the big bet of going for certification. Of note, at the time of the charrette, only the architect had been selected; the goal-setting and framework created through the Integrated Design Process enabled Salus to choose and build its future development team in response.

Importantly, as with MHI, though the focus was on Passive House design construction and operations, the charrette was designed to prioritize the well-being and liveability for future residents in the building using two framing questions:

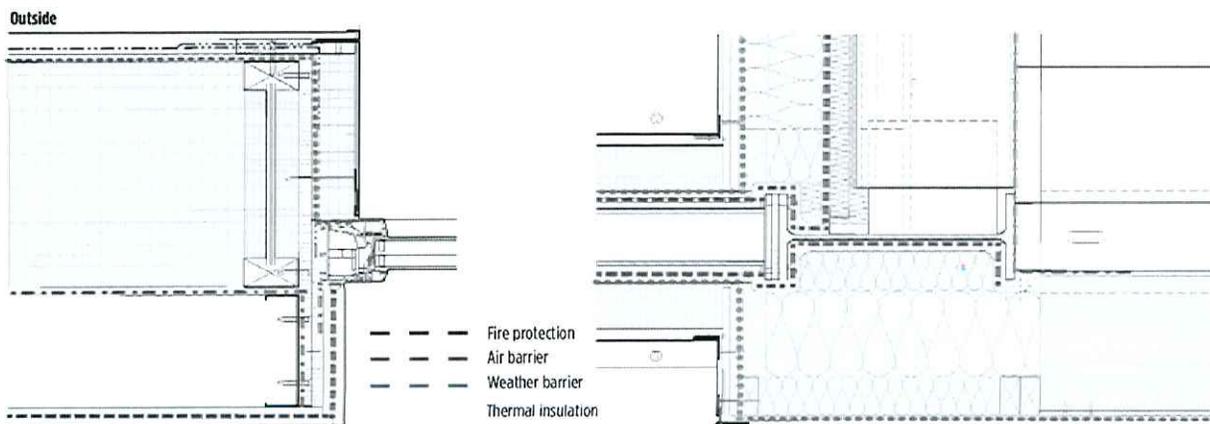
1. How can we improve the quality of life?
2. How can the building embody hope and recovery?

This resulted in guiding principles for building design and decisions:

1. All facets of the building should be age-friendly and accessible
2. Connectivity to the outdoors and within the building in all facets – circulation, layout, site plan, amenity spaces, programming.
3. Sound attenuation and a focus on mitigating noise transmission including unit-to-unit and external/internal noise.
4. A focus on air quality and ventilation for well-being and comfort and to mitigate odour transfer
5. Temperature comfort – while many folks often think about heating, cooling is equally important, especially for vulnerable people. Ottawa is subject to considerable variations across seasons.
6. Durability and usability of all materials and systems – not just for staff but also for tenants.

The goals of the charrette design and technical review were to:

1. Identify options tailored to Ottawa Salus' budget and operational needs, while ensuring that building design choices achieve successful housing and a quality community for residents.
2. Apply state-of-the-art yet practical sustainability tools and expertise to achieve design and operations solutions.
3. Identify practical means to increase the energy and resource efficiency of Ottawa Salus' construction of new supportive housing on Clementine Boulevard in Ottawa.
4. Prioritize factors and benefits for energy efficiency components of the project.
5. Establish an integrated design process that could carry through the entire project and enhance building design and performance.



Inside
Plan: Typical window jamb detail - Insulated wall panels with wood I-joist vertical members, EPS insulation and OSB sheathing secured to the exterior of the building frame, and providing a total RSI of 9.8 [R-56] at exterior walls.

Plan: Junction column at insulated floor

The charrette also enabled Salus as an organization to answer the question: Why Passive House?

1. Improved thermal comfort
2. Better illumination quality
3. Reduced HVAC system and plant capacity
4. Use of alternative and simpler systems
5. Reduced long-term costs associated with capital replacement and repairs
6. Reduced energy costs
7. Increased competitiveness for government and charitable funding
8. Improved air quality
9. Increased visibility of Salus and enhanced pride amongst staff and tenants.

Positive Practices: Integrated Design
Establish clear objectives that focus on both people and building performance to generate buy-in
Be intentional about being multidisciplinary – having expertise from multiple technical sectors alongside staff and volunteer knowledge created a foundation for collaboration and cross-sectoral problem-solving.
Use IDP objectives as the frame for clear and transparent decision-making but be open to an iterative process that incorporates new information and issues.
Continuous Improvement
The Integrated Design Process included energy modeling but did not fully incorporate cost analysis.
The Integrated Design Process did not initially anticipate cold climate issues
Staff identified that the integrated design process would have benefits from even more fulsome participation by board, staff at all levels, and targeted stakeholders including government partners.



Role of the City

As with the interviews on MHI's the Haven, development project partners key to Karen's Place identified that the City of Ottawa was an important and essential partner in funding, supporting and stewarding the project to completion. The City of Ottawa deployed some essential tools and strategies to move Karen's Place from concept to completion. The City's RFP reflected its commitment to prioritizing funding that could also support its ambitious 10-year housing and homeless plan and annual targets for housing formerly homeless individuals. The inclusion of supportive services resources in the RFP was intended to support the staffing and service costs that are key to successful tenancies but cannot be covered through rents and operating budgets.

Once Salus received its \$5 million funding award, it moved to secure the approvals it needed to commence construction. In 2014, the City's committee of adjustments granted Salus the variances it needed to reduce parking and move towards site plan approval. An adjacent property owner contested the variances, causing the decision to require a review and hearing at the Ontario Municipal Board tribunal. This caused construction delays and the focus on the vulnerable tenants being housed sparked negative outreach by the owner and other residents. The local city counselor stepped up to be a steadfast champion in support of the supportive housing project proceeding in his ward. The City also adjusted the funding timelines to accommodate the appeal and ensure resources remained in place for the project.

Ultimately, the tribunal ruled in Salus' favour. With construction soon underway, the City ensured a representative of its housing office attended weekly construction meetings to stickhandle in live time and advocate with other City departments.

There are numerous stories of state-of-the-art environmentally sound and energy efficient projects getting stuck or even rejected by municipal building officials skeptical of new technologies or change. Passive House as a new technology did not immediately translate into existing practice and code; however, with Karen's Place, City buildings and inspection staff supported the project's success by anticipating issues and offering solutions.

Positive Practices: Role of the City
Supportive housing has three legs of the stool: capital, operating and supportive. Funding these cohesively and comprehensively can ensure quality sustainable supportive housing. Committing funds for integrated service delivery as part of the capital project award ensures that supportive housing projects can successfully house and serve people with the highest needs.
Working with proponents on leveraging existing units allows for a longer runway to adapt services and enables vulnerable individuals to secure housing sooner.
Advancing construction technologies that will reduce emissions and energy use requires can-do staff working across silos. Empower city staff to be 'expeditors' to facilitate processes and approvals.
Stay the course. Stand by affordable projects through delays and appeals.
Let the project's cash flow requirements drive the administration of funds, not the other way around.
Continuous Improvement
<ol style="list-style-type: none"> 1. Fast track reviews and approvals for city-funded and approved affordable and supportive housing. 2. Explore policies and zoning that could eliminate inappropriate variances and restrictions that are loopholes to prevent supportive housing 3. Establish a fair housing policy that does not allow prejudice related to who is being housed to prevent sound and appropriate planning decisions.
Helpful Resource: To read about smart practices and ideas for improving the provision of support within housing, check out a recent report from Addictions and Mental Health Ontario.¹⁵

¹⁵ Supportive Housing: Recommendations for the Provision of Support Services, April 2017
https://amho.ca/wp-content/uploads/AMHO-Supportive-Housing-Report_Web-final_April-6.pdf

Operations and Engagement

As a seasoned and committed operator of supportive housing, Ottawa Salus was clear on its strengths and used these to set the goals of the project, define project scale and make decisions about must-haves.

These included:

1. The importance for project feasibility of bringing down costs and maintaining deep savings in energy use.
2. Organizational competency and structure to be an effective landlord, property manager and supportive service provider for people living with severe mental illness.
3. Experience with financing and operating a building with a similar number of units.
4. A portfolio lens on how best to match housing resources with individual needs – this enabled them to phase leasing and meet requirements for 50% of units for formerly homeless individuals.

As noted above, the integrated design process put a high emphasis on tenant wellbeing and experience of the building including sound attenuation, air circulation, and thermal comfort both in the winter and in the peak heat periods of the summer. To monitor these and other facets of building performance, Salus partnered with CMHC and Dunskey Energy Consulting to undertake a post-occupancy evaluation (POE) of Karen's Place, collecting data related to building design, operation and occupant perceptions over 12 consecutive months (January to December 2018). The evaluation under full occupancy confirmed that the building meets and exceeds the Passive House standards in almost all categories and far out-performs the typical Canadian Multi-unit Residential Building (MURB) benchmarks for envelope performance and energy use.

One building performance challenge has been cooling during warm temperatures. The organization had to buy temporary in-unit air conditioners to maintain units at safe and comfortable levels – essential given the additional risk of the vulnerable population housed. Air conditioning units are counter to passive house, so Salus has since worked with the original architect, HVAC contractor and engineering firm to install rooftop chillers to ensure tenant comfort, augment ventilation capacity and maintain energy efficiency. Through an additional year of POE analysis, they are monitoring the impact of the updated cooling solution. They will incorporate the analysis and findings into the final POE report to be published in 2021.

As part of the design planning, Salus also convened a participatory workshop with its staff to identify strengths, opportunities and gaps from other buildings that could be priorities for Karen's Place. The tight building footprint on the narrow lot limited the amount of square footage available for amenities, but this input helped contribute to a final design that maximizes important indoor and outdoor spaces that prioritize connectivity and wellness. The multipurpose room is central, light filled and transparent and as with MHI, goes beyond being a practical gathering space to a social heart to the building. Salus' wellness initiatives include a running club and activities that promote connections to the outdoors – a community garden was a must.



Operations and Engagement (cont.)

Salus also prioritizes engaging its residents in community as well as in connecting the community to its residents. Similar to MHI, the operating budget includes the dedicated role of a community developer. The organization raises funds and engages volunteers in support of tenant-led education and leisure programs. Through a newsletter, programming and tenant-led initiatives like its successful Big Bucket Band, Salus has also created links across its buildings, successfully achieving cross-community connections, something that frequently evades other housing providers.

Salus monitors and tracks its service provision and the housing results of its tenants. This provides data for internal resources but is also used to provide reporting to funders, including its local Ontario provincial health network, through which operating and service dollars for affordable housing are channeled. To monitor results and document impact of its permanent housing model, Salus has partnered with the University of Ottawa Centre for Research on Educational and Community Services (CRECS). In 2018, CRECS completed a one-year evaluation of tenant outcomes. Most notably, 88% of tenants remained housed after a year, tenants had high levels of satisfaction with their housing and Salus, and success and satisfaction levels were equal for formerly homeless individuals referred from shelter and those housed from other locations.

Positive Practices: Operations and Engagement	
	Review and define your operational strengths and use these to inform and review design and construction decisions.
	Use what you have – even if space is limited, good design can create community-building amenities indoors and out.
	For supportive housing providers, staffing and partnerships for wellness, connectivity and community building require intention and investment to complement and reinforce mental health and supportive services.
	Incorporate data and evaluation into all facets of operations. A one-year occupancy survey can assess resident satisfaction while also providing a valuable baseline for tracking impact over time. This can inform future projects and inform building operations and priorities.
?	Create ways for tenants across all buildings an organization has to meet each other, collaborate and socialize.
	Current affordable housing residents can be ambassadors for building awareness and mitigating 'NIMBY'.
Continuous Improvement	
	<ol style="list-style-type: none"> 1. Adapting technologies to Canada’s cold but still variable climate is challenging. Although cooling was part of the integrated design process, it was not tracked as closely as was needed, especially due to the way Passive House certification works. Remedying this deficiency remains an operations priority for Ottawa Salus. 2. It is important when incorporating new technologies to create strong documentation on equipment operations and maintenance so that knowledge is not lost if staff move on. Videos of use and maintenance procedures can be one helpful strategy. 3. Community engagement and ongoing education is required to sustain tenant awareness of sustainability features and build a culture of activity and action for the environment outside of the building.
Helpful Resource: CMHC Post-Occupancy Evaluation (POE) guide for multi-residential buildings looks at building performance across six areas: Envelope performance; thermal comfort; indoor air quality; water consumption; energy consumption and acoustic performance.¹⁶	

¹⁶ The CMHC Post-Occupancy Evaluation Guide is available at <https://www.cmhc-schl.gc.ca/en/data-and-research/publications-and-reports/post-occupancy-evaluation>



Chapter 6

Final Reflections

When taken together, The Haven and Karen's Place reinforce that nonprofits not only can scale their own capacity, they can make lead and model innovations that change the industry more widely. In 2019, the City of Ottawa identified twenty sites, most near transit, for ramping up its delivery of affordable housing. Nonprofits, public partners, financial institutions, and private developers must all be on board if the sites are to achieve high levels of permanently affordable housing that meet the broad range of housing need from the most vulnerable – including formerly homeless Veterans, the group being supported in Salus and MHI's current housing collaboration - to working families priced out of the rental market.

Salus and MHI's experience yields many rich lessons for other housing practitioners. These include practical approaches:

1. Plan ahead to raise funds, build equity and acquire land;
2. Know your strengths – what scale works for developing and operating a housing project and building community;
3. Build your governance and leadership capacity to support projects – and know when you are better served through outside expertise.
4. Frontload success – it can be easier to get capital funding so planning strategies that support operations and sustainability should be identified early on.

Most importantly, both projects speak to leading with values and being opportunistic. As one interviewee noted – 'not everything can be battered down when opportunity knocks.' Another noted that "if you make sure your vision is clear and what you stand for then you have already taken a vital step towards project success." The big bets MHI and Salus took created new communities and housing that are enriching lives daily. These bold moves also built their organizational capacity and put them in the spotlight as can-do leaders, increasing visibility and confidence in their ability to continue to rise to new challenges. Their latest vision and venture, Veterans House is the result. Currently under construction, it will no doubt be a catalyst and benchmark for ensuring that those who have served the country have the housing and community they deserve. Veterans House will also no doubt be the next compelling lessons learned guide taking the sector to new heights.

