

BUILDING KNOWLEDGE



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

Redevelopment Case Study Series:

Pleasantvale Housing, Kelowna

Background

The original Pleasantvale Housing Society units opened in 1957, a project of the Rotary Club of Kelowna. The City of Kelowna recognized the need to provide housing for low-income seniors and granted land title to the Rotary Club, giving them most of a city block. Service club volunteers built 50 homes, organized social events and, with staff support, kept the project well-maintained.

Pleasantvale residents had easy access to shopping, transit and community amenities, their single-storey, attached homes an accepted part of a city neighbourhood.

But as decades passed Kelowna grew and the Rotary Club changed, as members faced their own age-related limitations and fewer young people joined service clubs. By the 1990s, the housing society began putting together a plan to take care of their aging buildings. There was little money set aside, deferred maintenance had left some units in a poor state of repair, and contingency funds were low. Rents were also deliberately low and the Society was averse to increasing them.



The Pleasantvale site occupies most of an entire city block in Kelowna.



Timeline

- 1956 Kelowna Rotary Club creates Pleasantvale Housing Society (Pleasantvale)
Kelowna provides land grant for 2.44 acres
- 1957 - 66 Pleasantvale development begins
- Feb 1958 National Housing Act (NHA) agreement start date (12 units)
- Mar 1961 NHA agreement (9 units)
- Apr 1964 NHA agreement (21 units)
- Feb 1969 NHA agreement (8 units)
- 1992 Rotary Club begins planning for redevelopment
- 2007 BC Housing approves project development funding for Pleasantvale to conduct feasibility analysis and a Need and Demand study for site redevelopment
- 2010 Pleasantvale, City of Kelowna, and BC Housing sign MOU for redevelopment
- 2011 Interim operating agreement between Pleasantvale and BC Housing signed
- 2013 Resident consultation begins
Rezoning approved
- May 2014 BC Housing grants Provisional Project Approval with capital budget of \$14.6 million for The Society of HOPE proposal for 70 units; enter into 60-year lease
- Oct 2014 BC Housing grants final project approval, portion of residents relocated, and demolition underway for a portion of the units
- Dec 2014 Project construction begins, official groundbreaking December 2014
- Apr 2016 Residents move in, interim Operator Agreement ends
- Jul 2016 Official opening

Site Description

Original development

Six detached buildings on 2.44 acres

Client Groups

Original development

- › Low-income seniors

Final redevelopment

- › Low-income seniors and adults with disabilities
- › Low to moderate-income families

Units

Original development

- › 16 one room and 34 bachelor units
- › One unit for office and events

Final redevelopment

- › 50 one-bedroom units in one, four-storey building
 - › 20 townhouse units in two buildings of 2.5 storeys
- BC Housing holds remaining site for future development
- › 50 one-bedroom suites include three suites modified for wheelchair access
 - › 20 two and three-bedroom townhomes in two buildings

Financing

\$2.0 M	Land value transfer to BC Housing
\$12.4 M	Mortgage
\$5.6 M	Investments from the Governments of Canada and British Columbia
\$273,171	City of Kelowna Affordable Housing Grant
\$154,070	City of Kelowna credit for Development Cost Charges

Stakeholder Contributions

BC Housing

- › Provided funding for Pleasantvale Homes Society to do redevelopment feasibility study
- › Procurement process and selection of non-profit housing provider (Society of HOPE)
- › Land title change to secure site for affordable housing in perpetuity
- › Operating budget advice and support
- › Municipal rezoning and site consolidation/subdivision
- › Financial support to residents including funds for rent supplements for temporary accommodations, utility hook-ups, and moving costs
- › Residents, stakeholder and public communications and engagement

Financing

- › Low interest interim construction financing
- › Facilitated long-term take-out mortgage (post completion financing)

Rotary Club of Kelowna

- › Founded Pleasantvale Housing Society in 1956
- › Donated 2.44 acres to BC Housing
- › Continued as operator until all residents were relocated
- › Assisted with relocation

Governments of Canada and British Columbia

- › \$5.6 million combined investment

City of Kelowna

- › Donated two city lots plus laneway to BC Housing
- › Approved rezoning for increased density on-site
- › Reduced requirements for on-site parking
- › Provided affordable housing grant \$273,171
- › Credited Development Cost Charges \$154,070

Society of HOPE

- › Created development proposal
- › Managed resident transitions to new or temporary homes during construction
- › Accommodated Pleasantvale residents in other projects under Society of HOPE management
- › Assumed role of housing provider at the new Pleasantvale Homes

NORR Architects and Planners, Inc

- › Coordinated and managed materials required for city permits and rezoning
- › Incorporated resident, stakeholder and community feedback into building and site design
- › Project architecture and sub-consultant services



Land Acquisition

BC Housing staff negotiated with Pleasantvale Housing Society to acquire their 2.44 acre parcel of land, a key step in redevelopment of the site. The transfer of the value of the land provided essential capital for the redevelopment, and was the first step in assembling a parcel that was large enough to accommodate 50 units of housing for seniors, and 20 townhomes for families.

The City of Kelowna owned two lots plus the lane that bisected the block. BC Housing staff negotiated a transfer of ownership from the City, completing the land acquisition.

One privately-owned lot was not for sale, but apart from that property, BC Housing now owns a contiguous assembly of lots comprising an entire city block. To fulfill commitments to the City and Pleasantvale, BC Housing led the work to change the land title so the parcel would be set aside for housing.

Housing Provider

In addition to the property concerns, a new housing provider was required. BC Housing launched a procurement process to find a not-for-profit organization (NPO) with experience in resident transitions and who had a great track record with seniors and families.

The process successfully concluded with an agreement between BC Housing and the Society of HOPE, an established and well-respected housing provider active in the Okanagan.

As planning for redevelopment progressed, the Society of HOPE worked to honor the Rotary Club’s requirement to grandfather existing residents at rates as low as \$350 per month for one-bedroom units. Working with BC Housing, the Society of Hope developed a budget plan to subsidize the historic low rents with revenues from family housing rental units to ensure that debt servicing the mortgage while paying for general operations and maintenance was achievable.

Housing Transition Principles (as presented at start of project)	Planning and Redevelopment Principles (as presented at start of project)
<ol style="list-style-type: none"> 1. There will be no reduction in the number of affordable low-income rental units for independent seniors on the redeveloped Pleasantvale Homes site. 2. Pleasantvale residents will be consulted about their housing needs and moving requirements well in advance of any need to move from Pleasantvale. Every effort will be made to match available rental units with individual needs. 3. Pleasantvale residents will have the option to return to brand new homes at Pleasantvale following the redevelopment. 4. During the rebuilding phase, residents will have the opportunity to move into housing where they will have the same affordable rental arrangement as they do now. 5. Upon completion of the new Pleasantvale Housing, residents will have the same affordable rental arrangement if they choose to return. 6. Reasonable costs for moving and utilities reconnection (telephone, cable, etc.) will be covered by BC Housing. These costs will also be covered if residents choose to move back to the new housing at Pleasantvale. 7. Residents will be provided with open communication and clear information before, during, and after their move to ensure they are well-informed during the redevelopment. 	<ol style="list-style-type: none"> 1. Replace 50 affordable low-income units for independent seniors. 2. Add 20 independent affordable rental units. 3. Add housing units for sale or rent at market prices to help pay for the construction of the 70 independent affordable units. 4. Actively engage Pleasantvale Homes residents, surrounding neighbours and property owners, along with other interested people, in discussions about the form of the housing to be developed and the number of housing units on the site. 5. Work with the City of Kelowna to prepare a redevelopment plan for the Pleasantvale site that meets the needs of the project and fulfills the City’s Development Application and legal requirements. 6. Provide environmental sustainability standards that will be consistent with other projects completed by BC Housing. 7. Provide the Development Application to the City of Kelowna by April 18, 2013.

Rezoning

Rezoning was a critical step, and one that required significant community buy-in. Realizing that they needed help communicating with residents and neighbours, BC Housing engaged a local, independent communications and engagement consultant.

The design and planning of the new development was a partnership with BC Housing, Society of HOPE, Rotary Club, the City of Kelowna, and development consultant/architect, NORR Architects. With the communications and engagement consultant's involvement, the partnership included Pleasantvale residents, the community nearby, and Kelowna at large, through multiple community engagement events and on-going communications. Neighbours commented on height, form, yard setbacks and related issues.

Building 50 senior's units and adding 20 townhomes on the allotted area was a tight fit. The area's water table is near the surface, making underground parking impossible. City zoning requirements meant parking would consume a large portion of the site.

With BC Housing and NORR Architects making the case that low-income residents with access to transit do not necessarily need vehicles, the City agreed to relax its parking requirements.

Vacating the Original Building

With assistance from the communications and engagement consultant and Pleasantvale Homes Society Staff, BC Housing engaged Pleasantvale residents directly to understand their needs, find transition housing during construction, or organize a permanent move. A fund was established to assist residents with moving costs, and grants were available to ensure that rents were kept low whether they moved to new homes temporarily or permanently.

Twenty units were demolished to facilitate construction of the new project, allowing 30 residents to stay on-site until the new building was open and they could move into their new homes. By staging demolitions, resident disruption was minimized.



Preparing for the redevelopment.

Some residents moved to care homes, others moved to other neighbourhoods or cities to be closer to their families. Society of HOPE placed residents in their other projects for the transition, or permanently. All the partners benefitted from Society of HOPE's expertise with residents and capacity to help them relocate and adjust to their new homes.

Redeveloped Site

Working through feasible options based on budget and community goals for urban design and integration with project partners, NORR produced a development plan that placed the 2.5-storey townhomes for families facing three streets, with the four-storey senior's facility behind them. Older residents enjoy private balconies, while families have small private yards providing opportunities to interact, helping to integrate multiple generations on the site.

The renewed Pleasantvale occupies about two-thirds of the original land assembly, with BC Housing holding title to the remaining lot. Society of HOPE holds a long-term lease with BC Housing and the project is self-sustaining with rents that meet the Rotary Club's commitment to keep the renewed rents low. Rents for original Pleasantvale residents who moved into the redeveloped site were kept at their pre-redevelopment rates, increased as allowable by the Rental Tenancy Act (about 20 units of the redeveloped site).

Pleasantvale development also includes 20 townhomes for families, paying rents below market rates. Rents across the entire 70 units are affordable and offer the Society the ability to adjust rents, effectively reducing some of the rents even further if the math allows.



New residents who moved in following the redevelopment (and as units with original residents turnover) pay below market rents. The units charged at below-market rents cross-subsidize the units charged at very low rents to ensure the project is viable. All eligible residents can also access rent supplement programs available to low-income households in the private rental market through BC Housing’s Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters (SAFER) program to help keep their rents affordable.

For those returning to Pleasantvale, their homes were

remarkably different. The new units were furnished with dishwashers and laundry facilities. The Rotary Club no longer owned the site, but they remain involved in supporting social events and helping residents stay connected to others.

By paying close attention to how parking and outdoor space was programmed, families and seniors can co-exist. With street-facing townhomes for families, and apartments for seniors, this multi-generational development creates opportunities for interactions among age groups, while permitting privacy.

Successes	Factors of Success
<ul style="list-style-type: none"> › The project enjoys a high degree of community acceptance as demonstrated through rezoning hearings and community engagement feedback 	<ul style="list-style-type: none"> › Hired a consultant to manage consultations with neighbours › Design of site addressed neighbour concerns › The entire neighbourhood has better urban amenities than pre-development – sidewalks, curbs, gutters and more lighting
<ul style="list-style-type: none"> › 20 townhomes for families were added to the site 	<ul style="list-style-type: none"> › City of Kelowna donated land for the redevelopment to help address a critical shortage of family housing in the city, the City’s participation was vital to the success of the redevelopment › The design borrows efficient townhome design concepts from Metro Vancouver townhome developments
<ul style="list-style-type: none"> › The compact development occupies only a portion of the site, creating an opportunity for more housing development 	<ul style="list-style-type: none"> › Adjoining municipal land was acquired to make the site larger › Land title was changed to ensure land will continue to provide affordable housing in perpetuity
<ul style="list-style-type: none"> › The redeveloped project continues to offer low rents to existing residents 	<ul style="list-style-type: none"> › The mixed rent (below market rent and low rent) enabled cross-subsidy › Residents can access RAP and SAFER as eligible to keep rents affordable if they move into a private market unit within the development › Residents who did not move to the redeveloped site were assisted to find affordable rents elsewhere
<ul style="list-style-type: none"> › Residents from the original site were all transitioned to the new buildings or other affordable housing options 	<ul style="list-style-type: none"> › Hired a consultant to assist residents › Non-profit housing provider who was awarded the contract had units in their portfolio that could help house residents temporarily or permanently › Pets and smoking in units were considered for original Pleasantvale residents



Challenges	Mitigation Strategies
<ul style="list-style-type: none"> › Changing housing providers and redeveloping the site created uncertainty for residents as their homes were slated for demolition to make way for a new development 	<ul style="list-style-type: none"> › Hired consultant to manage resident relations and assist residents with finding temporary or permanent homes at affordable rents › Hired non-profit society with access to affordable units to temporarily or permanently relocate residents to provide continuity during transition › Interim Operator Agreement and PHS on-site manager played a key role in mitigating relocation challenges › Provided moving subsidies › Hired a consultant to assist residents with packing on a 1:1 basis › Provided regular updates to residents to ensure messaging was consistent and had clarity › Had regular consultations with residents throughout the redevelopment › Included in-suite laundry in the new seniors' units to address resident concerns about the transition from living in ground-oriented units to apartment units › Since the new units were non-smoking, existing residents who wanted to continue smoking in their units were found units in a building operated by Society for HOPE that allowed smoking in units › While new residents are not allowed pets in the units, original Pleasantvale residents were allowed to bring their pets with them to the redeveloped unit › Ensured redeveloped site would have affordable rents for new residents and rents that matched pre-redevelopment rents for existing residents who moved back into redeveloped units
<ul style="list-style-type: none"> › One lot on the site remains privately owned and occupied 	<ul style="list-style-type: none"> › Design development, subdivision, and servicing accommodated the continued occupancy of this privately owned lot
<ul style="list-style-type: none"> › Seniors anticipated complaints about noise from children's play and activities, and some have terminated their previous tenancies for this reason 	<ul style="list-style-type: none"> › Society of HOPE informs complainants that sounds from children playing is part of the nature of the property › An amenity-rich common room and garden in the four-story building is exclusively for seniors › Children have access to nearby public parks › Many seniors are so happy with their new units that they accept the disruption and noise of living near children › Attention was paid to how parking and outdoor space was programmed so that the two tenures could co-exist without being on top of each other (i.e.: outside smoking areas and play areas etc.)
<ul style="list-style-type: none"> › Neighbourhood concerns about redevelopment (e.g. concerns about cutting down old trees on the lots, and integrating with existing homes) 	<ul style="list-style-type: none"> › Interactive consultations were held with neighbours to get input on design of the site where stakeholders learned how height restrictions impacted affordable housing provisions › Neighbour design concerns were addressed (e.g. The street-facing two-story family units mitigate the visual impact of the four-story seniors' apartment building)
<ul style="list-style-type: none"> › Ensuring project is viable without government subsidy while maintaining low rents for residents 	<ul style="list-style-type: none"> › Charging below-market rent for units for new residents › Cross-subsidizing low rents for residents from the original units › Combining the original site with land donated by the city allowed for more units overall and more efficient design › One-third of the site is vacant, so BC Housing still has the opportunity to provide more housing on the site

Lessons Learned

- › Budget for resident transitions with a fund for rent supplements and moving expenses as a project cost
- › Start communications early in the redevelopment process with project partners, residents, and neighbours
- › Addressing resident concerns by engaging directly and early in the processes reduces stress and improves cooperation and understanding
- › Providing regular handouts to residents with project updates helps ensure messaging is consistent
- › Provide information via various platforms such as handouts, website, poster board presentations and more, with consistent messaging
- › Get a qualified non-profit housing provider with experience in resident transitions and involve them in planning early in the process
- › Redeveloping without moving to a new site reduced resistance to change from neighbours and residents
- › Developing principles and guidelines early and collaboratively helps to maintain team cohesion



Seniors' apartments at Pleasantvale Housing in Kelowna

More Information:

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

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