

Go Big and Grow Homes

LESSONS LEARNED FROM THE HAVEN AND KAREN'S PLACE AFFORDABLE HOUSING INITIATIVES, OTTAWA, CANADA

December 2020
Prepared by LoriAnn Girvan



Commissioned by Multifaith Housing Initiative in partnership with Ottawa Salus
Funded by the Ottawa Community Foundation



OTTAWA
COMMUNITY
FOUNDATION



Commissioned by Multifaith Housing Initiative in partnership with Ottawa Salus.
Funded by the Ottawa Community Foundation.

Contents

01

Executive Summary
p.5

02

Introduction
p.11

03

Methodology
p.13

04

Context
p.17

05

The Haven Case Study
p.20

06

Karen's Place Case Study
p.42

Reflections
p.59



Exterior of MHI's the Haven

Executive Summary

This report shares the stories of two Ottawa housing providers who took on housing projects of a scale and complexity they had never previously imagined, let alone implemented. This report is being shared as inspiration that achieving ambitious leaps in affordable housing will require moving beyond business as usual.



In order to achieve housing access, affordability, and quality, Canada and practitioners from across diverse communities and sectors will need to work creatively, swiftly and boldly. In 2017, Multifaith Housing Initiative welcomed 98 households – families, seniors, and individuals with developmental disabilities – to apartments and townhomes in an intentionally designed new 2.4 acre neighbourhood in Barrhaven. As a small operator of 41 units in 3 buildings, MHI increased its number of units by 240% and transformed a suburban greenfield into a welcoming mixed income community.

One year earlier, fellow non-profit housing provider Ottawa Salus welcomed 42 individuals with serious mental health needs into a new supportive housing project in Ottawa South. While this was Salus' third housing development of this scale, Karen's Place featured a unique design, construction and operations innovation. It is the first certified Passive House affordable multi-residential housing project in North America and has led the way for a proliferation of private and non-profit Passive House projects across Canada.

There were significant obstacles for each project. MHI had to overcome site challenges and funding gaps with the Haven. Ottawa Salus had to address shortcomings in Passive House practices to tackle cooling on high temperature days, common in Ottawa summers, and experienced months of delay in order to fight a neighbour's appeal to the Ontario Municipal Board of the City's approval.

These projects would have been lauded accomplishments for any developer in any city. How did these two Ottawa non-profits succeed in making these bold visions and complex real estate projects a reality even in the wake of obstacles? This report shows how, when presented with blue sky opportunities, both organizations were able to bring together the best of their staff and governance leadership and enlist their development and municipal partners to approach their housing projects with both feet on the ground.

With support from the Ottawa Community Foundation, Multifaith Housing Initiative and Ottawa Salus are sharing the stories of the Haven and Karen's Place. By doing a deep dive into the development process, the organizations sought to identify which strengths to build on and which capacities to improve in order to grow further their housing portfolios and community impact. With MHI's latest project (Veterans' House) nearly complete, this growth in capacity and impact is well underway.

More importantly, the organizations identified that, through a case study of each project, they could offer lessons learned and practices to inspire and inform other housing providers seeking to 'up their game' in the delivery and stewardship of affordable housing.

The report is comprised of 6 chapters:

Chapter 1 introduces the two projects and sets out the objectives of the Lessons Learned study.

Chapter 2 outlines the methodology and presents two interrelated frameworks used to create the case studies:

1. The **development framework** looks at the 'hardware' of feasibility, presenting the four building blocks – land, construction, finance and operations – that underpin every successful affordable housing project.
2. The **lessons learned framework** is intended to shine a spotlight on an often overlooked aspect of housing projects – 'the software': the people, organization, and partnerships that come together to imagine, execute and steward the housing project. For each case study, the report identifies the stretch goal – here termed the Big Bet – as well as a key shift the organization had to make in its aspirations. The lessons learned framework probes further into key positive practices, lessons learned and opportunities for ongoing improvement in the sector.

These key capacity areas reviewed are:

- Governance and Leadership
- Development Team
- Integrated Design Process
- Role of the City
- Operations and Engagement

Chapter 3 sets the context of the two organizations, providing a side by side overview of their organizations as well as a summary look at the two projects.

The in-depth case studies of MHI's the Haven and Salus' Karen's Place are presented in Chapters 4 and 5 respectively.

The case studies apply the lessons learned framework to identify what worked, to explore the key challenges and opportunities each team faced and how they addressed them, and to offer insights and wisdom learned through the ups and downs of each housing project. The learnings are rich and varied across each housing project, but some common ingredients for success are summarized below.

Governance and Leadership

1. Both organizations established strong development and/or building committees that helped make informed decisions while also mitigating 'risk panic and paralysis' amongst the broader board.
2. Subject matter expertise is important but more important are leaders who translate values into clear roles and shared action.
3. Board members and staff were motivated, informed and effective as a result of participating in the design charrettes and ongoing learning with and from technical experts.
4. Big Bets don't work with business as usual. Both organizations invested in external capacity to supplement in-house skills and capacity.

Choosing a Development Team

1. Both projects benefited from strong, cohesive development teams (architect, contractor, project manager, consultants). Each vendor/team member saw their roles and contributions as beyond just designing and constructing a project. They served as ambassadors for the mission, as peers committed to learning and building together and as partners bringing an ethos of trust and respect needed to problem-solve together.
2. Just as form follows function, development team follows the project goals. While many projects rush to enlist the development team, with Karen's Place, Salus used a facilitated integrated design process that enabled them to deepen and refine project goals and then inform the development team selection.
3. Central to the story of both projects is Ottawa's Cahdco, the development entity created by non-profit Centretown Citizens Ottawa Corporation. At the time of both projects, Cahdco was recently re-launched. Despite Cahdco's fledgling track record, both MHI and Ottawa Salus recognized that they would be well-served by a partner with strong shared values and a 'DNA' of problem solving for project success.

Integrated Design Process

1. Both organizations conducted integrated design charrettes early on in the projects' evolutions. While building performance was a focus, the charrettes were centred on key objectives for residents' quality of life and experience of their housing. This enabled both MHI and Salus to identify the non-negotiables: uses, design elements, and outcomes that served as touchstones throughout the design process – including during construction and value engineering. For MHI, whose project included housing for large families, this sparked dialogue, planning and design that resulted in thoughtful outdoor space, storage, playspace and 'losing' two housing units (and subsequent ongoing income) to a community gathering space. For Salus, this meant attention to tenant comfort, sound transfer, and air quality.
2. As a lesson learned, both organizations acknowledged that operating goals and property management staff could have been more strongly integrated into the early design planning.

Role of the City

The report could serve as a primer for municipalities on how they can be effective creators, facilitators and partners for affordable housing. Both projects had strong foundations for success as a result of the City of Ottawa's policies and partnership approach that ensured staff saw both project success as their own and project problems as theirs to help solve. Among the tools the City of Ottawa used:

1. The City retained surplus property for affordable housing rather than for a land sale or a 'cash in lieu' contribution to a fund.
2. In the case of the Haven, they conveyed the land to MHI and bundled it with subsidy – ownership by non-profit housing providers creates opportunities for project equity and financing while supporting permanent stewardship for affordability. Bundling capital, operating, and with Karen's Place, supportive services dollars also kickstarts feasibility and success.
3. City staff were encouraged and empowered to be 'expeditors' – a senior staff person attended construction meetings for both projects and was able to unstick bottlenecks and work across departments.
4. Uniquely, staff also administered funds not on the basis of reimbursing after certain milestones but at key moments for the projects' cash flow.

Operations and Engagement

1. Both MHI and Salus looked internally to identify their operating strengths organizationally and to get third-party support where needed. MHI's multifaith network has enabled it to activate their faith and community volunteers to create educational, wellness and social opportunities strongly valued by tenants. As a supportive housing provider, Salus has ensured that wellness, connectivity and community building have dedicated staff or partners to complement and reinforce mental health and supportive services. Furthermore, intentional programming at the Haven that includes neighbours from the surrounding community has helped to break down walls and stereotypes, and mitigate NIMBYism and social isolation.
2. Day one, week one, month one matters for residents' housing success and participation. An intentional orientation approach goes beyond a day one key handover and a manual. At the Haven, volunteers put a friendly face on the new community while helping new residents get practical home and community information.
3. Both organizations are working to incorporate and increase data and evaluation into all facets of operations. Ottawa Salus has implemented an occupancy survey of resident satisfaction to provide a valuable baseline for tracking impact over time.

In Chapter 6, the report concludes with some final reflections intended to inform and inspire the growing number of organizations and practitioners who believe Canada's future must be built on ensuring every Canadian has a place to call home. When taken together, the Haven and Karen's Place reinforce that non-profits not only can scale their own capacity, they can also model and drive innovations that change the industry more widely.

Addendum:

This report was researched and finalized in early 2020, just prior to the seismic changes brought forth by the COVID-19 pandemic, the global movement to end systemic racism, and our country's own ongoing reckoning of brutality, disparity and disinvestment in Black, Indigenous and People of Colour (BIPOC) communities. This moment reinforces that housing is not only a human right, it is also fundamental to humanity – the source of opportunity and potential. The pandemic has reinforced that home is everything – it is where people are living, working, learning, playing, recovering, connecting. It is the foundation for belonging, inclusion and equity. Amidst this period of heightened challenge, MHI and Ottawa Salus have forged ahead to collaborate on Veterans' House, a 40-unit project for homeless veterans, opening early in 2021. No such housing choice exists for Canada's veterans and as with the two projects presented in this report, Veterans' House demonstrates what can get done when organizations make Big Bets. It has never been more important to celebrate, learn from and invest in non-profits like MHI and Ottawa Salus.

Acknowledgements

Ottawa Community Foundation generously funded the research, write-up and presentation of this report.

A special thank you to Suzanne Le and Barbara Levine who championed the idea of a lessons learned review and provided important guidance and support. I am also grateful to the staff, board, volunteers and partners of both Multifaith Housing Initiative and Ottawa Salus who participated in interviews and workshops and shared their experience and ideas with creativity and candour. Most importantly, a hearty thank you to those who convened focus groups, the tenants who shared their communities with me, and all who participated in interviews and discussions.

By LoriAnn Girvan



Suzanne Le
Executive Director, Multifaith Housing Initiative



Barbara Levine
Chair, Development Committee, Multifaith Housing Initiative



MHI the Haven

Chapter 1

Introduction

This is the story of two non-profit housing providers who made Big Bets: they stretched, at times strained, but ultimately strengthened their capacity by taking on projects in which scaling impact required embracing new levels of risk and complexity for their organizations.

In 2017, Multifaith Housing Initiative welcomed 98 households – families, seniors, and individuals with developmental disabilities – to apartments and townhomes in an intentionally designed new 2.4 acre neighbourhood in Barrhaven. As a small operator of 41 units in 3 buildings, MHI increased its number of units by 240% and transformed a suburban greenfield into a welcoming mixed income community.

One year earlier, fellow non-profit housing provider Ottawa Salus welcomed 42 individuals with serious mental health needs into a new supportive housing project in Ottawa South. While this was Salus' third housing development of this scale, this one, Karen's Place, featured a unique design, construction and operations innovation. It is the first certified Passive House affordable multi-residential housing project in North America.

This report explores the critical factors that helped the projects succeed in being financed and built and becoming the active communities of residents they are today.

Why a Lessons Learned Report? Why Now?

Big Bets are needed if Canada is to address the growing mismatch between housing needs and housing supply, particularly in our cities. Across Canadian cities, there are daily reports and news articles detailing housing shortages, rising homelessness, and displacement. The City of Ottawa is no exception. Ottawa is grappling with a housing vacancy rate of 1.6 percent; as a 2018 statistic, this rate could be even lower.¹ According to a 2019 report by the Canadian Centre for Policy Alternatives, Ottawa has the fifth highest rental wage – the hourly wage required if a household is to rent an average two-bedroom apartment without exceeding 30% of wage income.² The waitlist for social housing in Ottawa hovers consistently at 12,500 with a wait time of 5 years on average.³ Launched in late 2017, Canada’s inaugural National Housing Strategy lays out a 10-year roadmap for tackling housing need, reducing chronic homelessness and increasing and repairing housing supply, including affordable rental. A year later, the federal lead agency, the Canadian Mortgage and Housing Corporation (CMHC), recast its mission to the transformative aspiration: By 2030, everyone in Canada has a home that they can afford and that meets their needs. Non-profit housing organizations are critical to achieving this aspiration across Canada and in rapidly growing cities like Ottawa. Most seek to create permanent affordability, serve exclusively or inclusively vulnerable individuals and families, and reinvest revenues and gains in preserving existing stock or building and acquiring more affordable housing or providing subsidized supports and services.

Achieving the 2030 vision – a Big Bet itself – needs non-profit organizations that are able and willing to make leaps. These leaps might include taking on more scale and piloting new technologies as MHI and Salus did. These leaps can also include using new types of financing, reimagining existing lands and buildings, and even merging or sharing services to streamline operations and shore up capacity. This report aims to share lessons learned that could benefit other non-profits pondering their roles and futures in contributing to a Canada where more housing, more housing choices, and more housing quality provide homes where all of our residents can thrive.

¹ <https://www.cbc.ca/news/canada/ottawa/housing-real-estate-homes-1.5415644>

² <https://www.policyalternatives.ca/rentalwages>

³ <https://ottawa.ca/en/family-and-social-services/housing/subsidized-housing>

Chapter 2

Methodology

With a year of operations under its belt, Multifaith Housing Initiative recognized the need to assess its experience with developing, constructing and operating the Haven as a baseline for its next building project, Veterans' House.

The MHI Board of Directors and Executive Director also observed that a closer look at the project would be instructive to other actors engaged in or pondering becoming involved in affordable housing. Veterans' House partner Ottawa Salus identified that its story could enhance a documentation of lessons learned and positive practices, and soon jumped on board with the assessment exercise. The Ottawa Community Foundation funded the exercise.

This report captures and consolidates the challenges, solutions, and lessons presented to the consultant over the course of interviews, a site visit with local tenants at the Haven, and three group workshops conducted throughout 2019 which included representatives from each project's development team as well as from the City of Ottawa. The analysis included a review of project documentation, including design presentations, project budgets and project management reports.

This report explores the critical factors that helped the projects succeed in being financed and built and becoming the active communities of residents they are today. It combines an overview of the 'hardware' – the significant project feasibility components, called here the development framework – with a probe into the 'software' – the partnership, leadership and processes that were instrumental in the success of these Big Bet housing projects.



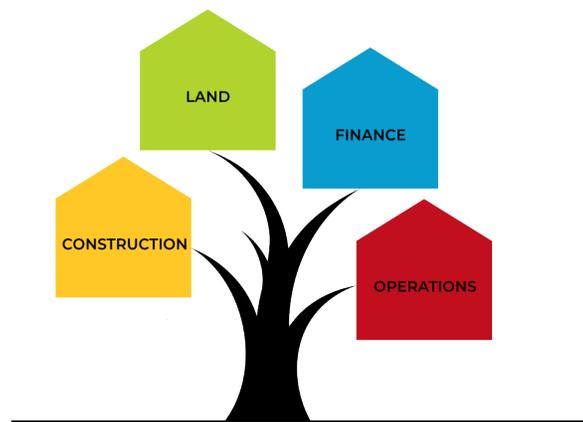
THE REPORT EXPLORES
CRITICAL FACTORS THAT
HELPED THE PROJECTS
SUCCEED IN BEING FINANCED
AND BUILT.



MHI the Haven

Similar to other housing project case studies, this exercise identifies the development framework for both Karen’s Place and the Haven.

The development framework is a construct that looks at four building blocks – land, construction, finance and operations – underpinning every successful affordable housing project.⁴



Developing affordable housing at its core is a form of real estate development. A term and practice gaining currency is "social purpose real estate." Coined ten years ago in Vancouver, SPRE “refers to property and facilities owned and operated by mission-based organizations and investors for the purpose of community benefit, and to achieve blended value returns.”

Using the practice of real estate development and property operations for social good is not new – non-profits such as Ottawa Salus have been developing affordable housing and community infrastructure for decades. For non-profit boards, staff and stakeholders, moving from aspiration to operations for an affordable housing project can seem like a magical, mystical process. And while there are many chutes and ladders that projects encounter when getting a project to the finish line, the fundamental components of project development are tangible and shared across any project.

⁴ The development framework was adapted from work by Derek Ballantyne and presented with him in a workshop, Mixing and Matching Tools to Meet Affordable Housing Goals, 2018 Conference of the Ontario Non-profit Housing Association

⁵ See the definition as well as case studies and resources at the SPRE Collaborative <https://www.socialpurposerealestate.net/about/what-is-spre>

This report is not intended as a real estate primer; however, it is helpful to situate the two projects in a Development Framework to identify some of the tools, resources and policies that contributed to success. As shown in the graphic below, these components are Land, Construction, Financing and Operations. Below is a selection of some tools and conditions that have, when combined, proven critical to affordable housing feasibility.

Feasibility Framework: Examples



*presented and developed with Derek Ballantyne

Lessons Learned Framework

Less explored in other housing project reports and case studies are the ‘software’ components of affordable housing development, particularly in projects that push the boundaries of scale and innovation. In other words, how are the people in the lead organization and in technical, consultant and stakeholder roles able to advance a complex project through ups and downs, expected and unexpected? What moves an organization to make a Big Bet? How does this shift the organization’s culture and practice? What positive practices bake in success, mitigate risk and tackle the unexpected? What practices fell short and are ripe for improvement?

Table 1 below outlines the team and process components that emerged as the platform for these housing projects moving from vision to completion.

| LESSONS LEARNED FRAMEWORK | SAMPLE QUESTIONS |
|---|---|
| 'The Big Bet' | What was the goal and innovation that resulted in the Big Bet? |
| 'The Pivotal Shift' | What has this work meant for shifting the organization's mission and mandate? |
| Positive practices | What went well? What mistakes or challenges were successfully avoided? What unexpected problems were solved? |
| Governance and leadership | How would you describe how the organization makes decisions on whether or not to proceed with a real estate project? What criteria were essential in moving forward with the project? What skills and experience amongst staff and board contributed to success? What capacity was missing? |
| Development team | How did you choose the development team? Who were other champions or stakeholders critical to the completion of the project? |
| Integrated design charrette | What were the origins of the integrated design process? Were there any surprises or unexpected ideas that emerged? How did they contribute to improved design, construction and operations? Who was missing from the process/charrette? |
| Role of the City | What was the role of the City in the various phases of the project? What policies and practices facilitated project completion? |
| Operations and engagement | Are the buildings performing as expected? What practices and decisions have contributed to building operations? Tenant satisfaction? Community-building? What might you do differently? What are you still figuring out? |
| Continuous improvement | What would you not do or do differently? What skills or capacity were we missing? What mistakes could have been avoided or better mitigated? |
| Headlines | What key recommendations would you give to others? How can what you learned help the NFP housing sector? |
| Future Opportunities and Considerations | What does this mean for how your organization works and partners in future? What are opportunities for strengthening the enabling environment in Ottawa? |

Table 1

A key component of both projects was the use of the principles of an Integrated Design Process: a collaborative process with board members, staff, technical experts and priority stakeholders like the City, to ensure that values of community-building, resident well-being, and sustainability were baked into the project design from its earliest stages. Of note, the author of this report also served as a consultant to Ottawa Salus, co-facilitating the kickoff design meeting that laid out the initial roadmap for seeking to build a certified passive house project.

Chapter 3

At a Glance: Ottawa Salus and Multifaith Housing Initiative

Ottawa is home to approximately 65 non-profit social, supportive and cooperative housing providers who create choices across the housing spectrum including housing with supports such as emergency shelter, transitional housing and permanent supportive housing to market rate rentals and affordable homeownership. Ottawa Salus is a supportive housing provider, integrating services and housing to provide homes for adults with serious mental illness. In part through funding from the provincial health system, Salus undertakes its own property management and has onsite in-house staff for mental health supports. MHI is an affordable and social housing provider. The non-profit creates mixed income housing that combines market rate, affordable and subsidized rental units. Property management is provided by a third-party property manager and social services are available through partnerships with service providers.

Table 2 below provides a side by side look at the two organizations. This snapshot is not intended to be comparative; rather the table shows that Ottawa Salus and MHI reflect the diversity and complementarity across the City's non-profit housing system, including their years of founding, the housing choices they provide, and their staffing models.

| | MHI's The Haven | Salus' Karen's Place |
|--------------------------------------|---|--|
| Year Opened | 2017 | 2016 |
| Location | 455 Via Verona, Barrhaven | 1490 Clementine Blvd, Ottawa S. |
| Site Size | 3.43 acres | 11,000 SF |
| Total Square Feet | 107,350 SF in 2 apartment buildings and 48 townhomes | 22,400 SF in a single building |
| Total Devt. Cost | \$19.3 million (exc land value) | \$9.1 million |
| Housing Units | 98 | 42 |
| Per unit capital | \$197,000 (exc land value) | \$217,000 |
| Who served | Families and individuals including individuals with developmental disabilities, and newcomers | Individuals with serious mental illness, including formerly homeless |
| Lead Innovation (The Big Bet) | Complete mixed income, 98 unit community | First certified Passive House affordable multi-residential housing in N. America |
| % increase in housing | 240% | 24.40% |

Table 2



| | MHI's The Haven | Salus' Karen's Place |
|---|---|--|
| Unit types | 30 1-BR; 38 2-BR; 26 3-BR 4 4-BR | Bachelors |
| Accessibility | 10 wheelchair accessible units; 100% visitable | Six wheelchair accessible units; visitable |
| Property management | Third party onsite | In-house property management including capital planning, tenant and leasing services and maintenance |
| Operating cost estimate (exc mortgage and int) | \$411/PUPM | \$276/PUPM |
| Social services | Resident services staff member; formal supportive service partnerships | In-house supportive services |
| Community-building amenities | Community garden, multi-purpose room with kitchen, playground, communal laundry | Community garden, multi-purpose room with kitchen, communal laundry |

Table 3

TABLES 2 AND 3

Tables 2 and 3 provide an overview of the two projects profiled in the lessons learned exercise (the Haven, left; and Karen's Place, right).



MHI the Haven



OTTAWA SALUS Karen's Place

The shared values and complementary strengths outlined in this report have subsequently paved the way for a new 'Big Bet': the creation of Veterans' House, the National Capital Region's first housing project dedicated to men and women who served in the Canadian Armed Forces (CAF) or Royal Canadian Mounted Police (RCMP).



Housing Typologies

MULTIFAITH HOUSING INITIATIVE'S THE HAVEN LOCATED IN BARRHAVEN



Chapter 4

Multifaith Housing Initiative: The Haven

Multifaith Housing Initiative (MHI) is a coalition of diverse faith groups in Ottawa that first came together in the early 2000s “to provide and to promote affordable home space, to encourage harmonious relations amongst tenants of diverse backgrounds, and to mobilize the resources of faith communities and others for these purposes.” Today, MHI has 139 units of affordable housing. MHI counts over 70 faith communities as members and supporters including Baha’i, Christian, Hindu, Jewish, Muslim, and Unitarian congregations. MHI has its roots in interfaith collaboration to tackle Ottawa’s increasing homelessness at the opening of the century. Championed by the Social Justice Commission of the Roman Catholic Archdiocese of Ottawa, a committee of faith groups providing shelter and services to the homeless met and identified the need for a shared focus on safe and affordable housing. By 2002, the committee included participation from Christian, Jewish and

Muslim communities, paving the way for a new organization, MHI, which secured its charitable status in 2002. The organization embarked on purchasing housing as a solution to the City’s affordable housing need. In 2005, MHI acquired Kent House, a five-unit apartment building adjacent to one of its faith members. This was followed in 2008 with the acquisition of a 26-unit building, Blake House, as well as 10 affordable units in a condominium property, Somerset Gardens.

With 41 units in operation, in 2013, MHI sought to build on this progress, creating a goal to double the number of households for whom they provided affordable housing by 2020. The organization set about raising funds from its faith community members to support this goal and began to search for other properties, primarily existing multifamily buildings, to purchase for affordable rental. This foresight – to raise funds for a shared goal rather than a more classic capital campaign for a specific site or building – proved a gamechanger. Less than a year later, the City of Ottawa issued a Request for Proposals under its Action Ottawa program for non-profits to compete for a 3+ acre site and capital grants to develop mixed-composition housing⁶ in the suburb of Barrhaven. MHI responded and was named the successful proponent in November 2014.

⁶ The City of Ottawa defined mixed-composition housing as follows: Mixed composition housing refers to housing developments that are suitable for a variety of household demographics, sizes and incomes. The primary focus is to households on the Social Housing Registry Centralized Waiting List (CWL) which includes mostly single individuals and households with children. Accessible units (barrier free) for people living with disabilities are also a priority with the development of the new affordable housing under this RFP.

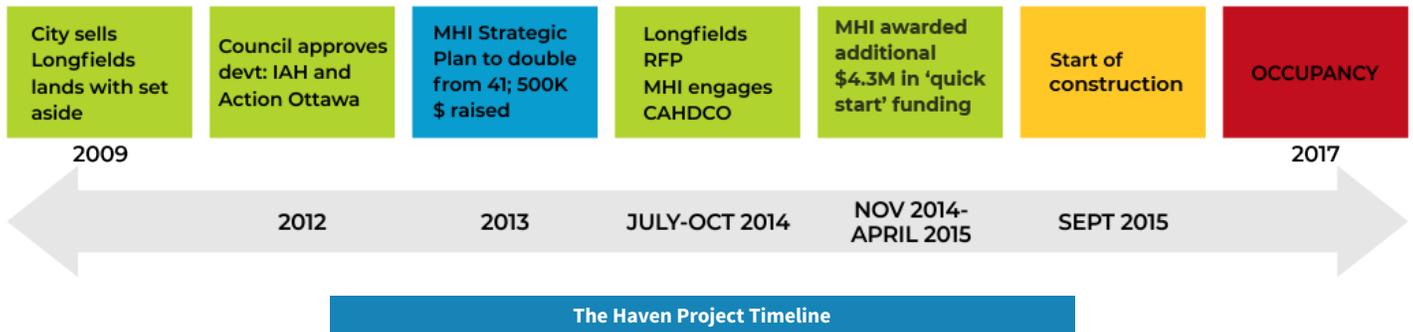


4.1

The Haven: Developmental Overview

Located in Longfields in Barrhaven, the Haven is a 98-unit community featuring a mix of townhomes and two low-rise apartment buildings, as well as a community garden, outdoor play area, and multi-purpose community space.

Ten homes serve households with a member with a physical disability. The community also includes 30 three or four-bedroom units. Construction began in 2015 and finished in summer 2017. Below is a high-level project timeline.



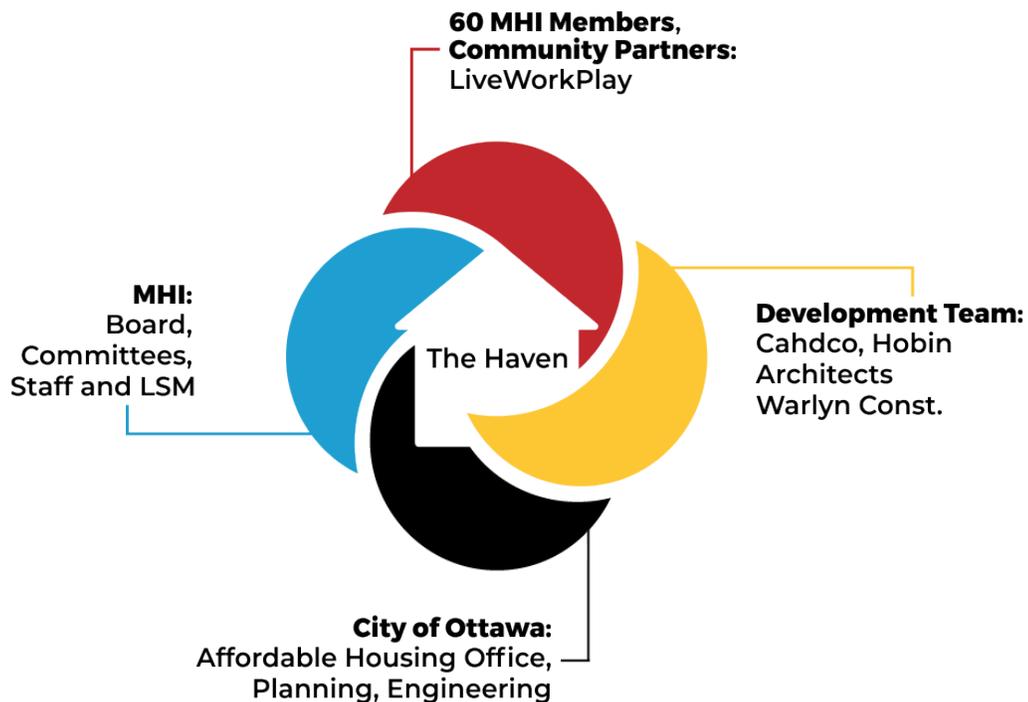
The Haven’s story begins in 2009 with a sale of a 50 hectare parcel of City owned land by the newly formed Ottawa Community Lands Development Corporation. Seeking to offer multiple housing typologies in the new subdivision while also mitigating risk, the OCLDC sold blocks to 9 different homebuilders and developers with an overall plan of 1850 units. As part of the subdivision strategy, a parcel was set aside, and transferred to the City of Ottawa’s Affordable Housing office. The City patiently held on to the parcel, allowing for housing, infrastructure and transit to emerge before issuing the RFP.⁷

⁷ Interview with Saide Sayah, Program Manager, Affordable Housing Branch; see also OTTAWA COMMUNITY LANDS DEVELOPMENT CORPORATION Annual Report 2016 downloaded at <http://ottwatch.ca/meetings/file/460780>

The Development Players

The Longfields opportunity prompted MHI to turn its attention from purchasing a property to responding to the unique opportunity to secure land and capital. Given the significant leap in scale and the organization’s limited expertise in housing development, MHI sought the services of Cahdco, a development consultant affiliated with a fellow non-profit housing provider, Centretown Citizens Ottawa Corporation. CCOC formed Cahdco in 1996 to sustain capacity for new housing in the wake of provincial policies that downloaded housing to municipalities and vastly reduced investment in new housing. The sister entity fell dormant and was revived in 2014 as dialogue on regeneration and affordable housing began to gather steam alongside an \$800 million federal/provincial investment in affordable housing for Ontario program making available capital to increase affordable housing supply.⁸ In short order, Cahdco and MHI conducted interviews with a shortlisted group of architects, selecting Barry Hobin Architects. More details on the development team and positive practices are provided in the positive practices review.

The diagram below shows the team and stakeholders engaged in the Haven’s development process:



TEAM AND STAKEHOLDERS ENGAGED IN THE HAVEN DEVELOPMENT PROCESS

⁸ The name Cahdco originates in its full name of the Centretown Affordable Housing Development Corporation, now it stands on its own.

Sources and Uses

The Haven had a total development cost of just over \$19 million, excluding the value of the land and transfer fees, which were absorbed by the City through the conveyance. While not the largest source of capital, the equity that MHI was able to commit was critical to their selection as a proponent. Here are the project sources and uses:

| Sources | \$ |
|--|---------------------|
| Equity & Fundraising | \$1,500,000 |
| Mortgage | \$7,813,000 |
| Capital Grant | \$9,921,000 |
| Total Sources | \$19,234,000 |
| In-Kind Value | \$ |
| Land | \$2,400,000 |
| Devt charges, permit, parkland fee waivers | \$2,310,000 |
| Total In-Kind Value | \$4,710,000 |
| Uses | \$ |
| Land Costs | \$1,057,000 |
| Hard Costs | \$14,972,000 |
| Hard Cost Contingency | \$957,000 |
| Soft costs | \$1,660,000 |
| Soft cost contingency | \$84,000 |
| HST | \$504,000 |
| Total Uses | \$19,234,000 |

* The value of hundreds of volunteer hours planning, fundraising, community outreach has not been quantified for this report.

The Haven Development Framework

The land conveyance bundled with capital subsidy catapulted the project on a path to feasibility, but the project success was predicated on a mix of tools and resources in all four blocks of the development framework:

Land

The City of Ottawa conveyed the land to MHI for \$1. The site size and location allowed for surface parking; despite being less than 5 minutes from a public transit terminus, the project did not get parking relief. The project plan incorporated midrise density – creating more units than the City called for in the RFP while allowing for significant community and green space.

The low-rise project design, including at-grade townhome entrances, also responds to the City requirement that the project have 100% visitability. The site design had to tackle head on two challenges: a stormwater sewer that ran through the site and an easement that runs diagonally through the site. The apartment buildings were placed to accommodate the easement. The visitability mandate meant that the landscape could not be graded to provide natural stormwater draining on the property. The project ultimately had to install two underground holding tanks to hold and shed stormwater.

Construction

The City required an ambitious timeline, one suited to a highly efficient and coordinated delivery model. Cahdco provided project management services, Hobin Architecture spearheaded and stickhandled design and permitting, and Warlyn Construction served as the contractor. As with all Action Ottawa projects, the City Housing Branch offset the cost of permitting and development charges through revenues from other development charges collected for affordable housing. Two additional strategies were adopted to support construction feasibility:

- In addition to providing family housing, townhouses were chosen to meet Part 9 of the Ontario Building code, the code for smaller buildings providing for more cost-efficient construction.
- The builder, Warlyn, worked with the project team to establish a fixed-price contract, buffering the project from fluctuations in building cost.

To facilitate timely decision making and problem solving, bi-weekly construction meetings included MHI's Executive Director, a member of the MHI Development Committee and a City staff member as well as construction project team members. The participation of the ED ensured that decisions could be made on the spot when needed or appropriate.

Financing

As outlined in the sources and uses above, the Haven combined equity, capital subsidy and financing. MHI was able to demonstrate \$500,000 upon application as well as the capacity to raise an additional million dollars over the course of the project's development and construction.

The project received nearly \$10 million in capital subsidy through a blended federal, provincial and municipal affordable housing fund administered through the City's Action Ottawa program. \$5.5 million was issued with the initial selection of MHI as the proponent. In 2014, the City used a one-time provincial 'quick start' funding for shovel ready projects to provide an additional \$4.35 million, allowing for the full vision of a 98-unit project to be realized.

The Haven also received financing from Infrastructure Ontario. This took considerable effort, time and negotiation. The conveyance of the land to MHI was key as it allowed for the loan to be secured on the land title. The IO financing resulted in some key advantages:

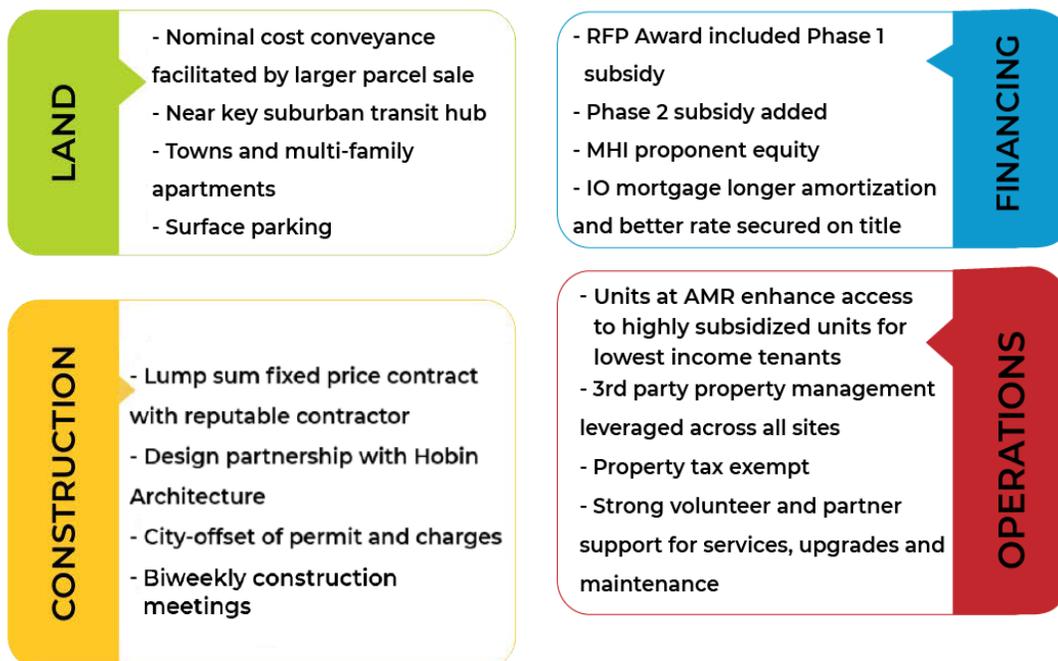
- Interest only construction financing.
- A bridge loan to provide capital while MHI completed its fundraising.
- Conversion to a permanent mortgage with a longer amortization of 30 years and what was, at the time, a competitive rate of 3.6%. The loan requires MHI to maintain an organizational debt service coverage ratio of 1.15. While more recent CMHC loan programs are offering even more favorable financing, at the time, the IO financing structure exceeded conventional financing and was essential to meeting the capital gap.

⁹ Properties owned by charitable organizations that are used for 'relief of the poor' are exempt from taxation. See <https://www.ontario.ca/laws/statute/90a31#BK2>

Operations

To ensure stable and sustainable operations, the Haven draws on sustainable design, a mixed income rental model, and an efficient property management approach that leverages a third-party provider and a network of volunteers and partners:

- MHI’s charitable objects enable its properties to qualify for a property tax exemption – for projects with all or significant components of affordable housing, property tax exemptions effectively reduce the operating costs and in turn ensure adequate net operating income to cover costs and pay down permanent financing.⁹
- The project has a mix of approximately 60% of units at middle income bands including market-rate, units at 80% and units at 70% of average-market and 40% of units for people on ODSP or on rent-supplements. The rent-supplements enable the project to support families requiring 3 and 4 bedroom units.
- MHI has a partnership with LiveWorkPlay who is providing direct services to tenants with developmental disabilities.
- MHI works with Lori Simpson Properties on all its projects allowing for some economies of scale.
- MHI counts over 70 faith communities as members and attracts volunteers who provide social supports but also do some light maintenance work such as painting that can reduce costs. The rental income helps support a Manager of Community Engagement and Volunteers who works directly with tenants on programs and community initiatives like its popular garden. The Manager also coordinates volunteers, including seeking out volunteers and partnerships for tenant-identified needs and interests.



The graphic summarizes the tools across the four building blocks.

The Haven Lessons Learned Framework

The Big Bet

With three buildings – from 5 to 26 units each, MHI takes the leap to do a 98-unit new build community in the suburban community of Barrhaven.

The Haven benefitted considerably from some forward looking tools and policies including awarding land and capital subsidy in tandem and applying fee waivers. But in 2014, when the City issued its RFP, these accounted for only half of the likely project costs. And in 2014, at the time of the RFP, MHI was a long way from having the resources and expertise on hand to do a project with 4 times more units than their largest building. Nevertheless, the organization mobilized quickly to respond and demonstrate that they had the wherewithal to succeed.

The Pivotal Shift

The Haven represents a shift from a focus on faith-based advocacy for housing and developing new housing units to modeling faith values for inclusive city building. By virtue of the site size and the mixed composition of households, the Haven was not just an affordable housing project but an intentionally planned new community in an emerging suburban neighbourhood. The nature of the project thrust MHI into considering how their values and DNA as a multi-faith organization should be reflected into the project design, development and operations.

Positive Practices

From a distant perch, projects like the Haven can seem like more alchemy and art than science – a ‘right place right time’ to get land and capital. Certainly luck can make or break a project. However, MHI’s ability to seize the opportunity and advance the Haven to becoming the lively diverse community it is today was predicated on a set of intentional strategies and actions. These positive practices can inform other non-profits and groups embarking on real estate projects whether it is their first or it is taking them in a new direction.



Governance and Leadership

“Our volunteers are motivated by mission”

MHI’s origins were as an interfaith committee. This ‘DNA’ continues to define its governance structure. As of the end of 2020, the board is comprised of the following committees: Executive Committee, Finance Committee, Governance Committee, Membership & Outreach Committee, Property Management Committee, Resident Relations Committee, Development Committee, Fundraising Committee, Communications & Marketing Committee, and Veterans' House Committee. For many organizations comparable in size, this could seem an unwieldy number; however, MHI’s committees are set up to provide entry points to attract volunteers by offering them focus areas that can align with their skills and values – a kind of volunteer matchmaking.

The committee tasked with housing acquisition and development is the Development Committee. Fund Development is structured as a separate committee. The Development Committee is intentionally designed to overlap with the board but be a vehicle for engagement for people who want to contribute expertise to new projects without assuming the full responsibilities of the board. The Development Committee is ‘curated’ – the chair, members and the Executive Director identify and invite people with practical expertise and a readiness to participate and a collegial temperament. Though they seek mission alignment, they do not necessarily require someone to be a practicing member of a faith community.

The committee clearly also had a collegial culture, grounded in motivation and a spirit of fun. This was important because they were able to create a consensus system that balanced trust and compromise – ‘can you live with it if you might not agree with it.’

The Development Committee was an active quarterback of the Haven and key in helping the board adapt to a higher risk project. They participated in the design process and reviewed budgets and estimates. One member also attended site meetings and could provide almost immediate report back on issues and solutions. This had the additional benefit of conveying confidence in the development team. The overlap with the board helped anticipate concerns about risk from members and provide information on how risk was or would be managed. These traits were key in helping the board adapt to a higher risk project.

“Not a shrinking violet”

For its first 10 years, MHI sought to maintain its modest portfolio, establish its governance structure, and support its volunteer-based model of supporting operations, programs and partnerships. In 2013, MHI identified its goal and new direction of increasing its housing units and city-wide impact. Moving into this period of growing and professionalizing the organization, MHI sought its second organizational leader. The Executive Director, Suzanne Le, had the organizational “2.0” mandate to professionalize the organization from entirely volunteer-based to staff-led and volunteer-inclusive. Since that time, the staff team has grown to five staff members providing support in administration, communications, fund development and community engagement.

The Executive Director, Suzanne Le, had no prior experience leading development or operating housing but had learned first-hand through research and work that multi-faith and multi-cultural platforms can prevent fissures (her research was on genocide) and amplify the ability of communities to serve society. She brought to the organization a peer-based approach to learning and problem-solving and connected quickly with other mission-based housing providers. Most importantly, she continued to maintain and strengthen MHI’s diverse and welcoming volunteer platform by championing an approach that presented how organizational values could translate into action. MHI boardmembers reiterated regularly that Le had their full confidence; this confidence extended to difficult negotiations. Board members were invested in the Haven as a new affordable housing community and knew that they might need to go to bat and step on toes to get through negotiations or challenge poor decisions. In Le, they felt they had a passionate and effective champion. Conversely, Le, and by extension the full development team, knew that they had networks of champions: faith organizations who believed in the project and who could mobilize support, volunteers and resources. Although the project did not encounter community opposition, MHI’s network of 70 faith organizations is well-positioned to provide a cross-section of voices and advocates standing in support of affordable housing.

| Positive Practices: Governance and leadership |
|---|
| Not every organization will need or want MHI’s unique multiple committee model for engaging members of its faith community network. But be intentional about the intersection of governance and your volunteer goals and structure. |
| Raise money when you can for strategic goals not only for specific capital projects. Organizational equity might not be the largest source, but it is the most catalytic. |
| Create a development or building committee. Bring together multiple skills but also can-do people able to review and manage risk. |
| An effective champion is not necessarily a subject matter expert but one who inspires confidence and can translate values into clear roles and shared action. |



Development Team

Development Consultant

When the opportunity to respond to the Action Ottawa arose, ED Suzanne Le reached out to her counterpart, Lisa Ker, ED at Ottawa Salus, a supportive housing provider clear that its target residents and scale were not a fit for the site. Her advice, heeded by MHI, was to get a development consultant. She recommended Cahdco, whom they had engaged for Karen's Place.

Karen's Place was Cahdco's first significant engagement after the entity was revived. In choosing Cahdco, MHI recognized that there was some risk as the organization was in a period of 'start-up', building its team and capacity. Recognizing the Haven as an opportunity to build its client and portfolio base, Graeme Hussey, Cahdco President, offered to prepare the RFP response on spec with the agreement that they would be retained as the development consultant if MHI were the successful proponent. As two non-profits dedicated to affordable housing, the values alignment was clear; the organizations embarked on a spirit of shared risk, reward and growth together.

Cahdco had access to extensive experience and capacity through its sister organization, CCOC and through a network of consultants. As a 45-year housing non-profit, CCOC had extensive development, operations and asset expertise. A few years earlier, CCOC had opened Beaver Barracks, a 254-unit mixed-income community on a brownfields site in its core neighbourhood of Centretown. Decisions and lessons from this project informed some key choices for the Haven, including the decision to build Part 9 low-rise buildings for cost and efficiency. The project management team for the Haven included a dedicated project manager and a seasoned unflappable construction manager. The comprehensive scope of Cahdco's services as MHI's development consultant included coordinating and managing the development team, securing financing, managing all facets of the construction process including draws, and project reporting and recordkeeping.

Architect

The Action Ottawa RFP submission required a design concept that met City requirements for demonstrating unit count and mix as well as visitability and sustainability. One of the first tasks Cahdco and MHI embarked on was to select an architect. The submission deadline precluded a broad procurement process. Following an invite only call to 6-8 architectural firms, three firms with experience in affordable housing, sustainability, and site planning were invited for interviews. The team chose Barry J. Hobin Architects. With experience including Beaver Barracks, the firm's capacity to blend design, capital cost-management, and operational considerations was a strong fit for the Longfields site. The firm dove in, including structuring its contract to accommodate the RFP: should the submission be successful, the upfront design cost would be incorporated into the full fee for service.

The firm had previously created a townhome based plan, now Ron Kolbus Community in Centretown, that provided a useful prototype and point of departure for the design concept while still allowing MHI's goals and values to drive design decisions through integrated design input.

General Contractor

Through a corollary invitational procurement, the selected general contractor was Warlyn Construction, a 30-year, Ottawa based builder. The company had completed numerous institutional and residential projects in the Barrhaven area as well as serving as a contractor to other City of Ottawa funded affordable housing projects. Based on its experience, Warlyn proposed moving from a construction management model to a lump sum construction contract that offered a fixed price for the entire construction project. By mitigating risk and facilitating the disbursement of construction costs, this strategy was reassuring to MHI and the City as funder.

There was never a moment of "what are you going to do about this?" it was always "what are WE going to do about this?" Throughout the project, the development team met bi-weekly to anticipate and stickhandle change orders, to track financing and cashflow, and to maintain a consistent flow of communication. While construction project meetings are standard in the industry, the parties all pointed to a team dynamic that was instrumental in keeping the project on track. In addition, while some teams don't want their client or stakeholder at the table, the team made room for a representative of the City and the MHI building committee to attend the bi-weekly meetings – facilitating decision-making and in the case of the City, unsticking silos.

Positive Practices: Choosing a Development Team

Being clear on the goals of the project and the timeline resulted in a targeted and appropriate procurement process.

All partners had requisite experience, including with non-profits, affordable housing and government funded and financed projects. As important: all were motivated by the mission of MHI and the values driving the new development. This ensured a problem-solving ethos that ensured the client not only had a voice at the table but could regularly be at the table.

A strong development team goes beyond winning an RFP and even just managing the project. In the case of MHI, the team served as ambassadors for the project, enhancing the ability to secure financing and fundraising donations.

Helpful Resource: To learn more about creating a development team and working with development consultants, check out the guide by BC Non-profit Housing: *Hiring and Working with Development Consultants*.¹⁰

Integrated Design Process

An Integrated Design Process (IDP) is often cited as an alternative to conventional design, in which a client provides specs on use and form and an architect provides massing, site plan and design options. In contrast, an integrated design process uses collaboration, interdisciplinary perspectives, and goal setting to drive design and in turn operational goals. IDP is often linked to ‘green building’ through cross-disciplinary collaboration to achieve holistic sustainability across all technical and system components of a building and project. The Haven did not conduct a full technical charrette but the project design kicked off with a half day ‘mini’ charrette. The project incorporated important tenets of the Integrated Design Process including:¹¹

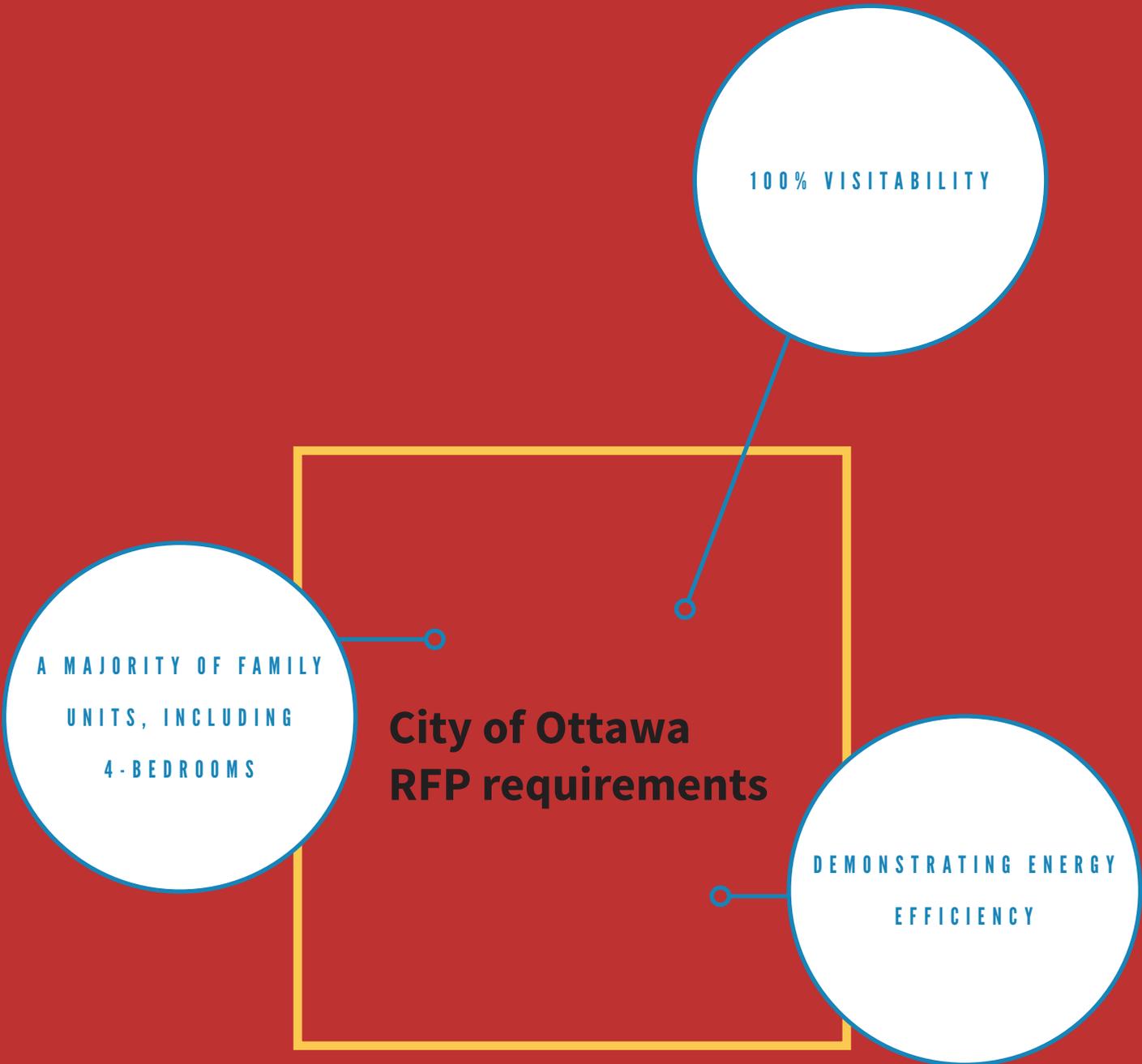
Early engagement: Soon after MHI was the successful proponent, the development team organized two half-days charrette to inform design aimed at achieving LEED Canada for homes and to review options for sustainability, stormwater issues, and community spaces.

Inclusive and collaborative: Members of the MHI board and staff as well as colleagues from Cahdco and CCOC participated to round out the participation of representatives from Barry Hobin architects as well Building Energy, a LEED and sustainability consultant. This meant that the charrette did not just narrowly focus on sustainability but facilitated a broader brainstorm and design process regarding stormwater and site issues as well as community spaces and connectivity.

Values-based: Many IDP processes emphasize goals like achieving energy efficiencies. But in seeking to model an engaged and diverse community that embodied its interfaith principles, MHI and the development team used the January 2015 charrette to identify and incorporate key values into the design and decision making. The City RFP also required several goals for the project to meet. These values, outlined below, were both the starting point but also the touchstone throughout that guided the project design.

¹⁰ https://bcnpha.ca/wp_bcnpha/wp-content/uploads/2014/05/Hiring-and-Working-with-Development-Consultants-Guide.pdf

¹¹ Tenets adapted from Rogiez, Arnaud, *The Integrated Design Process: principles and guidance to success* <https://www.strategiaconseil.ca/en/2018/11/19/the-integrated-design-process-principles-and-guidance-to-success/> See also Zimmerman, Alex, *Integrated Design Process Guide*, CMHC, 2006, available at https://moodle.polymtl.ca/file.php/1047/IDP-Charettes/article_design_guide_en_aug23.pdf



In addition, by virtue of its location, it was encouraged that the site leverage its proximity to transit.



Values Championed by MHI and Development Team

1. Multigenerational with housing choices for families and seniors
2. Mixed income – while this was an RFP requirement, MHI also sought to create opportunities for people of multiple income levels to mix by living side by side in the apartments and townhomes
3. Welcoming to all, including newcomers, people with disabilities and people from all faith communities
4. Connectivity and interaction to foster community and prevent social isolation

The ultimate site plan, mix of housing typologies, and amenities all comprehensively and intentionally reflect the values. The process yielded some ‘non-negotiables’ that MHI board and staff championed and tracked throughout development and construction to ensure they would not be lost or value-engineered:

The Grande Allée

A powerful and defining feature of the site plan is the Grande Allée, a wide central walkway that many of the townhomes front on to. In fact, the site plan privileges front common space and does not have backyards, through back-to-back townhomes. The Grande Allée physically and symbolically embodies the values championed by MHI and captured in the project design: The walkway visually creates connectivity, fosters neighbourliness and safety, integrates plants and greenspace, and fosters active living.

A Well-Lit Ground Floor Multipurpose Room

MHI recognized that a space for community celebrations, programming by partners, and tenant-led activities was essential. To make way for a multipurpose room that was centrally located and could be a ‘spiritual heart’ of the community, MHI opted to eliminate two one-bedroom units to make space for this room.

Community Garden and Gardening

MHI identified from its members and residents that gardening and different food traditions were both healthy and unifying. The plan incorporated planting and space for a community garden.

Site for Play Area

The predominance of family-sized units, including 3 and 4 bedrooms, meant a need for outdoor play space for children and young residents. Although this could not be funded through the initial capital project, MHI designated and preserved a location for a play area.

Indoor Bicycle Storage

Extensive bicycle storage beyond local requirements was included so that adults and children alike would have easy to get to indoor storage.

Positive Practices: Integrated Design

Use a vision of the community you want to create to identify the values underpinning it – and make this the starting point of the design exercise.

Identify non-negotiables. Use these as touchstones throughout the design process – including during construction and value engineering.

Integrating housing for large families requires a holistic approach about outdoor space, storage and play space.

Continuous Improvement

1. Identify operating goals and integrate property management and other operational staff.
2. Survey existing tenants about what works and what doesn't – this exercise can also reinforce the core values and identify opportunities to strengthen the building and site through future interventions.



Role of the City

As Canadian cities grappled with a severe shortage of affordable housing, a growing number of municipalities are using planning, finance and land policy tools to facilitate affordable housing. Cities would do well to follow the lead of some of the promising practices long implemented by the City of Ottawa, which provided the essential foundation for a project like the Haven. These supports were enabling, through strong policies and targeted resources, and facilitative – seeking to use its administrative and communications capacity to break down silos, troubleshoot and flow funds.

The City of Ottawa has created an enabling environment notable for its strong partnership and trust in its non-profit partners. Its Action Ottawa program has typically prioritized land and resources to not-for-profit and charitable entities committed to long-term affordability. In the case of the Haven, the City kickstarted success by bundling the site and the initial capital award. In 2009 – at a time when many municipalities would have sold land to generate revenue or sought out cash in lieu of housing – the City recognized that the future subdivision, located near transit, should incorporate affordable housing for working families as well as seniors and other vulnerable residents. Similarly, while many municipalities seek to structure projects through ground leases, the City supported conveyance of the site as freehold title. This allowed MHI to secure long-term financing against title; it also means that MHI can benefit if there is future appreciation and reinvest this upside equity in the asset or in creating more affordable housing.

The City was quick to realize the merit of adding 41 units – the site was more than sufficient for increased density, it would add more units, and the additional scale and rent revenue would help sustain operations. City staff successfully made the case for provincial quick start funds to be applied to the Haven.

City staff also worked to facilitate processes to keep the project on track. This is not always easy. Municipal finance, planning and housing departments often work in silos and sometimes clash. The Haven hit municipal road bumps in two ways: the inflexibility on parking given the suburban location - even though other parts of the City would receive parking relief based on an equal proximity to transit; and review and approval of the stormwater management system required given the tight site and 100% visitability requirement. Overall, however, housing staff were instrumental in stickhandling and finding workarounds of systems and rules that could impede the project. One important strategy staff facilitated was to structure disbursements to bridge cash flow impacts for MHI. Many municipalities often disburse funds based on reimbursing after milestones with additional administration time putting pressures on housing providers to bridge costs and financing gaps.

Positive Practices: Role of the City

Retain surplus property for affordable housing rather than land sale or cash in lieu.

Full conveyance of land to non-profit housing providers creates opportunities for project equity and financing while supporting permanent stewardship for affordability.

Bundling site, capital and operating resources kickstart feasibility.

Empower City staff to be 'expeditors' to facilitate processes and approvals.

Let the project's cash flow requirements drive the administration of funds, not the other way around.

Continuous Improvement

One municipal tool not yet in play in Ottawa was a designated expedited approval process for affordable housing.

Helpful Resource: Want to learn more about opportunities for municipalities in Ontario to accelerate affordable housing development? The Association of Municipalities of Ontario has compiled tools and ideas in its 2019 report *Fixing the Housing Affordability Crisis Municipal Recommendations for Housing in Ontario*.¹²

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 non-profit 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.

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

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 seasons, 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 Allée 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 ashtrays at the entrance.
5. All identified that conflicts, such as about noise, have been minimal and readily managed.



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 |
| <ol style="list-style-type: none"> 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 facilitate 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 Athlone. 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 south 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.

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.



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 on the next page.

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



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

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 | |

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.

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

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 or \$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.

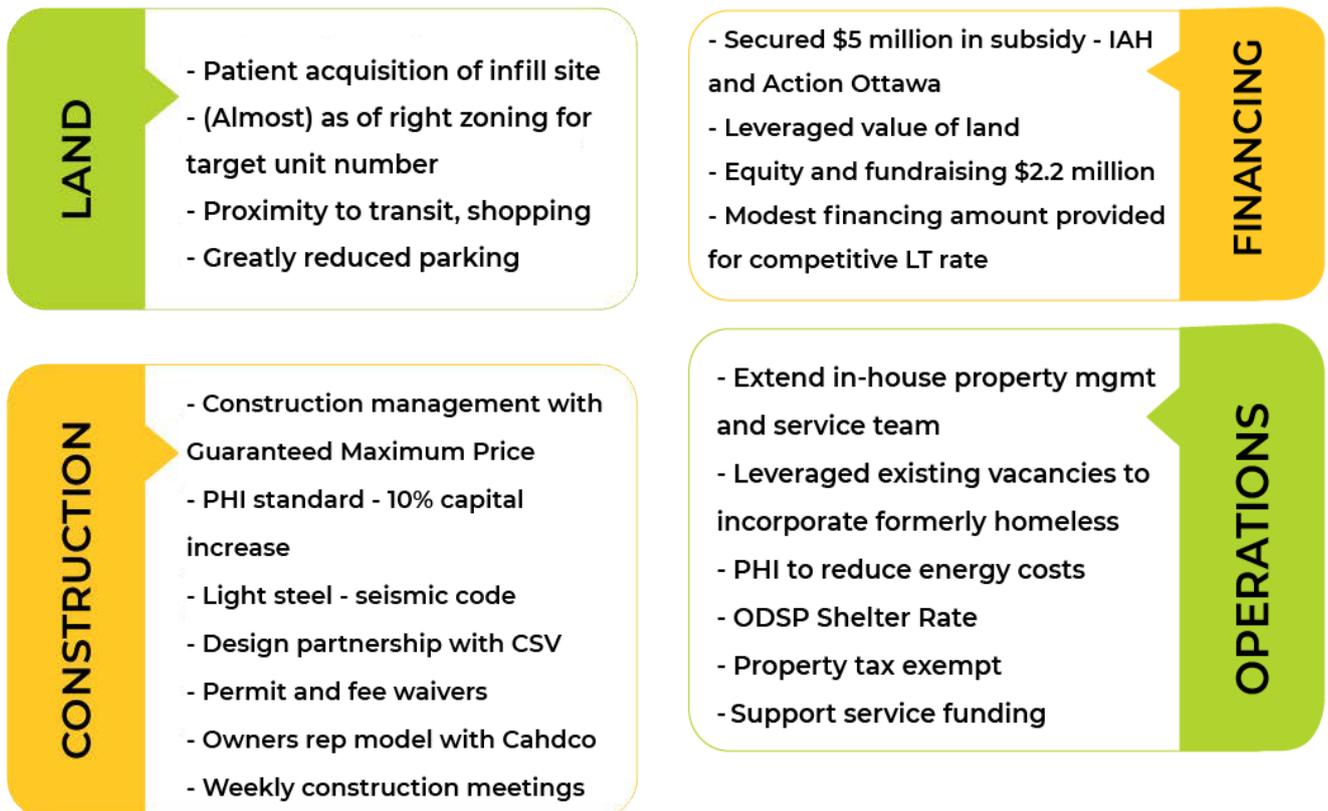
Operations

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.



5.3

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 non-profits.

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 non-profits, 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.

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

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

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.

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 (cont.)

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 Dunsky 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.

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.

Operations and Engagement (cont.)

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 to interact. An organization has to allow ways for people 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 non-profits 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. Non-profits, 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 battened 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.