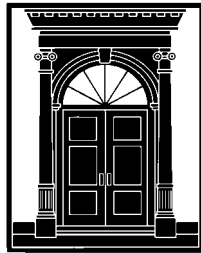


70 Ways to Reduce the Cost of Developing and Operating Supportive Housing For Seniors

By Kate Mancer and Carole Holmes



THE REAL ESTATE
FOUNDATION
OF BRITISH COLUMBIA



BC Non-Profit
Housing Association

*Funded by the Real Estate Foundation of BC
For BC Non-Profit Housing Association (BCNPHA)*

October 2004

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70 Ways to Reduce the Cost of Developing and Operating Supportive Housing For Seniors

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Introduction

This guide is designed to help interested individuals and groups develop and operate affordable, supportive housing for seniors. It is intended to assist groups ranging from non-profit organizations that have never been involved in seniors housing before, to operators of large assisted living facilities. Not all chapters will be of interest to all readers. At the beginning of each chapter there is a list of likely interested readers to help users make the best of the guide.

The term “supportive housing” refers to any kind of housing that covers the gap between housing for completely independent seniors and licensed residential care for those that require nursing care (nursing homes). The variety of terms used to describe this type of housing includes: supportive housing, congregate housing, assisted living, retirement housing, and even independent living.

This guide is focused on housing that provides hospitality services (meals, laundry, housekeeping, social and recreational activities) or personal care services (help with bathing, dressing, eating and so on) or both. Supportive housing does not provide professional nursing care around the clock. It is housing, not health care. Supportive housing can be created in a number of ways, including new construction, renovation and conversion, and service enrichment - bringing services to people where they already live.

Chart 1

CONTINUUM OF HOUSING AND CARE OPTIONS FOR SENIORS			
<i>Independent Housing</i> seniors living independently in the community	<i>Supportive Housing</i> (accommodation and hospitality services)	<i>Assisted Living</i> (accommodation with hospitality services and personal care)	<i>Residential Care</i> 24-hour professional nursing care
OPTIONS MAY BE PAID FOR PRIVATELY OR FUNDED THROUGH GOVERNMENT PROGRAMS			

Defining “affordable” housing is challenging because “affordability” is interpreted differently by different people, depending on their perspective and circumstances. Conventional housing is said to be affordable if it does not require more than 30% of household income. Supportive housing is generally considered affordable if it does not require more than 70% of household income. This is due to the fact that meals and other services are included. For seniors living on minimum pension incomes, 70% equates to about \$700 per month. In almost all cases, it is impossible to provide shelter and services for \$700 per month without government subsidies.

Through research into existing supportive housing projects and information gathered from a variety of other sources, a number of opportunities have been identified for streamlining costs and improving efficiency. This guide provides guidelines, comparisons and suggestions that will save money in the development, construction and operation of supportive housing projects for seniors.

A total of 55 individuals and organizations were interviewed during the preparation of this report. They are listed in the appendix and their contribution is gratefully acknowledged. Without their wisdom and their willingness to share what they have learned with others, this guide could not have been written.

Chapter 1

Need And Demand In Your Community

“My name is Joseph. I am the president of a local service club and we want to focus on a project that will benefit our community. Everyone talks about how society is aging and building a seniors’ housing project seems like a good idea. But there are already a lot of seniors’ projects in our area so how can we be sure that another one is needed? Not only that, we know how high rents are in some of those places - how can people possibly afford them?”

THIS CHAPTER WILL BE USEFUL TO:

- ✓ New project sponsors who have never operated seniors housing before
- ✓ Developers considering seniors housing projects
- ✓ Existing operators and sponsors who are considering further developments and/or the addition of services to their existing projects
- ✓ Anyone interested in analyzing the need and demand for supportive housing for seniors anywhere in British Columbia

1.0 INTRODUCTION

This chapter is intended to provide readers with a sense of the potential need and demand for supportive housing in British Columbia over the next 25 years. The distinction between need and demand relates mostly to affordability - need and demand differ when people who need such housing cannot afford it and so do not demand it.

By far the most important step and the one that will save the most money is understanding the local market.

1.1 DEMOGRAPHIC CONSIDERATIONS

In Canada, movement into supportive housing tends to be almost exclusively need driven, meaning that people do not move until they have to, usually for health reasons or because they can no longer drive or for other similar reasons. As a result, the earliest age at which a move is made is typically about 75 and in many cases, significantly older than that.

1.1.1 Population

The number of people over 75 in British Columbia will increase steadily with the fastest growth occurring between 2019 and 2029. The number of people in the 65-74 age range will grow the fastest over the entire period.

Population forecasts are based on data produced by BC Stats. Its annual forecasts are called the P.E.O.P.L.E series, which is an acronym for Population Extrapolation for Organizational Planning with Less Error. The current series is known as PEOPLE 28. Forecasts are available for a variety of geographic areas including regional districts, health service delivery areas, school districts, and Local Health Areas, which are the

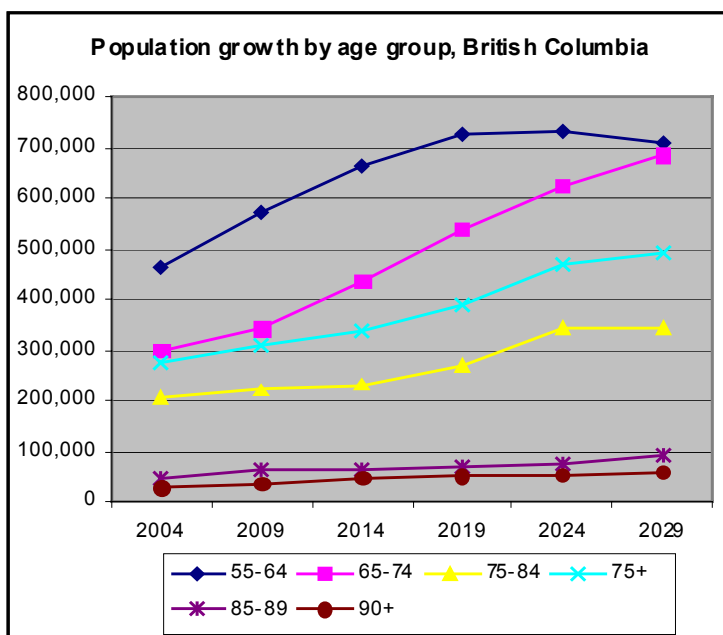
In Canada, movement into supportive housing tends to be almost exclusively need driven, meaning that people do not move until they have to - usually for health reasons.

smallest areas for which forecasts are available. There are 91 Local Health Areas in the province.¹

In absolute terms, the number of British Columbians aged 75+ will increase from a current (2004) level of 274,400 to 491,000 in 2029, an increase of 79%. In contrast, the population below the age of 55 will increase by 11.9% over the same time period.

People often say that the fastest growing group of seniors is the oldest group - those over the age of 85 or 90. This is true in the short term - over the next ten years - although absolute numbers are far lower than the numbers in the younger age groups.

Table 1



Over the entire 25-year forecast period however, the group of very oldest seniors will grow at a slightly slower rate than the 65-74 group. Today there are 69,600 seniors over the age of 85 in comparison to 298,600 between 65 and 74; by 2029 there will be 148,300 over 85 year olds in comparison to 683,000 65-74 year olds.

¹ PEOPLE forecasts are available from BC Stats, www.bcstats.gov.bc.ca, (250) 387-0327

1.1.2 Longer Life Expectancy

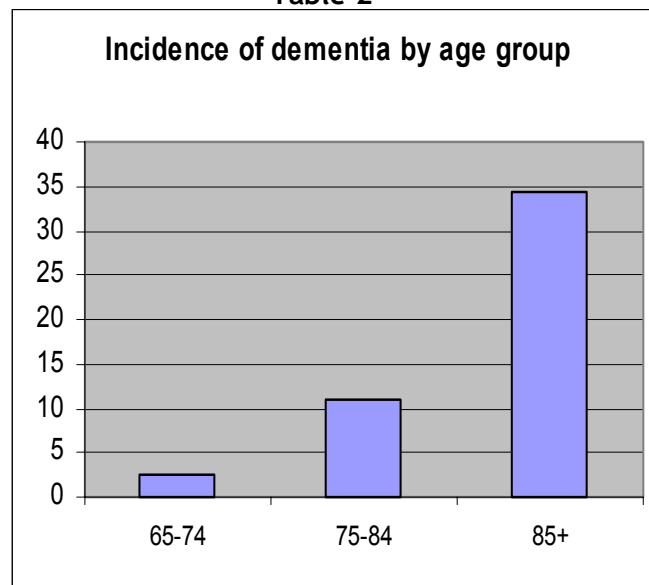
In 1920 life expectancy at birth in Canada was 59 for a man and 61 for a woman. By 1990 life expectancy had reached 75 for men and 81 for women. In 2001, life expectancy at birth for a male British Columbian was 77.9; 82 for a woman.

In 1920, the average Canadian did not live long enough to need supportive housing. Only 80 years later, 274,000 British Columbians were old enough to fall into the prime supportive housing target group.

1.1.3 Increasing Incidence of Dementia

As life expectancy increases, more and more of the “oldest old”, those over the age of 85, will remain alive. The 70,000 British Columbians now over the age of 85 will increase by 33% in only five years. Although seniors are healthier in a physical sense than they have ever been before, the incidence of dementia increases directly with age.

Table 2



Source: CMHC: Housing Options for People with Dementia

The incidence of dementia increases from 2.1% in the 65-74 age group to 35% for those over the age of 85. Providers of supportive housing for seniors need to be aware of these trends, although significant advances have been made in

recent years in providing shelter and care for people with dementia. Victor Regnier, an American specialist on assisted living, believes that in the future, people with dementia will increasingly be treated as a population with a memory disorder rather than a group that needs to be institutionalized. "Sooner or later, we will view dementia as we do arthritis, considering it an annoying disturbance that can be treated with medications."²

1.2 NEED INDICATORS

Determining the need for supportive housing based on population data is a very difficult thing to do, particularly as new forms of supportive housing are emerging. Historically, governments have estimated the need for long term care beds using various ratios based on the number of people over the age of 75 living in an area. In 2002, for every 1,000 people over the age of 75 living in BC there was an average of 104 long term care beds.³ However, European countries have much lower ratios than this because they have developed different ways of caring for seniors - assisted living for example.

The ratio of long term care beds to the size of the population over the age of 75 will inevitably decline in the future for a number of reasons:

Canada has historically institutionalized more seniors in nursing homes than many other countries. The emergence of alternatives to nursing homes together with increasing pressure on government budgets, will mean that only the very frailest of seniors, requiring round-the-clock medical care will be admitted to long term care facilities.

- Only the very frailest seniors who require around the clock professional medical care will be admitted to long term care facilities. There will be no "intermediate care", only "extended care" or "complex care"
- Alternative ways of providing housing and health care for seniors will continue to emerge, reducing the need for long term care beds.

² Regnier, Victor, Design for Assisted Living, John Wiley & Sons, 2002, page 288.

³ Interior Health Authority, Home and Community Care Redesign, July 2002.

- Because seniors who move into long term care facilities will be so frail, turnover will be higher than it has been in the past, which will also reduce the need for beds.
- Consumers are demanding more and better alternatives to conventional long term care facilities.

What do these factors mean in terms of planning for supportive housing? This question is further complicated by the evolving role of home care in the provision of services for seniors. Home care budgets have been significantly reduced in recent years, which may have resulted in an increased demand for supportive housing options. A reversal of this phenomenon due to increased federal spending for example could result in reduced demand for supportive housing.⁴

To explore these issues fully, it is important to distinguish between supportive housing and assisted living. As described in various other sections of this guide, supportive housing means housing that provides hospitality services - meals, laundry, housekeeping, social and recreational activities, and an emergency response system. Assisted living goes one step further by also providing personal care services such as assistance with bathing and dressing. Assisted living is often considered a substitute for Intermediate Care, formerly provided in long term care facilities. In British Columbia, buildings that provide assisted living are subject to a regulatory framework, although they do not have to be licensed. Supportive housing environments are not regulated.

1.2.1 Ministry of Health and Ministry Responsible for Seniors' Estimates

Supportive Housing in Supportive Communities, a report published by the provincial government in 1999⁵, contains a section on estimating the need and demand for supportive housing. It concludes that for planning purposes, the need for supportive housing (as opposed to the demand) can be estimated at between 3% and 5% of the population over the age of 65. The estimate is based on the number of seniors with

⁴ Reports in April 2004 indicate that the federal Liberals may be planning increased spending on home care.

⁵ Ministry of Health and Ministry Responsible for Seniors, Ministry of Social Development and Economic Security, *Supportive Housing in Supportive Communities*, September 1999.

moderate or severe functional impairments and reflects the fact that users of supportive housing are predominantly aged 75+. The report points out however, that affordability considerations were not taken into account in the development of the estimates, concluding that:

“...no attempt has been made to assess how the need for supportive housing might translate into a future demand for market or non-market supportive housing.”⁶

1.2.2 Health Authority Estimates

Several health authorities base their planning models for assisted living on a ratio of six units per 1,000 population aged 65+. These targets are apparently based on historic patterns relating to the number of people classified at the Intermediate Care II level.

1.2.3 Independent Living BC (ILBC) Program Unit Targets

The provincial government is currently implementing a plan to develop (build new or convert) 3,500 units of subsidized assisted living by 2006, through the Independent Living BC (ILBC) program. These units have been allocated among the five health authorities in proportion to population. The ILBC program does not fund supportive housing, that is, housing that provides hospitality services only.

1.2.4 Saturation Rate Analysis

A common benchmark that is used to provide a rough measure of demand for private-pay supportive housing has been the “saturation rate”. These saturation rates are calculated as a ratio (percentage) of the number of private-pay supportive housing units relative to the size of the 75+ population. Traditionally, a 5% saturation rate has been accepted as a measure of a stable market, although many communities have proven to be over-supplied or under supplied with that amount of supportive housing product available. Benchmark saturation rates from communities across the province that have stable

⁶ Ibid, page 33

markets indicate a wide range in sustainable saturation rates from about 3% to as high as 12%. Most are well below 7% and most take considerable time to develop to and sustain a 5% saturation rate.

1.3 AFFORDABILITY CONSIDERATIONS

Although affordability is always a critical factor in terms of assessing the market for seniors' housing projects, particularly supportive housing projects, there are elements in the equation that mitigate, to some degree, the impact of high costs. One is the fact that the vast majority of seniors are mortgage-free homeowners who can liquidate an asset to finance a more supportive environment. Another mitigating element that seniors often do not fully take into account is the fact that supportive housing covers much more of the cost of daily living than they might suppose.

Research conducted in the US and summarized in the following table suggests that people living in congregate housing can afford to spend from 60% to 70% of their income on rent because of the level of services provided (e.g. meals).⁷ Note that the table is independent of income level or international comparisons - it is based on the level of daily living requirements provided by different kinds of facilities.

Table 3
Percentage of Income required by Type of Facility

Type of Facility	% of Income Required
Independent Living	30
Congregate Care	60-70
Assisted Living	70-80
Care	80-90

⁷ Gimmy, A.E., American Appraisal Institute, 1998.

Assuming an average rent of \$2,000 per month (simply for the sake of illustration), a ratio of 70% would imply a required monthly income of \$2,857, or an annual income of \$34,285.

According to the 2001 Census, the average income of households in BC with a head over the age of 65 was \$57,593 in 2000, the reference year for income information collected by the 2001 Census. Households with incomes at this level could easily afford rents of \$2,000 per month, even without selling a home and investing the proceeds.⁸ However the average income of non-family households, which comprise the majority of supportive housing residents, was only \$17,826, half the amount required to afford a monthly rent of \$2,000. The sale of a home would increase annual income for these households, but typically not double it.

Of course, even when households can afford to move to a supportive living environment, there is no guarantee that they actually will move. A number of variables affect the decision-making process, including the desire of many seniors to leave their money to their children.

1.4 A PRACTICAL APPLICATION OF THE NEED INDICATORS: THE CASE OF VICTORIA

One of the challenges faced by potential sponsors and developers of seniors housing is trying to determine the need for supportive housing and/or the need for assisted living, as two entirely separate ways of meeting seniors housing and health care needs. The distinction is somewhat artificial because many, perhaps most, seniors may require supportive services only at one point but at some later point will require personal care services as well. It is also somewhat artificial in the sense that once the capacity to provide hospitality services is available, the addition of personal care services is far easier to manage than in a building for completely independent seniors.

Of course from a regulatory standpoint the distinction is not at all artificial given that assisted living is regulated by government but supportive housing is not. An additional factor to consider is the fact that unsubsidized assisted living is relatively more expensive than unsubsidized supportive housing, meaning that

⁸ 79% of senior (65+) households in BC are homeowners.

the demand for it (as opposed to the need) will be reduced compared to the demand for supportive housing.

The need for supportive housing in the Victoria metropolitan area according to the Supportive Housing in Supportive Communities report can be calculated as 4% (to use the mid-point of the range) of the population over the age of 65, currently 55,490, or 2,200 units. According to CMHC there are 1,468 units of supportive housing in Victoria, which means a shortfall of about 700 units. It should be noted though that some of those 1,468 units are assisted living.

In terms of the need for assisted living, a ratio of six units per 1,000 people means a need for 333 units of assisted living in the Victoria metropolitan area. No one keeps track of exactly how many assisted living units there are but it is likely that most of them are part of the CMHC count of 1,468 units. That could mean a shortfall of over 1,000 units (i.e. 700 + 333).

While the theoretical need for supportive housing can be estimated, estimating demand is an entirely different issue. As the next section indicates, many of Victoria's seniors could afford to move to supportive housing if they chose to do so. The fact that there is a 1.6% vacancy rate in supportive housing seems to indicate that many do not make that choice.

1.1.4. Affordability Considerations in Victoria

The Vancouver Island Health Authority estimates refer to subsidized assisted living units, so affordability considerations are not relevant from that perspective.

In most other cases however, affordability considerations are very relevant, especially for renters. Homeowners have much higher incomes than renters and of course have a valuable asset (their home) that they can dispose of if they wish to help finance a move to supportive housing. In BC, 79% of seniors are homeowners.⁹ The following table illustrates these issues as they pertain to senior households in the Victoria metropolitan area.¹⁰

⁹ 2001 Census

¹⁰ Cross-tabulations such as these are available only at a significant cost from Statistics Canada. The Victoria data were acquired by the authors at an earlier date. Note that households are not

Table 4

Tenure & Income Data, Victoria CMA Senior Households				
Age	Owners		Renters	
	No.	Avg. Inc.	No.	Avg. Inc.
65–74	12,200	\$55,887	3,855	\$33,807
75+	14,645	\$46,200	7,390	\$32,350

Most senior homeowners are mortgage-free. The average value of a single detached dwelling in Victoria is currently \$361,220.¹¹ If a house of this value were sold and the proceeds invested in an interest-bearing security paying 3% interest per year, it would generate an income of almost \$11,000 per year, increasing the average incomes cited in the table to approximately \$67,000 and \$57,000 respectively.¹²

As indicated in the previous section, the rule of thumb for supportive housing is that households can afford to spend 70% of their income on rent (including meals, laundry etc). The owner households described in the table would not have much difficulty affording supportive housing, although they could face difficulty affording assisted living, which can become very expensive depending on medical needs. To afford to pay \$4,000 per month for rent, which is not unheard of in assisted living, a household would have to have an annual after-tax income of about \$69,000.

Renters are in a more precarious position. A household earning an annual income of \$32,000 per year would pay about \$5,000 in tax, resulting in an income of \$27,000.¹³ Using the 70% rule of thumb means that this household could afford to pay \$1,575 per month for supportive housing. The latest CMHC seniors housing report for Victoria indicates that the average rent for a studio apartment in a supportive housing complex was

the same as population - a household is synonymous with a dwelling unit and means all the people living in a dwelling unit.

¹¹ Victoria Real Estate Board. As of April 1, 2004.

¹² Victoria and Vancouver are the highest priced markets in the province and seniors living elsewhere would generally not realize sales proceeds at this level.

¹³ Grant Thornton

\$1,598, while for a one bedroom unit the average rent was \$2,013.¹⁴

There are only 353 studio units in the Victoria metropolitan area compared to almost 7,400 renter households with a head over the age of 75.

1.5 FUTURE TRENDS

- Most residents of supportive housing are at least 75 years old. In 2004, one in 15 British Columbians were part of this age group (274,4000 people); by 2029 one in 11 will be 75 years of age or older (491,000 people).
- Life expectancy will continue to increase, meaning more of the “oldest old”, those over the age of 85, will be living in supportive housing environments.
- Canada has historically institutionalized more seniors in nursing homes than many other countries. The emergence of alternatives to nursing homes together with increasing pressure on government budgets will mean that only the very frailest seniors requiring round-the-clock medical care will be admitted to long term care facilities.
- The flip side of this coin is that seniors who would have been living in nursing homes in earlier decades will be living in the community in future years - in supportive housing, in assisted living, with their families, or on their own. Seniors in these environments will be frailer than their historical counterparts, who would typically have been institutionalized, and will require more services from sponsors and operators.
- About 8 in 10 residents of supportive housing are single women over the age of 75 or 80. Most women of this age in 2004 never participated in the paid labour force and as a result have no or few pension benefits beyond minimum

One of the impacts of the aging of the baby boomers is that women will have higher incomes than they do now and will be better able to afford supportive housing options.

¹⁴ CMHC, Seniors' [Housing Market Survey](#), Vancouver Island, 2003.

government pensions. One of the impacts of the aging of the baby boomers is that women will have higher incomes than they do now and will be better able to afford supportive housing options.

Chapter 2

The Development Process, Partnerships, and Financing

"My name is Jazbeer. The non-profit group to which I belong wants to build some seniors housing but we don't think we have the expertise to do it on our own."

THIS CHAPTER WILL BE USEFUL TO:

- ✓ **New project sponsors who have never operated seniors housing before**
- ✓ **Existing seniors housing operators considering adding supportive housing or assisted living units or services**

2.0 INTRODUCTION

The intent of this chapter is to help potential sponsors make the most productive use of their time¹⁵ and to identify cost-saving measures that have been used effectively by other sponsors during the development and construction phases of supportive housing projects. The role of partnerships in the operational phase is discussed in chapter 5.

Individual projects are unique in many respects - the information in this chapter aims at identifying and exploring common themes.

2.1 DEVELOPMENT PROCESS, STAGE ONE

Before any kind of detailed planning work is done and long before construction starts there are four essential steps that potential sponsors should take. These include: a Market Study; Site Selection; Preliminary Design; and Preliminary Financial Feasibility Analysis. Paying for these steps can be challenging for sponsors, especially non-profit sponsors. Canada Mortgage and Housing Corporation (CMHC) provide a limited amount of seed funding every year to help sponsors determine the feasibility of their project. It is important to recognize that even a very small supportive housing project can easily exceed \$5 million in development and construction costs and pre-development costs can easily amount to several hundreds of thousands of dollars. Groups that have no resources of their own should think very hard before embarking on the development of a supportive seniors housing project. This issue is revisited in Section IV of this chapter.

2.1.1 Market Study

By far the most important step in the early stages of any project and the one that will save the most money in the long run is understanding the local market.

¹⁵ Although not everyone believes that volunteer efforts should be monetized, the fact is that volunteers contribute enormous amounts of time - a recent US report estimates that the annual value of volunteer efforts in that country exceeds \$266 billion. (Independent Sector, www.independentsector.org)

Research shows that inaccurate market forecasts are the main reasons for a development's difficulties or outright failure. Selecting a poor site, targeting the wrong age group (e.g. assuming the 65-74 age group will be attracted to a supportive housing project), incorporating inappropriate design features or unit configurations, providing the wrong service package, or opting for a tenure type the market does not want can result in slow occupancy rates, leading to cash flow problems.

In addition, data collected through market research is critical to a financial feasibility analysis, which assesses whether the market can support the proposed project. That is, a feasibility study compares the revenue that the market study indicates will be generated by project rentals or sales to construction and operating costs.

A market study also helps determine what features will most likely attract the target market, such as: project size, unit mix and sizes, pricing, design, services and amenities.

2.1.2 Site Selection

The majority of non-profit sponsors already have a site, so locational advantages and disadvantages are somewhat irrelevant at this stage. For sponsors that must acquire a site, primary attributes to consider include cost and proximity to services and amenities.

2.1.3 Preliminary Design Considerations

Although it is premature to engage in any kind of detailed design work, it is necessary at this stage to generate some idea of how many and what kind of units appear workable based on the market study and the site characteristics. Planning a supportive housing project is completely different from planning an independent housing project because of the importance of operating costs. Operating efficiency is essential if a project is to be sustainable because operating costs are ongoing. The seniors housing industry is service based, therefore labour costs will be the greatest operating expense. Careful labour planning will have the greatest impact on the financial success of the operation. For this reason, project planning should give strong consideration to labour utilization and the creation of labour

efficiencies. It is advisable to ensure that individuals with operations expertise are part of the project planning team.

Industry experts consider project size to be the greatest challenge to delivering seniors accommodation and support services affordably. Design and development aside, housing projects cannot operate affordably without careful human resource planning. Small projects are especially challenging because it is very difficult to create the labour efficiencies needed to keep costs down.

It may be possible to reduce operating costs by combining different housing/care options that require different labour pools and skills, for example:

- Market housing + funded assisted living
- Life lease + strata + rental combination
- Independent housing + supportive and/or assisted living
- Health Campus Model: residential care, assisted living and market housing

Mixed environments are more complex and require (more costly) strong leaders with diverse management skills. However the savings derived through the creation of labour efficiencies more than offset the added management costs.

2.1.4 Preliminary financial Feasibility Analysis

A comparison of estimated project revenue and likely costs will indicate whether there is any point in proceeding further with project development.

If the project appears promising, sponsors may want to consider the possibility of entering into a partnership arrangement with another community organization. That is the subject of the next section of this chapter.

Chart 2

How the right first steps can keep costs down:

1. Although a good market study can cost \$10,000 or more, it is money well spent. The cost of building a project that the market does not want can be enormous. In addition, lenders and insurers may insist that a market study be conducted before they will agree to finance it.
2. For sponsors who don't already have a site, land costs and proximity to services and amenities are key considerations in the decision whether to proceed or not.
3. Because of the importance of ongoing operating costs in supportive housing projects, it is essential that sponsors consider operating issues from the outset. An operations expert should be part of the development team.
4. Non-profit sponsors may be able to obtain some predevelopment funding from CMHC's Partnership Centre.

2.2 PARTNERSHIPS

In recent years, partnerships have become more common in the public and private sectors as a way to stretch limited resources and achieve various housing objectives. They provide a relatively new way to envision, finance and develop affordable housing for groups such as seniors. Until fairly recently, most affordable housing was financed by governments. Although non-profit societies were key players in the process, the funding and the program parameters were established by governments - there was no real need for multiple partners to join forces in an effort to develop housing projects.

Today the situation is much different. Some projects may have as many as five or six partners including non-profit housing or health care societies, local governments, lenders, a variety of community agencies including foundations such as the Real Estate Foundation, and BC Housing. Canada Mortgage and

Partnerships are a process, but they are much more than that too. They are a way of thinking, an attitude that says "This is possible. Together we can make a huge difference in our community."

Housing Corporation's Canadian Centre for Public-Private Partnerships in Housing provides a network of housing partnership experts whose goal it is to help communities make informed decisions about affordable housing developments. The Partnership Centre also provides seed funding that allows groups to carry out need and demand studies, develop business plans and in general kick-start housing initiatives¹⁶.

2.2.1 Set Objectives

Before establishing a partnership groups must first decide what it is they want to accomplish; that is, they must determine their objectives. A clear set of objectives is the key to a successful partnership and project. Organizations might do a "visioning" exercise where they gain a clear picture of what they want to achieve. Do they want to develop a new housing project in the community? What kind of housing are they interested in developing? Is there a need in the community for what groups are thinking about? What are their strengths? Their weaknesses? Where are the gaps? Clear answers to these kinds of questions will keep organizations on track with the project and will help them decide if they need a partnership and if so, what kind of partners are needed to make the project a success.

2.2.2 Partnership Benefits

A partnership in housing is an arrangement (formal or informal) between two or more parties who agree to work together to achieve shared or complementary housing objectives. A partnership needs to exhibit at least one of the following characteristics:

- joint investment of resources
- shared liability or risk taking
- shared authority and responsibility¹⁷

From the perspective of affordable housing, the main reasons for forming partnerships are:

¹⁶ In BC, the Partnership Centre is located in Vancouver, 9604)737-4118

¹⁷ CMHC, Guide to Affordable Housing Partnerships, 1998.

a. Provide Innovative Financing

Partnerships provide a mechanism for innovative financing. A good example is a project in which the City of Kamloops, a local Legion, and a private developer formed a partnership to provide low cost seniors housing in the downtown area. The developer was responsible for securing financing and constructing the 48-unit project, the Legion was responsible for marketing and managing the units and for securing the necessary pre-sales, and the City provided the land on the basis of a long-term lease at preferential terms.

In the District of North Vancouver, the Norgate Housing Society and the Zajac Foundation sponsored 36 adaptable, barrier free units for seniors. The District of North Vancouver deferred land lease payments until the project generated sufficient income to cover land costs, mortgage payments and operating expenses. The Real Estate Foundation and the Zajac Foundation provided a total of \$412,000 to make suites accessible for people with disabilities

A more recent example in the City of Vancouver involves a partnership among the City of Vancouver, BC Housing, a non-profit housing society whose members are retired performing artists, a day care provider, and a developer of market condominiums. The society is providing equity of \$5 million, \$3 million of which has been raised through the sale of life leases, and \$2 million in cash. The City is providing the land on a long term lease basis as well as a capital grant, BC Housing is providing mortgage financing and a capital grant, and the developer partner will build the project and sell the market condo units.

b. Pool Resources

In a partnership several organizations may join forces so that sufficient funds are available to permit projects to move forward. The Elim Society Project in Surrey was sponsored by a group of 12 churches, no single one of which had the resources to proceed on its own. Organizations with charitable status have an enhanced ability to raise funds.

Additionally, partnerships may enhance the credibility of the group, allowing them greater access to sources of funds from

foundations and other similar funders. Community focused organizations such as the Real Estate Foundation look for evidence of widespread community support when deciding which applications to approve.

c. Share Expertise

Community organizations are thinly stretched and the range of expertise required for housing development is extensive. Partnerships can result in a larger pool of experts to draw from.

d. Minimize Risk

Housing development costs money. Typically it can require several hundred thousand dollars to get a project to the stage where financing from a lender will be available and only limited assistance from governments is available to help (e.g. maximum funding from CMHC's Proposal Development Funding program is \$100,000 and the maximum is rarely awarded). A partnership can minimize the risk to all by sharing the burden of responsibility.

e. Broaden Opportunities

Partnerships help to ensure that projects are developed that meet broad community needs, not just the needs of one group in the community.

2.2.3 Finding the Right Partner

Once a group has decided that a partner or partners can help fill gaps in their own organizations, the next step is to find the right partner or partners. Questions to ask that will help determine an appropriate partnership opportunity include:

- What are my objectives in forming a partnership?
- What skills and resources do I need? Which do I have? Which will come from a partner?
- Who are the potential partners with those skills and resources?
- What are their objectives—what are their objectives in forming a partnership?
- Will our objectives be congruent?

Partners may be found in organizations with whom groups have had past relationships, in networks of contacts (suppliers, board members, staff, clients), from research on similar initiatives, and in many other places such as associations of architects, builders, planners, engineers, non-profit housing associations and so on.

Chart 3

How the right partnership can keep costs down:

1. Partnerships can generate more equity than an organization acting alone, thus allowing rents to be kept as low as possible.
2. Partnerships can improve the opportunity to lever funds - to maximize the availability of funding from government and other sources.
3. Partnerships can enhance the credibility of the group and increase the chances that other partners, local governments for example, might participate by providing land or reducing fees and charges.
4. By spreading risks, partnerships can reduce the exposure faced by each partner.

2.3 FINANCING

2.3.1 Project Costs

Project costs include land costs, hard costs such as construction costs, and soft costs such as architectural fees, interest on borrowed money, as well as fees and other charges. A budget that includes all these items is called a pro forma. A sample pro forma is provided in this section. Anything that reduces the cost items in the pro forma is an advantage from the perspective of housing affordability. The most obvious sources of saving are land costs (if land is donated) and municipal fees (if local governments reduce or waive development cost charges,

building permit fees and other similar fees). Some municipalities are willing to reduce fees and charges in order to enhance the viability of housing projects they believe are needed in their communities; others are not. Usually a refusal is tied to a municipality's wish to avoid favouring some groups at the expense of others. Where municipalities are willing to consider reductions in fees and charges it can mean savings of several hundred thousand dollars so it is worthwhile exploring the possibilities.

**Chart 4
Sample Pro Forma (Budget)**

	Total	Per Unit
Acquisition and Servicing Costs		
Freehold Land Value		
Off-site Service Fees		
Survey Fees		
Title Fees		
Municipal Fees		
Property Transfer Tax		
Loan Commitment Fee		
Environmental Report		
Demolition		
Soil Remediation		
Appraisals		
Other		
<i>Subtotal: Acquisition & Servicing Costs</i>		
Development Fees and Charges		
Interest during development		
Taxes during development		
Insurance during development		
Utilities during development		
Consultants should this be Architect?		
Project Manager		
Geotechnical		
Legal		
Lender Fee		
Mortgage Insurance Fee		
GST Appraisal		
Other		
<i>Subtotal: Development Fees and Charges</i>		

Building		
Construction		
Stoves / Fridges		
Laundry Equipment		
Kitchen Equipment		
Common / Dining Furnishings		
Landscaping		
Home Warranty Fee		
Other		
<i>Subtotal: Building</i>		
Other		
Project Contingency		
GST Contingency		
<i>Subtotal: Other</i>		
<i>TOTAL COSTS</i>		

As this pro forma illustrates, aside from land costs and municipal fees and charges, there are really not many other sources of potential savings. Home warranty fees may not be required depending on the type and tenure of projects, which can provide a substantial saving.

Completing a pro forma such as this one does not indicate whether or not a project will work in an economic sense. To determine overall economic viability requires a comparison of project costs with project revenue. That exercise is usually referred to as a financial feasibility analysis.

2.3.2 Financial Feasibility

a. Rental Projects

Over the past 25-30 years in Canada, a comparison between project costs and project revenues for rental projects has typically been unfavourable. Costs usually exceed achievable rents, which explains why so little new rental housing construction has occurred. Developers and sponsors of rental housing projects have been faced with the requirement to inject very large amounts of equity into project development in order to bring mortgage repayment into line with rent revenue. Most private developers can earn better returns elsewhere; most non-profit sponsors do

not have access to sufficient equity unless they own valuable land, are able to raise significant amounts of money, or enter into partnerships with groups, agencies or individuals who themselves have access to equity.

Many supportive housing projects that have been built in British Columbia in recent years have been developed under the former *Homes BC program* or the current *Independent Living BC program*. Tenants in these projects pay rent according to their incomes; the shortfall between the rent they pay and the actual rents required to operate the project is subsidized by government. Rental projects developed and operated by private sector owners tend to be rather high end.

b. *Ownership Projects* (strata or life lease)

The advantage of ownership projects is that equity is raised from future residents, which greatly improves the financial feasibility analysis. The disadvantage of course is that ownership projects are not able to address affordability concerns.

c. *Incorporating Revenue into the Analysis*

The two pro forma samples that follow illustrate how revenue can be incorporated into a feasibility analysis, in this case for a project structured as a life lease.

In Sample 1, the project is going to lose money as conceived. There are various ways the picture could be improved as the Sample 2 pro forma illustrates. In this scenario the land has been donated and selling prices have been increased by 6%. Assuming the market would bear such an increase and assuming that the sponsor was willing to donate the land, the project now breaks even. Note that in order to simplify the analysis there are no operating costs included in either pro forma (ie meals, laundry etc).

A pro forma helps to determine the viability of different scenarios. Spreadsheet software such as MS Excel makes it relatively easy to compare a range of options.

Chart 5 Pro Forma: Sample 1

<u>Base Proforma Analysis</u>									
1.0 Revenue Potential									
<u>Unit Type</u>	<u>Number</u>	<u>Size</u>	<u>Total Sq.Ft.</u>	<u>Price/ Sq.Ft.</u>	<u>Price/ Unit</u>	<u>Gross \$'s</u>	<u>GST Rebate 4.4%</u>	<u>Sales Comm. 3.0%</u>	<u>Net Sales Income</u>
1 bedrm	6	600	3,600	175	105,000	630,000	28,224	18,900	582,876
2 bedrm	12	900	10,800	175	157,500	1,890,000	84,672	56,700	1,748,628
Other	0	0	0	0	0	0	0	0	0
Total	18		14,400			2,520,000	112,896	75,600	2,331,504
2.0 Project Costs									
2.1 Land									
Acquisition		1.5 acres		@	per acre 150,000			225,000	
Provincial property tax								4,500	
Environmental site assessment								4,000	
Legal								<u>5,000</u>	
Total									238,500
2.2 Construction Costs									
Off-site services								0	
On-site services								25,000	
Building		17,400 sq.ft. @		90 /sq.ft.				1,566,000	
Parking (included in building costs)								0	
Amenity		1,500 sq.ft.		90 /sq.ft.				135,000	
Appliances								22,000	
Landscaping								10,000	
Furnishings								5,000	
Other								0	
Contingency @		5 %						<u>88,150</u>	
Total									1,851,150
2.3 Development Costs									
Architect and engineer @		6 %						111,069	
Other consultants								10,000	
Overhead								0	
Legal								15,000	
Survey								5,000	
Market research								10,000	
Municipal fees								108,000	
Lender fees								25,000	
Home Warranty								30,600	
Mortgage insurance fee								69,418	
CMHC application fee								5,000	
Other								0	
Contingency @		15 %						<u>65,305</u>	
Total									500,671
2.4 Interest Costs									
2.4.1 Til End of Construction Period									
Land		0 % for		0 months @		0 %		0	
Building		75 % for		7 months @		9 %		46,301	
2.4.2 End of Construction to End of Sales Period				6 month sales period				<u>59,324</u>	
2.4.3 Total									105,625
2.5 Total Project Costs									
2,695,946									
3.0 Project Viability									
Net Revenue			2,331,504						
Project Costs			<u>2,695,946</u>						
Surplus(deficit)			(364,442)						

**Chart 6
Pro Forma: Sample 2**

Revised Proforma Analysis									
1.0 Revenue Potential							GST	Sales	Net Sales
<u>Unit Type</u>	<u>Number</u>	<u>Size</u>	<u>Total Sq.Ft.</u>	<u>Price/ Sq.Ft.</u>	<u>Price/ Unit</u>	<u>Gross \$'s</u>	<u>Rebate 4.48</u>	<u>Comm. 3.00</u>	<u>Income</u>
1 bedrm	6	600	3,600	185	111,000	666,000	29,837	19,980	616,183
2 bedrm	12	900	10,800	185	166,500	1,998,000	89,510	59,940	1,848,550
Other	0	0	0	0	0	0	0	0	0
Total	18		14,400			2,664,000	119,347	79,920	2,464,733
2.0 Project Costs									
2.1 Land									
Acquisition		1.5 acres		@	per acre				0
Provincial property tax									0
Environmental site assessment									4,000
Legal									<u>5,000</u>
Total									9,000
2.2 Construction Costs									
Off-site services									0
On-site services									25,000
Building		17,400 sq.ft. @		90 /sq.ft.					1,566,000
Parking (included in building costs)									0
Amenity		1,500 sq.ft.		90 /sq.ft.					135,000
Appliances									22,000
Landscaping									10,000
Furnishings									5,000
Other									0
Contingency @		5 %							<u>88,150</u>
Total									1,851,150
2.3 Development Costs									
Architect and engineer @		6 %							111,069
Other consultants									10,000
Overhead									0
Legal									15,000
Survey									5,000
Market research									10,000
Municipal fees									108,000
Lender fees									25,000
Home Warranty									30,600
Mortgage insurance fee									69,418
CMHC application fee									5,000
Other									0
Contingency @		15 %							<u>65,305</u>
Total									500,671
2.4 Interest Costs									
2.4.1 Til End of Construction Period									
Land		0 % for		0 months @		0 %			0
Building		75 % for		7 months @		9 %			46,301
2.4.2 End of Construction to End of Sales Period									
				6 month sales period					<u>54,160</u>
2.4.3 Total									
									100,462
2.5 Total Project Costs									
									2,461,282
3.0 Project Viability									
Net Revenue						2,464,733			
Project Costs						<u>2,461,282</u>			
Surplus(deficit)						3,450			

2.3.3 Mortgage Financing, Equity, and Front-End Costs

One of the first major challenges potential sponsors will face is obtaining funding for the front-end costs of a supportive housing project. It is not unusual to spend \$300,000 - \$400,000 in upfront costs, which include consultant fees, architect fees, environmental fees, environmental reports, municipal fees, marketing fees, and options on land (if not already owned). Lenders such as banks and credit unions generally require substantial equity before they will consider providing mortgage financing - 25% is typical, meaning that a \$5 million project (very modest in terms of supportive seniors housing projects) would require equity of at least \$1.25 million.

As already mentioned, CMHC provides a certain amount of proposal development funding but the maximum amount, which is not often made available to individual groups, is \$100,000. Some groups have been able to raise start-up funds by borrowing from their members at preferred interest rates, with an understanding that the money is completely at risk. Some foundations may also be a source of start-up funds.

Groups with the strongest financial position are those that own their land or have other assets. In these cases banks and credit unions may be willing to provide financing on the strength of the assets. However, it is important to note that if the project does not proceed for whatever reason, the sponsoring organization remains responsible for the loan. If the reputation of the sponsoring organization is sufficiently sound, lenders may provide financing without requiring security of this nature.

Groups considering ownership forms of tenure, such as life lease or strata, must observe the requirements of the Real Estate Act when accepting and using deposits and other forms of equity capital received from prospective occupants.¹⁸

¹⁸ The Real Estate Act will be replaced with the Real Estate Services Act and the Real Estate Development Marketing Act starting January 1, 2005. Information is available online at www.bcrea.bc.ca.

Chart 7

How financial arrangements can keep costs down:

1. The development of a simple pro forma allows groups to evaluate the economic viability of different scenarios.
2. Donated land, especially in high land cost areas, can make a significant difference to project viability.
3. Some municipalities will reduce or eliminate fees and charges for non-profit sponsors of affordable seniors housing projects.
4. Members of sponsoring organizations may agree to provide up-front proposal development funding at low or no rates of interest.
5. CMHC may offer seed funding and proposal development funding to groups wanting to develop seniors housing projects.
6. Partnership arrangements may encourage the creation of innovative financial mechanisms.
7. Some types of tenure, life lease for example, benefit from the ability to use the capital of prospective occupants, although affordability is limited to higher income seniors.

2.4 THE DEVELOPMENT PROCESS, STAGE TWO

Assuming the financial details have been negotiated satisfactorily and the project appears viable, the next stage involves getting it built. There are several ways of doing this.

2.4.1 Design-Build

A third party designs and builds the project to the sponsor's specifications. This is sometimes known as turnkey and requires the least involvement by the sponsor.

2.4.2 Construction Management

The sponsor retains a construction manager who oversees details such as costs, construction, project management, and scheduling. The sponsor retains all legal and financial risks associated with development and construction.

2.4.3 Design-bid-build

This is the traditional public tender approach whereby an architect who reports to the sponsor designs the project and then it is put out to tender. The contractor may be retained before construction actually begins and then functions very much as part of the team, similar to construction management.

2.5 HOW THIS ALL WORKS: THE CASE OF ANGUS PLACE

- Angus Place is a 50 unit supportive housing development in Summerland. One unit is designated as a caretaker's suite, 15 one-bedroom units are subsidized by BC Housing, and the balance are market rent units. SAFER (Shelter Aid for Elderly Renters) benefits are available to some lower income seniors for those units. Of the total units, 44 are one bedroom suites and six are two bedroom suites.
- Angus Place is the Parkdale Place Housing Society (PPHS) is the owner and operator and have been providing seniors housing in Summerland for more than 20 years. In addition to Angus Place, PPHS also has a 53-unit independent seniors apartment project called Parkdale Lodge. At one time the Society also operated an intermediate care facility that is attached to Parkdale Lodge. In 1998 the regional health authority took over the care facility through the "Amalgamation Process" and the name of the facility was changed to the Kelly Care Centre.
- The Society had about \$860,000 in reserves, accumulated mostly through fund-raising. The board of directors decided to use the reserves to develop more housing for seniors in Summerland.

Having made the decision to develop a supportive living development, the Society was faced with something of a chicken and egg situation - in order to obtain financing they needed a good solid plan but in order to put the plan together they needed some financing.

- The Society consulted with a local contractor, who had built both Parkdale Place Care facility and Parkdale Lodge, to help them through the development process.
- Over a period of six to eight months, the contractor searched for suitable sites and eventually located the Angus Street site. With sufficient reserves on hand, the Society was able to purchase the site. During this period, the Board also deliberated on what they wanted to develop and what the community need were. Combined with its experience with Parkdale Lodge, that indicated many tenants were aging in place and were experiencing increasing difficulty with normal activities of daily living and a demographic study that was commissioned, it was evident that the community needed either a supportive or assisted living development.
- Having made the decision to develop a supportive living development, the Society was faced with something of a chicken and egg situation - in order to obtain financing they needed a good solid plan but in order to put the plan together they needed some financing.
- The Society utilized its own resources to hire an architect to do some preliminary design work for the proposed project.
- The contractor and architect worked with other consultants to come up with a viable plan. To this point the volunteer board was doing all the preparation, groundwork and day-to-day operational aspects of both Parkdale Lodge and the proposed new project, due to the fact the Society did not have any staff. Once the contractor was identified, there was a clear delineation between what the contractor's responsibilities were and the role of the board.
- Throughout this period there was no financial assistance commitments from any level of government, although the Society had initiated discussions with BC Housing and CMHC as soon as the property was purchased. It was a stressful period for the Society. They were venturing down a path they had not gone on before. Trying to develop a project on their own with little or no help from a federal or provincial

Arranging financing took at least six months. During this period the Society found it difficult to accommodate the lenders' demands and to explain the mandate and aim of the Society of providing affordable housing on a non-profit basis.

housing program, created the uncertainty. CMHC recommended several lenders, meetings were scheduled and discussions took place.

- Arranging financing took at least six months. During this period the Society found it difficult to accommodate the lenders' demands and to explain the mandate and aim of the Society of providing affordable housing on a non-profit basis.
- The first appraiser who evaluated the project indicated that it was not viable - he estimated its net worth to be about \$3 million and the society needed a \$4.3 million lending value. In order to come up with the higher lending value, rents would have to have been raised from \$1,100 per month to \$1,450 per month, which would have defeated the whole purpose of affordable housing.
- Eventually another appraiser with a background in supportive seniors housing was retained and he helped resolve the financial issues. Rents were raised slightly and other minor adjustments were made to make the project feasible.
- One of the innovations the Society adopted to demonstrate viability was to institute a system of entrance membership fees. There are two options and depending on the option chosen by the resident, their rent varies by \$100 per month. The Society set up a Future Development Fund where the proceeds from the entrance fees are deposited. The account is used specifically to fund future projects.
- Once Angus Place was operational, the Society was able to hire a part-time administrator who manages both Angus Place and Parkdale Lodge. All other services are contracted out - the Society provides the kitchen and a contractor provides the meals services. Likewise, housekeeping and laundry services have been contracted out.
- Marketing was done by a past board member who took on the role of volunteer administrator and conducted the entire interview process on his own time. The volunteer

The support of the municipality was critical - they introduced a zoning amendment to accommodate a higher density project, they reduced development cost charges by 50%, installed sidewalks and street lamps and reduced parking requirements.

administrator and the contractor put together a brochure, made a few presentations at local service clubs and placed ads in the local paper.

- Residents receive one meal per day, weekly housekeeping, and light laundry services. There is an emergency call system that is monitored 24 hours of the day by a live-in caretaker couple. There is a push button system in the units and should the caretakers fail to respond to a call, an automated dialer system calls an emergency answering service, who in turn calls four other contact numbers.
- The suites are all designed to accommodate aging in place. The project originally had four units configured for persons with disabilities, however there was no demand for them and they were converted to conventional suites.
- The support of the municipality was critical - they introduced a zoning amendment to accommodate a higher density project, they reduced development cost charges by 50%, installed sidewalks and street lamps and reduced parking requirements. The building is substantial compared to those in the surrounding neighbourhood, but there was little neighbourhood opposition, partly because many neighbouring residents realized that some day they might benefit from the new development. The sponsors expressed some concern that there were more units than would normally be allowed in that zoning and that the units were smaller - 520 square feet, versus 1,200 square feet, than some of the neighbouring strata developments.
- A word of advice from PPHS: Don't underestimate the complexity and enormity of commitment that venturing into a development of this magnitude entails. It is essential to have competent and professional staff, consultants, architects and contractors who know what they are doing and can plan and guide the Society through all the trials and tribulations associated with a project of this scale. Societies would be best advised to rely heavily on people who have development experience and depend on their expertise, guidance, recommendations and decisions.

A word of advice from PPHS: Don't underestimate the complexity and enormity of commitment that venturing into a development of this magnitude entails.

- In terms of financing, the Society contributed \$860,000, the District of Summerland provided (or didn't charge for) items totalling \$234,000 and B.C. Housing provided block funding to grant subsidies for 15 units.

Chapter 3

Board Governance

“My name is Walter and I live in a supportive housing development. One day we were all invited to meet the new manager. He was great. He acknowledged all the problems in the operation and told us exactly what he was going to do to fix them. He even invited us to participate in a few committees so we could tell him more about what we needed... What a difference a good manager can make.”

THIS CHAPTER WILL BE USEFUL TO:

- ✓ Project sponsors who will own and operate a seniors supportive housing project
- ✓ New Societies establishing a governance structure to oversee a housing operation
- ✓ Non Profit Boards seeking to hire an operations management team for newly developed projects
- ✓ Existing Non Profit Societies expanding their mandate to include seniors supportive housing

3.0 INTRODUCTION

Strong leadership and clearly defined roles for governing and operating a seniors supportive housing project are critical elements for success. An effective board governance structure can positively affect project costs during the design and development phase as well as through the ongoing operation of the facility. As well, the qualifications, skills and abilities of senior management are key to addressing the increasing complexities of supportive and assisted living environments.

Once a Society has decided to sponsor the development, conversion, upgrade or renovation of a supportive housing project, the board needs to decide how it will relate to project design and development as well as ongoing operations. The project planning process should address issues of governance, policy, management and human resource planning.

A critical assessment of the current board should consider the skills and abilities of directors in the areas of residential design and construction, fundraising and community relations, capital financing, marketing and property or operations management. What skills and abilities are missing? Should additional board members be recruited? Should current board members be replaced?

3.1 DESIGN AND DEVELOPMENT

The sponsor's board should consider and decide:

- What role, if any, will the board play in project design?
- Depending on the procurement technique (design-tender, design-build, or turn-key), which Board members are best suited to be on the development team?
- What are the learning needs of board members, particularly those actively involved in the project? How will these needs be fulfilled?
- Who will coordinate board activities throughout the development process including project timeline, communications, decision-making, operations planning and commissioning?

- Will a development consultant be used?

3.2 OPERATIONS

Before beginning the design and development, the board needs to decide:

- What services will be offered within the operation? Consider hospitality services, personal care services and how their inclusion affects building design.
- (If a new project) What knowledge, skills and abilities should the senior manager possess to effectively manage the selected service mix?
- (If an existing project) Does the existing management team possess the required knowledge, skills and ability to continue managing the operations? If not, can they be upgraded or should the organizational structure be changed?
- Will the senior manager be part of the design and development team?
- Will services be provided by the Society's staff or will they be contracted to a third party?

3.3 EFFECTIVE BOARD GOVERNANCE

Architects, development consultants, planners and other professionals emphasize that projects are more likely to be managed efficiently and cost effectively if the board manages itself well, knows when to spend money on expertise and allows the experts to do their jobs.

In an effective governance model the rules of conduct are clearly defined and followed by the board. Board members remain focused on governance issues such as vision, strategy and direction, allowing the management staff to focus on the operational needs of the project. Committees may be struck to address specific pieces of work like a development project, and

these may include board members and staff. Board members do not express personal opinions or conflicting viewpoints outside of the boardroom.

Ideally, the Board provides the Executive Director with a mandate and clearly outlined expectations and evaluates performance against these expectations. The Executive Director knows what he/she cannot do by knowing the scope of his/her responsibility and authority.

3.4 THE MANAGEMENT TEAM

Good managers contribute significantly to operational cost containment and to the satisfaction of residents. The right management team is essential to a smooth and effective operation. These keystaff people must possess the necessary skills and abilities to be responsible for day to day operations.

Management responsibilities within seniors supportive housing projects can be divided into three main areas depending on the nature of the project: Administrative Management; Hospitality Services Management; and Personal Care Services Management.

In smaller projects one manager would supervise all three areas. In larger projects the hospitality and/or personal care services may be overseen by a coordinator who reports to the general manager responsible for overall management of the operation.

Some housing operators may be reluctant to venture into the delivery of personal care/assisted living services because of the associated operational complexities. This can be addressed by hiring operations managers with a health care background to bridge this gap. However, the provision of personal care services within a housing environment should not be the primary focal point. When hiring, project sponsors should screen potential managers for a sound understanding of service delivery within a social model framework.

**Chart 8
Key management responsibilities**

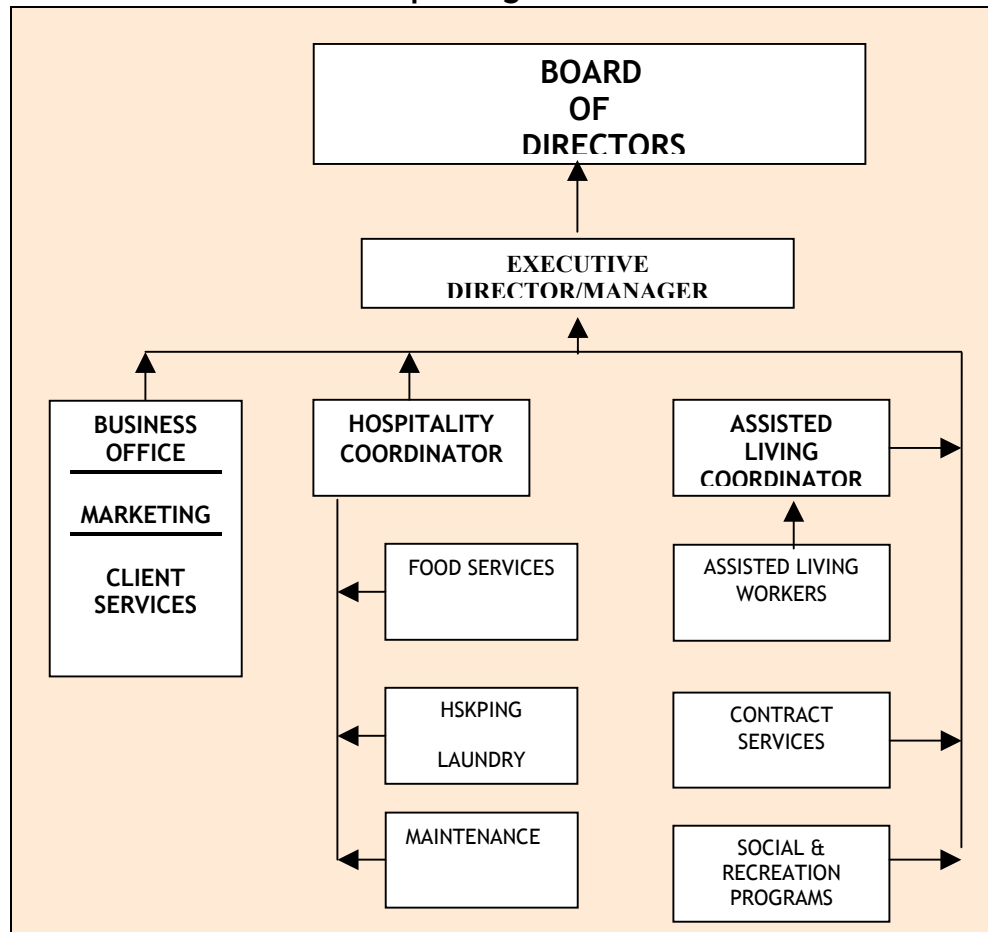
ADMINISTRATIVE MANAGEMENT RESPONSIBILITIES	HOSPITALITY MANAGEMENT RESPONSIBILITIES	PERSONAL CARE MANAGEMENT RESPONSIBILITIES
<p>Human Resources - hiring, training - performance mgmt - payroll, benefits</p> <p>Managerial Accounting - payables, receivables - budgets - reporting</p> <p>Risk Management - security - emergency preparedness - fire and safety - occupational health - WHMIS, WCB</p> <p>Communications - community relations - marketing - conflict management</p> <p>Quality Improvement</p> <p>Legal & Regulatory</p> <p>Service Delivery</p>	<p>Food Services - meal planning / delivery - menu planning - special diets - ordering & inventory - special events planning</p> <p>Building Maintenance - preventative maintenance - emergency maintenance - capital replacement - upgrades</p> <p>Housekeeping - infection control - cleaning plan</p> <p>Laundry - flat linen laundry - inventory control - personal laundry</p> <p>Quality Improvement - audits & monitoring</p> <p>Volunteerism</p> <p>Fundraising</p>	<p>Client Services - move in / move out - care planning - case management - managed risk - assessment/reassessment</p> <p>Service Coordination - family/friend liaison - community agencies - funding including health authorities, Department of Veterans Affairs - support groups - social services</p> <p>Care Delivery - scheduling, monitoring - delegated tasks - functional monitoring - medication mgmt - safety & security</p> <p>Quality Improvement - audits & monitoring</p>

Chart 9
Management Qualities of Life

Quality	Rationale
Participatory Leader	Multi-tasking and teamwork is best accomplished under a participatory leadership style
Organizational and time management skills	Managers need to multi-task, are constantly interrupted and rarely have a routine to their day.
Networking skills	Partnership and cost sharing opportunities are often identified through networking with other organizations
Marketing, customer service skills	Filling suites and keeping suites full is extremely important for cash flow
Industry knowledge and industry connections	The industry is changing rapidly and industry knowledge ensures the housing operation stays competitive and well positioned within the industry

Sample job descriptions for management positions are found in Appendix 1.

Chart 10
Sample Organizational Chart



3.5 HUMAN RESOURCE PLANNING

Recent changes to labour legislation in British Columbia have led to adjustments in the labour force that could affect human resource practices within the seniors housing and health care industry.

Since 2002, the provincial government has introduced several pieces of legislation intended to provide greater flexibility to employers so that labour costs can be controlled and workplace flexibility maintained. New options, including contracting out aspects of the operation, are now available to some unionized employers.

Human resource practices are pivotal to the success of any supportive housing operation because the industry is service-based. Whether a labour force is certified or non-union, the

following issues should be given careful consideration because they will affect overall operating costs.

- There are legal and administrative costs associated with the negotiation and administration of a union contract or employee association agreement;
- When negotiating a collective agreement or employment contract with staff, avoid adopting a restrictive job classification system that may make it difficult to multi-task staff;
- Scheduling provisions within any contract or agreement need to remain flexible so that the operation can adjust to the changing needs of tenants without incurring additional expense; and
- Work stoppages caused by strikes and lock-outs can negatively affect tenants, result in service disruptions, and lead to higher vacancy rates.

3.5.1 Controlling Labour Costs

The key to successful operations management is the efficient and effective use of labour. Labour costs can be controlled in several ways, including:

a. Labour Utilization

The manner in which labour hours are used to provide programs and services for residents can improve labour efficiencies. This requires thinking creatively and ignoring past practices that included rigid job classifications, hours of work and task orientations. Staff scheduling options over the 24-hour clock, hours of work and multi-tasking should also be approached creatively.

b. Labour Skills and Abilities

Staff need to have the skills, abilities and knowledge to perform their jobs effectively. Knowledgeable staff will be more productive so it takes less of them to get the work

done. Staff orientation, training and ongoing education is key to ensuring labour productivity.

c. Effective Human Resource Planning

A progressive human resource plan, including career development and incentives, helps retain your best employees and reduces the hidden costs associated with staff turnover. Experienced, motivated employees enhance client satisfaction and keep vacancy rates low.

Chart 11

How Boards can help to keep costs down:

1. Clearly define Board and Management roles and responsibilities and function within established parameters.
2. Be sure Board members are experienced, knowledgeable and reliable. A lot of money gets wasted at the development stage if Boards don't know what they are doing.
3. Assess skills of current board members and consider training or recruitment to address gaps.
4. Hire development consultants and use them from project approval to the completion of construction.
5. Seek legal advice on labour relations issues to determine the best option for operations management, particularly if you are an existing operation that is converting or renovating.
6. Be sure the operations management team has the knowledge, skills and ability to oversee the day-to-day operation. More complex operations are attractive to more qualified managers. Pay the money required to get the experts because you will see a significant return on investment through good management.

Chapter 4

Operations: Cost Savings & Creating Efficiencies

" My name is Alice and I am 83 years old. My husband and I have lived on our forty-acre parcel for fifty years. He died last year and I miss him... I can't drive anymore so getting my groceries, and my pills at the drugstore is difficult.

Maybe if I lived somewhere where there was help, the kids wouldn't worry and I wouldn't be such a burden on them. It would be nice to have some help with my bath, and not having to worry about cooking... My homecare nurse tells me I've lost weight and she's worried about that.

...Will my apartment be large enough for all this furniture... It would be nice to be closer to my doctor, and the hospital, oh and shopping..."

THIS CHAPTER WILL BE USEFUL TO:

- ✓ Existing operators of independent seniors housing who are considering the addition of hospitality and/or personal care services within their operation
- ✓ Existing supportive housing sponsors who are considering the addition of personal care services within their operation
- ✓ Existing assisted living operators looking for ways to create service efficiencies within existing communities
- ✓ New project sponsors who have never operated seniors supportive housing before

4.0 INTRODUCTION

In response to the growing number and varying needs of seniors in BC, some housing operations have become much more complex and include hospitality and personal care services. This increased complexity requires additional skill, expertise and creativity to effectively manage these operations. But complex operations also present significant opportunities to create efficiencies that will have a positive effect on the operating budget and project affordability. This chapter provides information and advice on how operating costs can be contained and/or reduced.

A number of resources are available to assist with developing affordable housing for seniors (see Appendix 3 for resource list). One such resource is the Independent Living BC program, a government sponsored seniors housing partnership that includes the Ministry of Health, BC Housing Management Commission and the five regional health authorities. Under this program, government financial assistance is available for the development and operation of housing and hospitality and regional health authorities provide funding for personal care services. BC Housing and the health authorities have specific design, construction and operational guidelines that sponsors must follow. This information can be obtained from BC Housing.¹⁹

Key areas of supportive housing operations are:

- food services
- housekeeping and laundry
- personal care
- emergency response
- social and recreational programming

4.1 FOOD SERVICES

The dining experience is one of the most important highlights of the day for seniors living in supportive housing communities. Food quality, presentation, variety and service are all extremely important to residents. The opportunity to socialize during meal times adds to the dining experience.

Project sponsors should adopt a means by which tenants can be involved in menu planning, meal times and special occasion

¹⁹ www.bchousing.org or (604) 433-1711

celebrations involving food. A food committee helps project sponsors contain food costs because food preferences, portion sizes and seasonal products are selected by the tenants thereby reducing food waste.

Project sponsors should also promote guest meals and special event catering. This offers tenants an opportunity to invite friends and family to dine with them and provides an additional source of revenue for the operation. Additional revenue can be derived through the catering of special events including tenant anniversaries and birthdays or monthly meetings for local service groups.

Although not essential, the inclusion of a private dining room in close proximity to the kitchen provides opportunities for revenue generation and community partnerships. Dining room space should also be adequate to accommodate tenants and their guests.

Chart 12
Important Food Service Planning Decisions

Decide:	Consider:
How many meals to serve each day	<p>The main meal of the day, whether served at mid-day or evening, is the most expensive to offer but is also the most important nutritionally and the most likely to be requested by seniors. SERVE THE MAIN MEAL</p> <p>Should additional meals be offered? This depends on the functional level of tenants, their daily routines and costs. The more active the tenant population, the less likely they may be to request a second meal.</p>
If more than one meal is served each day, which meals should be served?	<p>If breakfast and dinner are offered tenants have the day free for activities that may take them to the community. More active seniors may prefer this option.</p> <p>Less active seniors often prefer lunch and dinner service because they are less likely to be leaving the building independently and therefore consider meals a social activity. Frailer seniors are generally able to prepare continental breakfast independently but</p>

	<p>may require assistance with lunch preparation. The same staff can generally serve lunch and dinner in one shift.</p>
<p>Should breakfast be continental style or table service?</p>	<p>Continental breakfast allows seniors to eat as they rise but may reduce opportunities for socialization if tenants come and go over an extended period.</p> <p>Food cost can be higher with continental breakfast than with table service as tenants often take bread products and fruits back to their suites.</p> <p>Consideration should be given to staffing requirements for meal service. Extra staff may be required if breakfast table service is selected.</p>
<p>Should snacks be offered between meals?</p>	<p>Fresh baking, beverages and/or fruit made available in a common area is a nice touch but can add significantly to food costs as some seniors may take these products in volume back to their suites.</p> <p>Some operators offer special treats periodically and in association with a social activity. For example, popcorn with movies, or ice cream after bingo. Tenant baking can also be a social activity which all can enjoy.</p>
<p>Should special diets be accommodated?</p>	<p>YES. Whether it is special texture diets for tenants who have difficulty chewing or therapeutic diets for diabetics, project sponsors should cater to the dietary needs of aging tenants.</p> <p>It is relatively inexpensive to procure the services of a registered dietician to assist in menu planning and special diet preparation and this adds tremendous value for tenants.</p>

Chart 13

How to keep food service costs down and revenues up:

1. Ensure dining rooms are of adequate size for tenants and guests to dine comfortably even if tenants require mobility aides
2. Include a private dining room for catered events and room rental. Include catered special event meals and meeting room rental/catering in your marketing plan
3. Use a kitchen designer to ensure kitchen layout, space planning and storage is adequate and back-end traffic flow is efficient. Include a beverage servery in the dining area to reduce kitchen traffic and improve meal service.
4. Employ a dietician and/or qualified chef for menu planning to keep food costs down and ensure food is stored, prepared, and served in compliance with food safe principles and Public Health requirements.
5. For smaller projects, consider preparing additional meals for the local "Meals on Wheels" program or hot meal program at the senior's center. This assists in creating purchase economies and offsets costs. Volunteers from community agencies can be used to assist with meal service and offset costs in exchange for meals in the community.
6. Reduce the structure of food service - table service over a two hour period is very labour intensive and increases food costs due to wastage.
7. Listen to tenants on food selection, menu planning, meal times, portion sizes and presentation to avoid waste and corresponding higher food cost
8. Offer two meals each day (and avoid continental breakfast) with the housing package. Where additional meals are available for a fee, there are ongoing problems with meal planning and dining room staff scheduling. It is labour intensive to collect meal fees.

4.3 HOUSEKEEPING AND LAUNDRY SERVICES

The provision of housekeeping and laundry services as part of the hospitality package is standard in the industry. The key to cost effective service provision is the involvement of tenants in service scheduling and staff multi-tasking.

Chart 14
Important Housekeeping & Laundry Service Planning Decisions

Decide:	Consider:
What housekeeping and/or laundry services should be provided?	Industry standard includes weekly light housekeeping services and flat linen change. This generally includes vacuuming, kitchen and bathroom cleaning, towel and sheet change and dusting. Heavy cleaning services can be provided for a fee. For seniors on fixed income the sponsor might consider the sale of cleaning gift certificates which family and friends can purchase for the resident
Should personal laundry services be provided?	For an additional fee personal laundry services might be provided. Family members or volunteers might also do personal laundry for seniors who are unable to do their own.
Should suite maintenance be included in the price?	Weekly cleaning in tenant suites can provide an opportunity to assess the tenant's ability to maintain their suite. Suite damage resulting from the resident's inability to manage independently might include carpet burns, spillage and fires. These issues all increase costs in suite maintenance and repairs that the tenant may not be able to cover. Monitor suite condition closely and take steps when it appears the senior can no longer manage safely on their own.

The day and time for each tenant's suite cleaning should be negotiated on move in. Tenants should also identify what cleaning services they wish, within an array of included services. Customizing services to individual needs contributes to tenant satisfaction and keeps suites full.

Staff scheduling and multitasking is extremely important to keeping labour costs down. In supportive housing, staff might multi-task between food services, housekeeping and laundry. In assisted living, workers might also perform housekeeping services in tenant suites during the day and in common areas at night. Where an operation employs staff 24 hours each day, laundry is best completed on the night shift.

Chart 15

How to keep housekeeping and laundry costs down:

1. Multi-task staff so that housekeeping and laundry services are part of job responsibilities but not the sole responsibility
2. Design laundry rooms far enough away from resident rooms so flat linens can be washed at night
3. Include janitorial rooms along resident hallways to ensure suite cleaning can be accomplished efficiently
4. If an industrial laundry is included in design, extra revenue may be earned by selling flat laundry services to local businesses.
5. If personal care services or emergency response are provided 24 hours each day, have night staff do laundry or clean common areas to make best use of labour hours.

4.4 PERSONAL CARE

Emerging industry trends, changes to funded programs and current demographic information support the inclusion of personal care services within seniors housing. Where a project sponsor does not wish to offer personal care services directly, but recognizes a need to make them available, a number of options exist.

A project sponsor can support tenants in procuring services through a home support agency that comes in from the community on a scheduled basis. There may be an opportunity

to reduce costs if more than one tenant purchases these services. Personal care services can also be contracted to a third party provider. This can include both scheduled and unscheduled personal care service. A decision on whether or not to provide personal care services does not need to be made before the project is commissioned, provided the design remains flexible enough to support the addition of personal care services in future.

Chart 16
Important Personal Care Service Planning Decisions

Decide:	Consider:
Whether or not to offer personal care services	The availability of personal care services is essential for some prospective tenants and is therefore a desired feature in the marketing plan
Should a therapeutic tub room be included in the design?	In suite bathing equipment must be senior friendly but even so some seniors will still require assistance. Including a therapeutic spa room in the building can provide future flexibility as seniors become more frail
Who will provide the personal care services?	In house staff or contracted service
Will scheduled and unscheduled personal care be offered?	This may be determined by the method of personal care service delivery. If personal care services are provided by in house staff, 24-hour staffing is often in place so the provision of both scheduled and unscheduled care is possible. In small operations it can be difficult to provide 24-hour staffing. See Emergency Responder section.

4.4.1 Medical Model vs. Social Model of Care

One significant issue to be aware of when delivering personal care services within a housing environment is the potential for care to become the focal point of the operation. When this occurs a medical model has been adopted and the labour costs of personal care services will rise accordingly.

A social model provides individualized care that meets residents' medical, social, spiritual, cognitive and cultural

needs. In this model, care and treatment fit into daily activities. Management staff works with tenants to develop a care and service plan that promotes tenant independence and offers personal care assistance only where needed. It is then important to ensure staff is not doing more for the tenant than is needed in order to maintain the social model philosophy.

Staff training is very important in ensuring assisted living staff understand and adhere to the underlying social model philosophy of assisted living. Many employees will have worked previously in a health care setting with a medical model approach to care and service provision and may begin doing more for tenants than is outlined in the service plan. Doing too much for tenants creates dependency and can cause seniors to lose their independence. It also costs more to deliver services over and above what is needed. Spend the time to ensure the operation adopts and adheres to a social model of care and service delivery.

Chart 17

How to achieve cost savings in personal care services:

1. Multi-task staff as much as possible. Assisted living workers might be scheduled to deliver personal care services in the morning and evening but can also serve meals and clean suites
2. Share assisted living workers with other operations to create a critical mass for staff training and 24-hour scheduling
3. Use Licensed Practical Nurses (LPNs) to coordinate assisted living services rather than Registered Nurses (RN's).
4. Cluster tenants who require greater amounts of personal care services together wherever possible so staff isn't traveling long distances between tenant suites to deliver services. Some operations offer assisted living in one wing and supportive housing in the balance of the building
5. Adopt and maintain a social model philosophy in personal care delivery

4.5 EMERGENCY RESPONSE

The availability of emergency response technology and systems within the housing operation provides significant comfort and peace of mind for seniors and their families. There are a number of ways an emergency response system can be implemented. Project size often drives which option is selected.

In larger projects where a 24-hour staffing model is in place, an on site first responder system is easy to implement and does not increase operating costs. In this case tenants would use the technology to call on-site staff who would respond in person and deal with the emergency.

In smaller projects, or where 24-hour staff are not on site, the emergency response may be monitored and responded to from a remote or off site location. Research indicates that tenants would prefer to have on site staff respond to their concerns however off site responders were an acceptable alternative provided the system was reliable.

An emergency response system that provides staff with portable phones and two-way voice-to-voice communication with tenants greatly supports operating efficiency. Additional security is provided if this system is also connected to the enter-phone so that staff can respond to after-hours visitors.

Chart 18

How to achieve cost savings in emergency response:

1. For smaller operations where 24-hour staffing is not planned, consider having an on site caretaker. The emergency response would then ring in his/her suite at night.
2. On site caretakers can be a back-up to “awake” staff at night and provide extra security where needed. Provided technology permits the awake staff to contact a sleeping caretaker in the event of an emergency there are labour cost savings in this option.
3. The use of technology that provides voice-to-voice contact between staff and tenants can save significant labour costs as staff do not need to travel throughout the building to determine tenant needs or make two trips to a tenant suite to satisfy a request.
4. Ensure tenants understand the purpose of emergency response so that they do not use the system inappropriately thereby increasing labour costs.

4.6 SOCIAL AND RECREATION PROGRAMMING

Social and recreational programs can reduce loneliness and depression amongst seniors while improving cognitive functioning. Mental stimulation improves memory and leads to a sense of well-being and satisfaction. Physical activity can build muscle strength, increase bone density, and improve balance and dexterity.

Seniors generally look forward to social activities whether scheduled or spontaneous. However, it can be a challenge to coordinate these services within the housing environment. The use of volunteers can greatly enhance a sponsor’s ability to provide meaningful programming without added cost.

Programming should be designed around the needs, interests and abilities of tenants if it is to be well attended and provide maximum enjoyment. Operators should meet with new tenants shortly after move in to determine their interests and needs and assess their abilities. Social and recreational programs should be monitored closely for attendance and tenants should be asked for feedback to ensure the programs offered are meeting their needs. A sample assessment form follows.

Programming should be both planned and spontaneous. An impromptu card game can be just as effective as movie night in meeting tenant socialization needs. Volunteers should therefore have the skills to coordinate unplanned activities as well as lead more structured groups. Volunteers with skills and interests in any of the following areas can be of great value to the housing operation.

Chart 19
SAMPLE ASSESSMENT FORM

CRAFTS		SPORTS	
Drawing, painting, sculpture		Swimming	
Leatherwork		Bicycling	
Ceramics, Pottery		Walking	
Woodworking		Golf	
Jewelry Making		Horseshoes	
Model Building		Croquet / Shuffleboard	
Knitting, crocheting, needlework		Aerobics	
Flower arranging		Bowling	
Quilting, sewing		Billiards	
Other		Other	
LITERARY		TABLE GAMES	
Writing stories, poetry		Chess	
Letter writing		Puzzles - jigsaw, crossword	
Computer		Cards - Bridge, cribbage, poker, hearts	
Reading		Checkers, dominos	
Other		Bingo	
MUSIC		SPECTATOR	
Listening - classical, jazz, ethnic, country		Movies, TV	
Playing musical instrument		Sightseeing, travel	
Other		Sports	
INTELLECTUAL PURSUITS		MISCELLANEOUS	
Current Events Discussions		Gardening, houseplants	
Lectures		Pets, bird watching	
Visit museums, libraries, cultural centers		Photography	
Other		Collecting	

CLUBS AND ORGANIZATIONS			
Political		Church	
Unions		Professional Associations	
Fraternities / Sororities		Other	
EDUCATION			
Public School		High School	
Trade School		University	
MARITAL STATUS			
Married		Widowed	
Single		Divorced	
OCCUPATION			
Domestic		Trades	
Professional		Other	
CLIENT / FAMILY GOALS / DESIRED OUTCOMES			
RECOMMENDATIONS			
Interviewed By		Date	

4.6.1 Volunteerism

Volunteers can play a vital role within a supportive housing operation and contribute significantly to operational cost containment. There are significant benefits to developing partnerships and alliances with community services to generate a strong volunteer network for the seniors.

Although they are most often used for the delivery of social and recreational programs, volunteers can be involved in many aspects of a non-profit organization including board governance, fundraising and service provision. This section deals with volunteerism in service provision as a labour cost savings initiative.

a. Setting Up a Volunteer Program

1. Decide what services volunteers will offer within the operation
2. Establish a volunteer recruitment program that attracts those with the required skills, abilities, interests and time
3. Provide volunteer orientation and ongoing training

4. Schedule volunteers regularly so they are familiar with the operation and the tenants
5. Evaluate volunteer performance and provide feedback
6. Hold regular volunteer appreciation events that honour the contribution of volunteers

Social and recreation programs within the facility can also be an opportunity to invite seniors from the community at large to join in. Sponsors might consider offering lunch and an afternoon activity for a nominal charge or partnering with the local seniors center or service group and sharing activity costs.

Bake and craft sales, coordinated by volunteers and tenants, can generate significant funds for the purchase of minor capital items including electronics, appliances and equipment. Any opportunity to bring the community at large into the facility is good public relations and supports the development and maintenance of a strong volunteer program. Volunteers are invaluable to supporting an affordable and active environment for seniors.

Chart 20

How to reduce social & recreational program costs and generate revenue:

1. Social and recreation programs assist in keeping seniors mentally and physically healthy thereby supporting a higher level of functioning. In turn, this supports their ongoing tenancy
2. Inviting seniors from the community to join can be part of the marketing strategy, resulting in a waitlist of potential tenants.
3. Establishing an active volunteer program ensures social and recreational programs and adds significant value to the operation at minimal additional cost
4. Fundraising through bake or craft sales supports minor capital purchases for the operation at no cost to the sponsor

4.7 CONTRACT SERVICE PROVIDERS

OPTION 1: Partnering with an Operations Management Company

Partnering with an operations management firm might be considered a more affordable option for some project sponsors. In this case the board would establish the performance expectations for the operation and ensure they are outlined clearly in the service provider contract. The service provider would manage all aspects of the operation and report regularly to the project sponsor.

Whether the operator is an equity partner in the project, or holds a management contract with the project sponsor, it is important that both parties share a common operating philosophy if the partnership is to grow and prosper. Changing management companies after a project has been commissioned is difficult, costly and can have a negative effect on the tenants.

OPTION 2: Contracting In/Out Parts of Your Operation

Project sponsors electing to manage the project may enhance affordability by contracting in/out some or all aspects of service provision. In this case, the project sponsor would retain the administrative management responsibilities and contract with a third party provider for the provision of hospitality and/or personal care services.

4.7.1 Operating Contracts

Whether the project sponsor chooses to contract all or part of the operation to a third party, a legal contract is required and should contain all of the following in addition to the typical legal terms and conditions:

a. Contract term

This should be at least two years. It takes time to establish a routine and get everything working well with tenants. It is disruptive to tenants if contracts change frequently.

b. Contract Deliverables

Outline exactly what services the contractor is to deliver.

c. Performance Standards

Outline exactly what standards of performance the contractor is expected to consistently meet, how performance will be measured, how often performance will be measured, who will measure performance and the consequences of poor performance.

d. Human Resource and Labour Relation Qualifiers

The project sponsor holds no responsibility or direct relationship to the contractor's employees. It is important to make this clear, to avoid legal issues in the event of a labour dispute.

The BC Labour Relations Code and several new pieces of legislation aimed at health care employers in BC address contracted services. Operators are encouraged to obtain a labour relations legal opinion when they are considering contracting services. There are often significant cost savings to be realized through contracting in/out, provided it is done correctly.

Chart 21

Cost savings associated with contracting in/out:

1. Operators should assess the need to "multi-task" staff before contracting out aspects of the operation. An all or nothing approach to contracting may be best.
2. Contractors can often achieve economies of scale with other operations they service nearby. These savings would not otherwise be available to the project sponsor and can be passed along to the project.
3. Contracting out may reduce labour costs and ensure the sustainability of the project.
4. Contracting out reduces the operating risk assumed by the project sponsor.
5. Contract service providers are experts at what they do and therefore often have better skills to create operational efficiencies than the project sponsor does.

Chapter 5

Cost Effective Design

“My name is Leah. I am on the Board of Directors of a non-profit society that wants to get involved in seniors’ housing in our community. Although we are all very enthusiastic, none of us knows anything about the design of seniors’ projects. Of course we will be hiring an architect at some point, but it would be very useful if we had some information to help guide us through our decision-making process.”

THIS CHAPTER WILL BE USEFUL TO:

- ✓ **Sponsoring Societies developing seniors supportive housing or assisted living projects**
- ✓ **Architects, engineers, development consultants and contractors designing and/or building seniors supportive housing**
- ✓ **Those looking to convert, renovate or upgrade an existing building to create supportive housing for seniors**
- ✓ **Those looking for design ideas that support additional revenue generation**

5.0 INTRODUCTION

As the seniors population continues to increase there is a growing demand for affordable, supportive housing. As they age, many seniors are becoming frailer and are often less able to rely on family for assistance. In responding to this growing need, building designs for supportive housing for seniors must be wheelchair friendly and should feature a variety of amenity spaces to facilitate socialization within the housing community.

When designing supportive housing for seniors it is important to remember that the target population is changing. The more design flexibility that can be built into the project, the more viable the project will remain in the years to come.

New seniors supportive housing is purpose built, meaning its sole purpose is to accommodate seniors who require a variety of supportive services in order to remain independent. Although building design is important, the programs and services provided for seniors within the housing environment require equal consideration. Support and amenity spaces need to be conducive to operational efficiency and provide opportunities to reduce labour costs. Project sponsors are well advised to include operational expertise on the design and construction team to ensure both form and function receive high priority.

There are four main areas to consider in a building design:

1. Project size and configuration
2. Spending priorities
3. Building component, equipment and materials selection
4. Design elements that decrease operating costs or generate revenues

5.1 PROJECT SIZE AND CONFIGURATION

Planning an affordable housing project often requires difficult decisions concerning the allocation of space between private, shared and public areas. Thirty to thirty five percent of the total floor space should generally be common amenity space including dining room, lounge, spa and activity spaces. Where

space is tight, tenant suites can be designed as bed-sitting rooms of 400 - 450 sq ft provided the building's shared amenity space is larger than average. Not only does this allow the project sponsor to maximize project capacity, it also supports socialization within the community through the inclusion of a variety of amenity spaces.

5.1.1 Studio Apartments

Although studio apartments may not be the unit type preferred by many seniors, they are more affordable and can provide excellent accommodation if designed well. Of particular importance in smaller living spaces is the inclusion of uninterrupted, straight walls. Longer straight walls in living rooms and bedrooms creates a more spacious feeling, provides more options for furniture placement and accommodates larger furniture. These features are important to seniors.

There are also ways to reduce amenity space requirements and thereby lessen the building costs. Selecting a site near to a seniors recreation or community centre can reduce the need for social spaces within the building. Where this option is considered, operations managers should be included in the decision as they will be responsible for forming the alliance or partnership with the community agency.

Wherever possible, design new projects for easy conversion to larger units later. This will add slightly to design cost but will create flexibility that will save more as baby boomers age and have expectations for much larger living spaces (and the money to pay for them).

5.1.2 Commercial Kitchen

Even if there is an alternate source of meal service identified during the project design phase, sponsors are advised to put a commercial kitchen into the project to ensure the service can be offered in-house if required in the future, should outside sources cease to exist. At the very least, rough in space for future development if required. Commercial kitchens do not need to be elaborate or large and should be driven by the project size and public health requirements. Many companies that supply commercial appliances also provide kitchen design

services at low, or no, cost. Consult the experts during the design phase of project development.

5.1.3 Adaptable Design

If studio apartments are selected in the initial design, project sponsors should consider an adaptable design where two studio apartments can be converted into one large one-bedroom apartment in future. This flexibility could render a project more sustainable if market conditions changed and studio apartments were no longer acceptable to seniors. This flexible design concept could cost ten percent more initially but will save twice that at the time of conversion.

In smaller communities, where land costs are low, there can be a tendency to build larger apartments, including two bedroom suites. Sponsors are best advised to build more, larger one-bedroom apartments over two bedroom suites. Two bedroom suites cannot command proportionately more rent.

5.1.4 In-suite storage

One important feature even where suite size is small is the inclusion of in-suite storage. Seniors tend to have collected a lot of worldly possessions over the years, that they have difficulty parting with. Many buildings include tenant storage in the basement where these items can be packed away but accessing basement storage can be nearly impossible for a senior without the assistance of staff. Staff time carries with it a far higher ongoing cost than the addition of a few extra square feet during construction. In-suite storage allows the tenant to access his or her belongings independently at no additional operating cost.

Consideration should also be given to how and where medications are stored. The most common personal care services are medication storage, monitoring and/or administration. Design should include the capacity to add a locking cupboard in tenant suites and a locked medication room for staff.

5.1.5 Project Size Considerations

There is no clear answer as to what constitutes an ideal project size. On the design and development side, most believe that economic feasibility is achieved at 40 - 50 units with adequate amenity space, wheelchair accessibility, accessible outdoor space, some secure space and walking distance to amenities. From an operations perspective, economic feasibility is driven by the nature of the services provided, most particularly the requirement to provide 24-hour on site staffing.

Where, for whatever reason, the ideal size cannot be achieved initially, the project sponsor might consider building in phases where additional units are added as money allows or market demand warrants. In this case, the services provided may need to be modified to reduce staffing costs. Other options include seeking community partners, including volunteers, to provide some services. These operational issues are discussed in Chapter 4.

5.3 SPENDING PRIORITIES

A project's spending priorities should be determined by the purpose of the product. As average life expectancy is lengthening and the number of seniors requiring supportive housing is growing, it is important to choose design features that appeal to this segment of the population. With seniors supportive housing, any building feature that improves accessibility or promotes independence should be given a higher priority. And whenever design allows a senior to remain independent, labour cost is saved.

Spend more money where you don't want to face high replacement costs (e.g. heating, windows) and save money on easy to replace items that would have to be replaced in any case (e.g. carpet)

5.3.1 Washrooms

Within the tenant's suite, washroom size and layout should allow manoeuvring space for a person using a walker or wheelchair and for a home support worker to assist with bathing. Maintaining one's ability to use a washroom, including

the ability to have periodic assistance, is crucial and can be the difference between living independently and moving to residential care.

Washrooms should also be equipped with sit showers, not residential tubs. In many cases this allows a senior to continue to bathe independently for longer. Wherever possible, include a therapeutic tub within the building for those seniors who require staff or home support assistance to bathe. And some independent seniors simply enjoy the bathing experience in a therapeutic tub.

5.3.2 Air Conditioning

In locations where long periods of hot summer weather is normal, air conditioning should be strongly considered. Seniors are sensitive to the heat and do not sustain prolonged heat well. Installing air conditioning during the initial construction is cheaper than all the corrective actions you need to take later including screen door installations and ongoing maintenance. Air conditioning contributes significantly to tenant comfort and reduces potential heat-related hospitalizations.

5.3.3 Access to the Outdoors

Seniors also enjoy accessing the outdoors. Including wheelchair accessible sundecks, balconies and perimeter walkways adds value for seniors. Raised planting boxes should be included in the landscape architecture so that tenants can continue to garden. To ensure outdoor spaces are regularly used, locate them on the shady side of the building or include lattice work, gazebos or foliage that provide shade so that residents can enjoy the outdoors out of direct sunlight.

5.3.4 Building Security and Emergency Response

One feature that will be needed more in the future is building perimeter security. The presence of seniors with Alzheimer's and similar diseases in supportive housing environments is increasing. As the disease progresses, security becomes an

issue. It is cheaper to install this feature with initial construction than as a future addition.

Not all seniors with advancing dementia will be able to move out of supportive housing environments immediately. Project sponsors should therefore consider the installation of perimeter security devices that can be activated at times of the day when there are fewer staff people present.

Perimeter security systems often dovetail nicely with emergency response and enterphone technology. All can be run from the same building cabling. Project sponsors should consider purchasing emergency response, enterphone and security systems from the same company that also has control over cabling to avoid disputes between providers in the event of malfunction.

The intent of perimeter security is not to restrain residents from leaving the building at will throughout the day. The perimeter security can however be activated to provide enhanced safety in the evening and night hours when someone leaving the building is less likely to be observed by staff.

Some more sophisticated security systems allow for selective programming so that perimeter alarms can be set to sense only specific tenants that may be at risk for wandering. Project sponsors are advised to review all security options and purchase a system that provides the greatest security and flexibility. This is one area that will become critical in the future.

5.3.5 Scooter storage

Seniors often maintain their independence through the use of electric scooters and wheelchairs. These devices are frequently used to travel outdoors more than within the building. The inclusion of a scooter storage and charging room nearby a building entranceway is an excellent way of supporting tenant independence. This also allows operators to restrict the use of scooters within building hallways, which keeps down costs of wall repairs and flooring wear and tear that scooters can cause.

5.3.6 Building code considerations

Part 9 of the BC Building Code applies to buildings of three storeys or less having a footprint not greater than six hundred square metres. Part 9 can be used for group C residential occupancies. Building Code requirements for Part 9 of the Code are less than Part 3 requirements (larger buildings) and therefore offer some building cost reductions that could offset the added cost associated with building small. Where a project is small, staying under six hundred square metres may provide some savings.

5.4 BUILDING COMPONENT, EQUIPMENT AND MATERIALS SELECTION

5.4.1 Reducing construction costs

Construction costs can be contained through a quadrant layout of four, eight or twelve feet so that standard cut building materials can be used corner to corner. This enables builders to realize maximum efficiency from dimensional lumber. With the cost of building materials in British Columbia escalating a few percent each month in 2004, significant savings can be realized by reducing lumber consumption.

There are savings to be realized in the selection of appropriate furnishings, fixtures and equipment included in the building. Aside from volume purchase discounts, scaling down the appliances included in the tenant suites from full fridge and stove to hot plate and bar fridge can save significantly, provided full meal service is included in the meal package. As seniors become increasingly frail they are less inclined to prepare meals in their suites and appliances are unlikely to be fully used.

Use maintenance free materials to cut down life cycle costs. Consider day-to-day use and how a material will wear. Low cost materials are not low cost if they have to be replaced constantly

Tenants are more likely to continue to do their own personal laundry, or be assisted by visiting family members, if washers and dryers are located in, or nearby, tenant suites. If staff have to do tenant laundry because the laundry room is inaccessible to the tenant, operating costs will increase. Developers are well advised to put small laundry rooms with corresponding sitting

areas throughout the building rather than have one central laundry room.

5.4.2 Durable building materials

The use of durable building materials, even if they increase construction costs, can actually save money throughout the building life by reducing building maintenance costs. Vinyl siding is affordable and can be used in combination with wood trims and fiber-cement siding (like Hardiplanking) to improve the look. Vinyl does however require cleaning and can become quite unsightly if not regularly maintained. Hardiplanking, although more expensive, is more durable than vinyl, nearly maintenance free and indestructible.

5.4.3 Flooring

To create a more home-like environment, many developers select carpeting or vinyl flooring. It is important to take care when selecting commercial grade carpets. Many will need replacement within five years even if they are regularly maintained. Some higher quality carpets with anti-microbial backings (such as Interface) boast lower life cycle costs (including maintenance) when compared to other floor coverings. In general, the equipment and labour required to clean carpets is high but these costs can be kept to a minimum through selection of higher quality carpet product.

Wood laminates and many vinyl floorings are lower maintenance and look very residential. They may be more durable and less expensive to maintain than carpeting. However, carpet does a better job of reducing noise within the community than wood or laminate flooring.

5.4.4 Minimizing Noise

Seniors housing built on lower cost land may experience excessive traffic noise. Including triple glazed windows to reduce noise will increase construction costs but will be worth it in the long run. There are significant operating costs associated with suite turnover and revenue losses due to vacant suites. If

there may be difficulty renting certain suites due to exterior noise, take steps during construction to mitigate this risk.

5.4.5 Energy Costs

Energy consumption and costs are often underestimated in ongoing building operations and can present significant challenges if fuel or hydro costs jump significantly in one fiscal year as was the case in British Columbia in 2003. Sponsors should consider spending money on energy efficiency and water conservation, including flow restrictors in showers, low flush toilets, LED lighting, geothermal heating and cooling, and energy saving appliances.

These items add some cost to the development but save significantly on operating costs. For example, the inclusion of geothermal heating and cooling adds approximately \$75,000 to development costs but can save up to \$125,000 over 20 years of operation. Mechanical systems typically require up to four times more energy to lower the temperature one degree than to raise the temperature one degree. With geothermal heating and cooling systems there is no cost to cooling, so the savings can be significant, especially in warm climates where air conditioning is used during the summer months.

Energy efficient heating is very important in seniors communities because seniors can be very sensitive to cold and may require warmer temperatures through the winter months. The inclusion of fireplaces in common areas can be a functional feature for this reason. Timers on thermostats also assist in controlling heating costs by programming lower temperatures at night.

5.5 DESIGN ELEMENTS THAT DECREASE OPERATING COSTS

Long walking distances, for tenants and staff, add to the overall operating costs. If tenants have to travel down lengthy hallways and take elevator rides to reach dining and amenity space they may not be able to manoeuvre the trip independently. If staff assists tenants to meals more staff will be needed.

If staff needs to travel long distances between tenant suites to attend to personal needs a lot of staff time will be used in transport. This adds to staffing costs. Architects and developers should attempt to keep hallway lengths as short as possible and should cluster common amenity spaces to ensure travel times are limited.

Save on staffing costs. They are the single most important cost besides capital expenses.

The proximity of support or utility spaces to tenant areas is also an important design feature that can affect operating costs. Seniors supportive housing should be designed like hotel accommodation with janitorial and storage spaces included at intervals throughout the tenant suite areas. This allows staff to provide services and access supplies easily rather than having to travel long distances to centralized support areas.

5.5.1 Emergency preparedness

Building safety and emergency planning is an ongoing concern in seniors housing. Sponsors should consider including an emergency overhead paging system so that clear instructions and reassuring messages can be delivered to seniors in their suites in the event of an emergency. In the absence of this feature staff must go suite-to-suite which is time consuming, inefficient and can increase the chance of tenant injury.

Project sponsors need to consider the safety and security risks associated with seniors housing as tenants age, become more frail and require additional assistance. There can be costs associated with managing emergencies including increased insurance premiums and liability costs. Design should support efficient emergency response.

5.6 DESIGN ELEMENTS THAT GENERATE REVENUE

Projects remain viable when they can at least break even. Keeping expenses to a manageable level is one way of supporting project viability. Creating opportunities for revenue generation is another.

“Signature” amenity spaces can be functional and can generate income, while reducing an institutional appearance within the seniors community. For example, a general store, to be operated by volunteers, can earn extra income through the sale of medical products (like incontinence products), convenience goods (milk and bread) and sundries (writing paper, consumables). *A note of caution: Organizational commitment to operate signature features is essential. They will only generate revenue if there is a will to do so.*

Larger projects might also include an ice cream parlor, bistro café or coffee shop that is available to the tenants and their families as well as the surrounding community. For multi-site operations these features become recognizable and “brand” the operator in the marketplace, which in turn reduces marketing costs by generating a waiting list from industry goodwill.

Project sponsors might also consider selling services to nearby operations to use the extra capacity that exists in their support areas. Examples include a hot meal or Meals on Wheels programs from the commercial kitchen or industrial linen services from the commercial laundry.

Chart 22

How design elements can affect costs:

1. Flexibility - keep building design flexible so it can be easily adapted in the future.
2. Invest in quality - While they may cost more initially, higher quality fixtures, flooring and other design features will save you money in the long run.
3. Design for independence - By making it easier for tenants to do things for themselves you can save on labour costs and maintain a higher quality of life for residents.
4. Choose maintenance free materials - reduce ongoing maintenance costs.
5. Consider service locations/adjacencies to promote independence and improve efficiency. Storage rooms, laundry facilities and common areas should be easily accessible to tenants and staff.
6. Commercial kitchen - it doesn't have to be big, but a commercial kitchen is a key element to controlling costs and quality.

Chapter 6

Adaptive Re-Use

“My name is Sinikka. There is no way the seniors in my community could afford the rents in a new supportive housing project so what can we do? Some of us have wondered from time to time if we could make better use of some of the half empty or underused buildings in our community, or if we could somehow provide services in places where lots of seniors already live.”

THIS CHAPTER WILL BE USEFUL TO:

- ✓ **Sponsors and operators of seniors housing and health care projects that would benefit from retrofitting or conversion or service enrichment.**
- ✓ **Owners of buildings that do not currently provide housing for seniors but could if changes were made.**

6.0 Introduction

Current construction costs exceed \$100 per square foot which means a new 50 unit supportive housing project for seniors, including appropriate amenity space, would cost more than \$5 million in construction costs alone. Land costs, soft costs (e.g. architectural fees), and financing costs would add substantially to this total. Without government subsidies or large amounts of equity, the rents that would be necessary to offset building costs of this magnitude would be very high, even before considering the significant operating expenses involved in supportive housing projects.

Adapting or re-using existing buildings can be an affordable alternative to new construction under some circumstances. In addition, it may be possible to obtain grants from Canada Mortgage and Housing Corporation (CMHC) to cover part of the conversion costs.²⁰

In this chapter we briefly describe seven examples of adaptive re-use, five from British Columbia, one from Edmonton, and one from New York City. We have defined adaptive re-use to include both physical changes and service provision (e.g. the addition of meals).

Renovating an existing facility can be cheaper than new construction in some cases. When using existing sites, conduct a physical assessment of electrical, mechanical, seismic, plumbing, architectural and structural suitability. Where these elements are sound or upgradeable at low cost, it may be advisable to convert the building especially if it contains an operational commercial kitchen.

The seven examples of adaptive re-use are:

1. The Gibsons Garden Inn, Gibsons. Motel conversion.
2. The Renaissance, Victoria. Apartment building conversion.
3. Logan Lake. Exploration of various reuse possibilities.
4. Silver Birch Lodge, Fraser Lake. Addition of services to old social housing project.
5. Dania Manor, Burnaby. Conversion of independent seniors apartment building to assisted living.
6. The Churchill, Edmonton. Office building conversion.

²⁰ The Residential Rehabilitation Assistance Program (RRAP) provides grants for the upgrading of rental projects and the conversion of non-residential properties to residential use. For information on how these programs operate, call CMHC or visit their website, www.cmhc-schl.gc.ca.

7. NORCs, New York City. Naturally occurring retirement communities

6.1 Gibsons Garden Inn, Gibsons

- The Gibsons Garden Inn is a 52 unit motel in Gibsons on the Sunshine Coast that was converted by its owner to provide supportive housing and assisted living for local seniors.

There are several cases of hotels and motels in British Columbia that have been converted from their original use to supportive seniors housing. Presumably the motivation in most cases is to generate increased revenue for the owner, or to create a more stable and less seasonal source of revenue.

- In most cases of hotel and motel conversion, drastic physical changes are not made, e.g. joining two units to make a single larger unit. Although it is quite possible to add small kitchenette modules to standard hotel/motel sized rooms, many owners do not choose to add kitchens, partly for cost reasons and partly because most are providing three meals a day for their tenants in any case.
- The owner of the Gibsons Garden Inn reports that the cost of retrofitting the motel was fairly reasonable and that no substantial building code problems were encountered during the conversion process. It was necessary to add more sprinklers as well as an elevator. The owner chose to add a handicapped elevator but believes in retrospect that adding a regular elevator would have been a better choice because the handicapped elevator keeps breaking down.²¹
- The Gibsons Garden Inn reflects the typical approach of motel conversions - units are small and lack cooking facilities, although seven rooms do have kitchenettes. Services include

The owner of the Gibsons Garden Inn reports that the cost of retrofitting the motel was fairly reasonable and that no substantial building code problems were encountered during the conversion process.

²¹ The same situation occurred at the Vancouver Abbeyfield - the handicapped elevator could not reliably meet the demands placed on it.

three meals per day, weekly flat and personal laundry, housekeeping, and social and recreational activities. Amenities include a fitness area with pool, hot tub and exercise equipment; a social room, lounge, courtyard and garden.

- Most rents range from \$1,164 for a single room to \$1,254 for a double room. There is often a waiting list for these units.
- Rents at this level are affordable for people with annual incomes of about \$20,000. Although seniors who earn only minimum pension incomes (about \$12,000 per year) could not afford the Gibsons Garden Inn, most seniors could, particularly the 79% of senior households in BC who are homeowners.²²
- Eighteen of the Inn's units have been designated for assisted living under a partnership between the Gibsons Garden Inn and the Vancouver Coastal Health Authority. In addition to the hospitality services (meals, housekeeping, laundry and so on), tenants in these units also receive personal care services and are supervised 24 hours a day. An RN is on duty during the day. The assisted living staff are employees of the Vancouver Coastal Health Authority, not the Inn, and the tenants must be assessed for eligibility by the Health Authority.
- While it was operating as a hotel, the Inn was staffed by members of the BCGEU, which remains as the bargaining agent for the employees. Labour costs account for about 50% of expenses, a relatively low ratio in the industry.

6.2 The Renaissance, Victoria

- Located on Esquimalt Road in Victoria, The Renaissance was formerly a 64 unit rental apartment building with high vacancies. The current owner bought the building in 1998, converted six units on the main floor to amenity space, including a dining room, and began to operate The Renaissance as a supportive housing project for seniors.
- Currently, rents start at \$1,550 per month for studios, \$1,620 per month for one bedroom units, and \$2,050 for two bedroom units. All units include a full kitchen.

²² Statistics Canada, 2001 Census, Topic Based Tabulations, Housing, Table 1004.

- Monthly rent includes dinner, weekly housekeeping, activities and utilities. Breakfast and lunch may be purchased separately. About one-third of residents buy lunch and about 25% buy breakfast.
- One bedroom units that rent for less than \$2,000 per month in the Victoria market are considered affordable. Households with an annual income of about \$27,000 could afford to pay the Renaissance rent of \$1,600 per month for a one bedroom unit. The average income of households with a head between the age of 65 and 74 in Victoria is \$50,094, while the average income of households with a head over the age of 75 is \$41,866.²³
- One of the reasons rents are comparatively affordable is that only one meal per day is included in the monthly rent. Because only one-third of residents purchase lunch and 25% purchase breakfast, one employee is able to handle most of the breakfast and lunch tasks in a three hour shift. For lunch, residents have soup, salad, and a sandwich made from the meat they had the night before for dinner. Initially only 20 dinners per month were provided but the owner increased that number to 30, believing that it was beneficial to get people into a routine and to ensure that they get at least one good meal a day.
- The building is typically full, although the owner is very careful in terms of tenant selection. He sees his building as home for people who need just a little help to remain independent - people who need more help than he can provide are encouraged to look elsewhere for accommodation.

6.3 Logan Lake

- Logan Lake is a community of about 2,000 people located midway between Kamloops and Merritt. Seniors who cannot remain in their own homes for whatever reason must move away. The community wants to find some way of allowing these people to stay.
- The option of building new has been explored at some length, but so far has proved too expensive. Consequently, the

²³ 2001 Census, Semi-Custom Tabulations

community explored the following adaptive re-use possibilities:²⁴

- The local underutilized shopping mall;
- The elementary school, which in future may not be needed for educational purposes;
- The Logan Lake Lodge, one of two motels in town;
- Units in a rental apartment building;
- Units in a condominium building.

The community debated the pros and cons of each possibility, helped by an architect who inspected each of the five options from the perspective of general soundness as well as estimated conversion costs. Some of the architectural comments follow:

- Logan Lake Lodge - the building is in good shape and could quite readily be adapted to supportive housing. If the more desirable second floor were converted, an elevator would be required.²⁵ The second floor would be better than the first floor for privacy reasons and because there is already a large common amenity space on the second floor - three units were combined at an earlier date to form one very large unit that contains a kitchen and two bathrooms. Units would require some upgrading - e.g. grab bars and showers instead of tubs in the bathrooms, and possibly kitchenettes.²⁶
- Mall - the mall is a two-storey steel building with a sprinkler system. There is no elevator but entry is accessible at ground level for both first and second floors although access to the first floor from the second floor is somewhat problematical. The second floor of the mall could be converted to 11-12 supportive

The community debated the pros and cons of each possibility, helped by an architect who inspected each of the five options from the perspective of general soundness as well as estimated conversion costs.

²⁴ A sixth possibility involved the acquisition of two adjacent single family houses but since there are very few appropriate houses in Logan Lake (most are two storey), this option was dropped quickly.

²⁵ Note that the RRAP program allows elevator installation as an eligible cost.

²⁶ It is quite feasible to install kitchenettes in standard sized motel/hotel rooms. The kitchenettes are designed for hotel/motel use.

housing units for a construction cost of about \$55 per square foot.

- Elementary School - approximately nine units could be developed on the second floor of the school, which has ground access. Construction cost would be very similar to the costs identified for the mall. Although the school is very close to the town centre area, there is a steep grade involved getting from one to the other.
 - Ponderosa Apartments (rental) - one bedroom units in the Ponderosa, which is a 25-year-old three storey walk-up, are 575 square feet and rent for \$350 per month. Bathrooms are large and the units are in the process of being upgraded by the building owner. There are no common amenity areas. The Ponderosa is located down a rather steep hill from the town centre area.
 - Opal (condo) - there are "super-suites" in the building - two bedroom 1,200 square foot units created by combining two one bedroom units. They typically sell for about \$50,000 with monthly maintenance fees of \$235. There is no elevator in the building, although some super-suites are located on the ground floor. Opal is about a block from the town centre area.
- After much discussion, the community decided that the preferred option was the Logan Lake Lodge. A committee was struck to initiate discussions with the owner of the Lodge. At time of writing, these discussions are still taking place.
 - Over the last several years, the District of Logan Lake and its residents have explored nine different options for creating supportive seniors' housing - six involved the use of existing buildings and three involved new construction. In all cases, the estimated monthly rental was substantially lower for the conversion options than for the new construction options.

6.4 Silver Birch Lodge, Fraser Lake

- Silver Birch Lodge is in Fraser Lake, a small (1,268 people) community located two hours by car from Prince George.
- Silver Birch Lodge is an old social housing project composed of 26 small one bedroom units in a one storey building. Similar projects exist all over the province, all occupied by tenants who are getting older and frailer, and many run by boards who are themselves becoming older and frailer.
- As the tenants in Silver Birch Lodge aged in place, the part-time manager became concerned about their increasing frailty and their growing inability to care for themselves.
- The manager's first step was to do some fundraising in order to add a hair salon and an activity room to the complex.
- The next step was to begin providing meals on a cost-recovery basis - a hot dinner costs \$4. One of the reasons meal costs can be kept down is the involvement of the local high school and its co-op program.
- Local service clubs are also involved in the operation of the project.
- Arranging for the availability of the described services has been an extremely time-consuming and often frustrating process, as well as a labour of love, for the building's manager.

6.5 Dania Manor, Burnaby

- Dania Manor is part of a campus of care located in Burnaby: Dania Home is a 73 bed multi-level care facility, Dania Lodge is a 12 unit special care complex, Carl Mortensen Manor is a 49 unit apartment building for independent seniors, and Dania Manor provides 50 units of assisted living in a retrofitted building that formerly consisted of independent living units only. Although conceived and planned prior to the introduction of the Independent Living BC (ILBC) program, Dania Manor has since been folded into ILBC.

- The first step in the decision to retrofit Dania Manor was to decide whether or not it made sense to renovate instead of to demolish and build new. Detailed technical investigations determined that it made economic sense to renovate the 30 year old building and not to tear it down.
- The next step was to decide how to finance the retrofit. The existing building had a CMHC mortgage on it that carried a penalty for early pay-out. But mortgage rates were so low the Society was prepared to pay the penalty if refinancing made overall sense financially. In order to decide which route to pursue, the Society prepared two financial analyses - one assuming that the old mortgage would be maintained, and the other assuming the old mortgage would be paid off and the whole project refinanced. The comparison indicated that it would be cheaper to pay off the old mortgage and refinance.
- Design options for Dania Manor were somewhat limited because the Society was working within the existing building envelope. In spite of the limitations they were successful in creating a homelike environment. This was due, in part, to the fact that the Society did not scrimp on the finishing touches such as crown moldings, two-tone painting, and artwork. If money was not available, they established partnerships with local agencies and associations to ensure these important finishing touches were provided. For example, Dania established a partnership with the Burnaby Art Guild, which provided all the artwork. It is rotated every 60 days - all paintings are for sale while hanging throughout the building.
- Although tenants in Dania Manor are now subsidized under the terms of the ILBC program, the initial plan was to provide assisted living at low end of market rents. Financial analysis indicated that plan would also have worked.

In spite of the limitations [Dania Manor was] successful in creating a homelike environment.

6.6 The Churchill, Edmonton

The reason for including The Churchill in this chapter is that there are no examples in BC of offices that have been converted to supportive seniors' housing.

- The Churchill was developed in the late 1990s in response to a City of Edmonton initiative aimed at providing additional residential development in the city centre.
- The Churchill was formerly known as the Centennial Building, a 22 storey office tower in the heart of Edmonton's downtown, an area that had been experiencing decline for several years. Several large office and retail buildings in the City's core were vacated by their tenants and some still remain largely vacant.
- The City identified a lack of residential population downtown as one of the reasons for the decline and introduced a series of programs aimed at increasing the downtown population. The Churchill was the result of one of those programs.
- Situated across from City Hall and within walking distance to shopping, theatres, library and art gallery, The Churchill's location is ideally suited for a residential project.
- In total, 176 rental units were created out of a total gross floor area of 188,000 square feet. The total construction cost was \$11.4 million, or approximately \$60 per square foot. Current rents in The Churchill, which include hospitality services such as meals, housekeeping, laundry, and social and recreational activities, range from \$1,500 to \$2,400 per month

The Churchill was formerly known as the Centennial Building, a 22 storey office tower in the heart of Edmonton's downtown, an area that had been experiencing decline for several years.

6.7 NORCs (Naturally Occurring Retirement Communities)

- In a recent book called *Reinventing Care: Assisted Living in New York City*,²⁷ the author suggests that by following five simple rules, assisted living in the United States might finally realize its promise of providing safe and high quality care. The five rules are supported by five tactics, one of which is to expand the definition of assisted living to include NORCs, or naturally occurring retirement communities. NORCs are created as building tenants age in place.

²⁷ Smith, David Barton, *Reinventing Care: Assisted Living in New York City*, Vanderbilt University Press, 2003.

- The book includes a number of examples of local NORCs in New York that over the years have added services to accommodate aging residents. One such example is the Esplanade Hotel, which has provided residential hotel services for seniors for more than 40 years. It now has a full range of services including care for residents with Alzheimer's. In other cases tenant associations in buildings have hired service coordinators and offered space in exchange for home care services. They have senior centre activities and adult day care.
- The author believes NORCs have two major advantages in terms of their ability to provide assisted living:
 - They avoid the "old age" stigma that often goes with these facilities by engaging people before they need help.
 - They moderate the concern of assisted living residents about their aging neighbours, who are reminders of their own mortality. The advantage that NORCs have is that those reminders come in the form of friends and neighbours with whom they have lived for years.
- The affordability aspects of NORCs are not explored by the author but their potential is clear.
- There are hundreds of NORCs in British Columbia, both for-profit and not-for-profit, but few have added services to facilitate the aging in place of their tenants. Silver Birch Lodge is an example of adding services to a NORC, but there are not many other examples in BC although the Vancouver Island Health Authority is a strong proponent of this approach.
- In comparison, the Province of Ontario develops assisted living units almost exclusively by adding services and/or required amenity space (eg. kitchens and dining rooms) to complexes built originally to accommodate independent seniors.

There are hundreds of NORCs in British Columbia, both for-profit and not-for-profit, but few have added services to facilitate the aging in place of their tenants.

Chart 23

Adaptive re-use: Lessons from the real world that can keep costs down:

1. A change of use may trigger building code issues. Be sure to seek expert advice before embarking on a conversion or adaptation project. Some buildings will cost too much to renovate or convert and the only sensible thing to do is tear them down.
2. Explore financing options carefully. Even if penalties must be paid, it may be less expensive to pay out an old mortgage and refinance. A mortgage broker can help work through the intricacies.
3. If adding an elevator, think carefully about the costs of adding a handicapped elevator instead of a regular elevator. Heavy use may result in frequent breakdowns of a handicapped elevator.
4. MHC's RRAP program²⁸ provides grant assistance for the upgrading of rental apartment buildings or the conversion of non-residential buildings to residential use.
5. Motel conversions often result in very small units but for some seniors they are acceptable because they are very affordable. One of the reasons units in converted motels can be rented at relatively low rates is that often the motels already have kitchen and dining facilities.
6. Many non-residential buildings can be converted to supportive seniors' housing - motels and hotels, schools, malls, office buildings, and others. Conversions may result in more affordable accommodation because costs are often significantly lower than the cost of new construction and because government grants may be available.
7. Existing seniors housing complexes can be transformed into supportive housing by adding services. Ideally, space to cook and/or serve meals should be available, either by converting units or adding on. Meal costs can be reduced in many ways, for example by involving local high schools co-op programs and/or local service groups.

²⁸ Residential Rehabilitation Assistance Program.

Chapter 7

Supportive Housing For Seniors

In Small Communities and Rural Areas

"My name is Jill. I live in a small town and the people here don't want to have to move away when they get too old to look after themselves. But there is nothing here for them at all - what can we as a community do?"

THIS CHAPTER WILL BE USEFUL TO:

- ✓ Residents and governments of communities who would like to find a way to enable their seniors to age in place.
- ✓ Sponsors and developers interested in the feasibility of developing and operating supportive seniors housing in small communities.

7.0 Introduction

Developing and operating supportive housing for seniors in small communities and rural areas can be a challenge for a number of reasons. Some of these reasons are discussed in this chapter, along with examples of how communities in BC and elsewhere are dealing with the challenges.

One such community is Nakusp, which has been dealing with the impending closure of Halcyon Home, an intermediate care facility that has operated in Nakusp for many years. Although the Nakusp situation was not finally resolved as of the publication date of this report, the events surrounding the possible resolution of the situation are explored in depth in an appendix to this report entitled "*Developing Affordable Supportive Housing for Seniors in Rural Areas: The Case of Nakusp*".

7.1 What Do We Mean by "Small"?

Although there is no hard and fast rule about what is small and what is not, this chapter is focused on communities with fewer than 5,000 people. In addition, they must be somewhat removed from major population centres although there is a certain amount of arbitrariness about that definition as well. For example, Agassiz, which is a community of fewer than 5,000 people located between Vancouver and Hope, would not be considered small and rural. But Logan Lake would be, even though it is closer to Kamloops than Agassiz is to Vancouver. The exact size and location of communities is not as important as the fact that they share challenges in terms of developing and operating supportive housing for seniors.

7.2 What Are The Major Challenges?

Even where subsidies are available, developing supportive housing in small communities can be challenging. Where no subsidies are available, the challenges become even larger because the only source of revenue available to support these projects is the people living in them. The more expensive they are to operate, the higher the monthly rents become. If they become too expensive, vacancies will occur.

The fundamental issue facing small communities is the fact that the so-called economies of scale are unfavourable. Projects must be small because there are not enough people to fill up a large project. The smaller the project, the more difficult project economics become for two main reasons - staffing and meal preparation. Overnight staffing is almost impossible with fewer than 15 units and daytime staffing may be mostly part-time. Meal preparation is a challenge because commercial kitchens are expensive - if the cost of a commercial kitchen is spread over too few units, the project may be unsustainable.

7.3 How Small a Project is Too Small?

This is a difficult question to answer because circumstances vary so much. It is common to hear people say that supportive housing projects must contain a minimum of 50 units to operate economically but there are many examples of smaller projects surviving. They survive because they adjust the services they offer to reflect the revenue earned.

In the state of Washington, the Rural Community Assistance Corporation (RCAC) has been developing supportive housing and assisted living projects in small towns for over 20 years. They have found that projects serving between eight and 20 residents can work. However, the situation in Washington State is much different in many ways from the situation in BC. For example, there are more sources of low-cost financing, wage rates are lower, and people are willing to accept construction standards that would be largely unacceptable in BC - shared rooms for example.

Aside from those differences, the RCAC is an advocate of thinking small for a number of reasons²⁹:

- Smaller facilities can often address specific residents' needs. "Experience with a number of nonprofit housing sponsors has demonstrated that projects serving eight to 20 residents offer the opportunity to maintain an intimate, family scale residential character, reduce or eliminate dislocation as the elderly age, and operate more cost-effectively than large projects. In a small development, a management approach based on fixed, full-time staffing may not be appropriate. Brokering

²⁹ Rural Community Assistance Corporation, Creating Community-Based Assisted Living Housing, 1998.

services to existing providers in the community such as visiting nurses, homemakers and personal care providers, increases flexibility and provides greater choice for the residents.”

- Smaller projects can offer more opportunity for the residents to become involved in day-to-day operations, thus helping to maintain their independence and also helping to keep costs down.
- Smaller projects can allow the elderly to remain in their own communities, close to family, friends, and support networks.

From a cost-effectiveness perspective the RCAC points to lower land costs in smaller communities, potentially lower construction costs (e.g. single storey construction eliminating the need for an elevator, lower marketing costs (by involving community groups in the pre-occupancy period), and a shorter rent-up period.

7.5 Ways of Providing Supportive Housing in Small Communities

Readers of Chapter 6, Adaptive Re-Use, will be familiar with the approach taken by the residents and communities of **Fraser Lake, Logan Lake, and Gibsons** in terms of developing and operating supportive housing for seniors. Mechanisms involved in those communities include for-profit owners, non-profit sponsors, and the municipality itself in the case of Logan Lake.

Another example of a workable mechanism is the Abbeyfield model, which provides a number of individual bed-sitting rooms, usually about 10, along with common areas such as kitchens, dining rooms, and living rooms. Abbeyfields are similar to large single family houses and are intended to provide safe and secure housing in a family-like residential environment.

Because they are small scale, they can be more economical to develop and operate than larger projects, while at the same time providing around-the-clock support for residents.

The Abbeyfield in Golden, BC took seven years to create and necessitated substantial community fundraising (\$480,000 raised to date and still counting), but now provides very affordable

accommodation for low income seniors. Here is how the Golden Abbeyfield Society describes their motivation:

“The direction that we headed was based on Golden being a small town, not very wealthy and not having any old age housing for Abbeyfield’s target market. We felt very strongly that many elderly seniors in Golden would be living only on OAS and the extra assistance available through the two levels of government. They would not be drawing any extra pension benefits, especially the women, many of whom were stay-at-home moms without CPP benefits. With those aims, we consulted many seniors over the years about an appropriate monthly charge and then settled on \$800 per month as being acceptable and inclusive. At that price, the benefits from two governments would come in at \$1,068 per month, leaving the senior with \$268 mad money. Not a lot, but do-able.”³⁰

The objective of the Golden Abbeyfield Society to house seniors on minimum pension incomes resulted in the need for significant fundraising. Other Abbeyfields that have not been able to generate as much donor revenue generally charge monthly rents of between \$1,000 and \$1,500.

7.6 Other Ideas

- The provision of 24-hour oversight by a staff member is extremely expensive for small projects. If 24-hour oversight is necessary, alternatives include designating a responsible and capable resident as emergency responder, relying on volunteer fire departments who wear pagers in any case and have at least basic first aid, and/or using systems such as Lifeline where residents wear pendants or bracelets that can be used to alert emergency services.
- Meals do not have to be cooked on site. Meals can be catered by local restaurants or even high schools, or they can be bought frozen and warmed up on site.
- As has been discussed elsewhere in this report, volunteers are an incredible resource in communities. Volunteers not only enhance the quality of life for residents of supportive housing projects, they also save money!

³⁰ Merle McKnight, President, Abbeyfield Society St. Paul’s Golden.

Chart 24

How small communities can reduce the cost of developing and operating supportive housing:

1. Consider unused or underutilized buildings that could be converted to housing.
2. Less widely-known models such as Abbeyfields may be very appropriate for certain centres.
3. The fundraising capabilities of small communities are often significant and can make the difference between a project that is viable and one that is not.
4. Service provision can be accomplished in creative and cost-effective ways. Meals can be catered by local restaurants; 24-hour oversight can be provided by volunteer fire departments.
5. Volunteers of all kinds are a major resource in small communities that can enhance quality of life and save money at the same time.

Glossary, Helpful Resources & Appendices

Glossary of Terms

Abbeyfield Model: This is a model for affordable seniors housing. Similar to large, single family houses, Abbeyfield facilities are intended to provide safe and secure housing in a family-like residential environment. The Abbeyfield model provides a number of individual bed-sitting rooms, usually about 10, along with common areas such as kitchens, dining rooms and living rooms. There are several Abbeyfield facilities in BC.

Adaptive Re-use: This term applies to facilities that are renovated/upgraded to create supportive housing facilities for seniors.

Assisted Living: combines independent housing, hospitality services and personal care services and makes them available to tenants up to 24-hours a day to meet the clients' scheduled and unscheduled needs. Seniors who live in assisted living can direct their own care and can respond appropriately to direction during an emergency.

Community Care and Assisted Living Act (CCALA): The provincial legislation that governs the operations of assisted living operations providing two or more prescribed personal care services. The Community Care and Assisted Living Act was not proclaimed into law at the time this document was prepared but is expected to become law by fall 2004. When it is in place, these types of operations must be registered under the act.

Complex Care: Complex care refers to the increasing levels of resources needed to meet the specialized care requirements of specific individuals. Complex care recognizes individuals whose needs fall within one of 5 possible groupings of care requirements. All groupings require 24 hour supervision and continuous professional care in a care facility environment.³¹

³¹ Ministry of Health Services, British Columbia. Home and Community Care Policy Manual.

Delegated Nursing Functions: Nursing tasks that are provided for housing tenants by assisted living workers after the function has been taught by a Registered Nurse (RN). Delegated Nursing Functions are tenant specific so individual instruction and ongoing monitoring are required. Medication administration is a delegated function as is the application of hearing devices, prosthetics or sterile dressings.

Design-build: This is when a contractor or developer agrees to deliver a product to the owner's requirements, usually for a fixed price.

Design-tender: This is when a contractor or developer is hired to design the facility around the general needs/specifications of the owner.

Extended Care: This level of care is usually associated with a hospital setting and supports seniors who are recovering from an illness/injury and require higher levels of care. Seniors usually move from this type of care into a residential care setting where they continue to receive support.

Health Authority (HAs): Health Authorities are administrative bodies responsible for the planning, delivery and evaluation of health care services for British Columbian's within geographic boundaries. There are six health authorities in British Columbia; one administers province wide programs, the other five administer health care services in geographic regions.

Health Campus: A complex operation combining housing, health care and community services for seniors in one location that shares amenity and support services. Health campus' commonly include independent seniors housing, assisted living, complex care and community programs (such as day programs). A campus model offers several advantages - services are integrated, a continuum of care is provided, greater efficiencies are possible, accessibility and sustainability are enhanced, aging in place is supported and a sense of community is created.

Home and Community Care: The division of BC Ministry of Health that deals with Community and Long Term Care programs and services. Both seniors housing and residential care fall within this division.

Hospitality Services: These are services provided in a supportive housing facility, including: meals, housekeeping, laundry, etc.

Independent Housing: Self-contained housing units (not necessarily apartments) without supports such as meals or other services

Independent Living BC: A government sponsored seniors housing partnership including the Ministry of Health, BC Housing Management Commission and the five regional health authorities. Under this program, plans are to provide 3,500

supportive living units throughout the province. The independent living units include the following 3 components:

1. accommodation in a private dwelling unit;
2. hospitality services; and
3. personal care services.

Under the Independent Living BC program government financial assistance is available for the development and/or operation of the housing and hospitality portion of the program. Regional Health Authorities provide funding for personal care services.

Intermediate Care: This level of care is for seniors who can no longer live independently and require assistance with activities of daily living. This would include all meals, laundry, personal care and medical care and monitoring.

Life Lease: A life lease is a legal agreement that permits its purchaser to occupy a dwelling unit for life in exchange for a lump sum payment and a monthly payment to cover the project management fees and maintenance and operating costs. Most life lease projects are sponsored by community based non-profit organizations. Residents in life lease projects are 55+.

Market Housing: These are units that are sold to the public and are incorporated into supportive seniors housing facilities to offset capital costs.

Naturally Occurring Retirement Communities (NORCs): These are existing communities of seniors where additional services could be added to create a supportive housing environment. There are hundreds of NORCs in British Columbia, both for-profit and non-profit.

Personal Care: Personal care services include assistance with bathing, personal grooming, dressing, mobilizing, medical treatments and medication management. Medications may be self administered, administered with assistance or administered by staff. Personal care does not include professional nursing services.

Professional Nursing Care: nursing care delivered by a Registered Nurse (RN), or by a Registered Psychiatric Nurse (RPN) or Licensed Practical Nurse (LPN) working under the direction of an RN. Professional nursing care includes health status assessments, treatments and/or interventions that can only be performed by a licensed nursing practitioner who possesses specialized skills and abilities. Professional nursing care does not include personal care.

Residential Care: 24-hour professional nursing care delivered within a residential care facility. Extended care units, Intermediate care facilities

and multi-level care facilities all deliver residential care services. In British Columbia eligibility for government funded residential care is reserved for the most physically frail and/or cognitively impaired seniors who require 24-hour professional nursing care and cannot direct their own care. Residential care is currently called *complex care* in BC.

SAFER - *Shelter Aid for Elderly Renters*: A provincial rent supplement program for seniors in market rental units, which subsidizes the difference between 30% of a tenant's income and the market rent of the unit, up to a maximum.

Signature Amenity Spaces: These are areas of the facility that generate revenue such as a general store or café.

Social Model: A care and service plan that promotes tenant independence and offers personal care assistance only where needed, rather than providing care as a focal point of the operation.

Supportive Housing: Living units with supports that might include meal(s), housekeeping and laundry services, emergency response and/or coordinated social programs. These services, known as hospitality services, are offered communally and are included in the rent. Supportive Housing may, or may not, be staffed 24-hours each day.

Helpful Resources

BC Building Code, www.mcaaws.gov.bc.ca/housing/housing - for information on building code requirements

BC Housing, www.bchousing.org or (604) 433-1711 - for a variety of information including operational guidelines, requirements and funding programs as well as **Independent Living BC**.

BC Non-Profit Housing Association, www.bcnpha.bc.ca - for information on membership, policy and program development, and education and training workshops.

BC Stats, www.bcstats.gov.bc.ca or (250) 387-0327 - for population information and forecasts, annual P.E.O.P.L.E. series (Population Extrapolation for Organizational Planning with Less Error).

Canada Mortgage and Housing Corporation (CMHC), www.cmhc-schl.gc.ca - for information on federal government programs and funding opportunities.

Independent Sector, www.independentsector.org - for information on volunteer programs/benefits.

Health Authorities:

Northern Health Authority, www.northernhealth.ca

Interior Health Authority, www.interiorhealth.ca

Vancouver Island Health Authority, www.viha.ca

Vancouver Coastal Health Authority, www.vch.ca

Fraser Health Authority, www.fha.ca

Provincial Health Services Authority, www.phsa.ca

Government of British Columbia, www.gov.bc.ca - for a variety of information including:

Ministry of Health Services, www.healthservices.gov.bc.ca

Housing Policy Branch, Ministry of Community, Aboriginal and Women's Services

Phone: 250 387-7088

Ida Chong, Minister of State for Women's and Seniors' Services

Phone: 250 387-1223

Office of the Assisted Living Registrar, Ministry of Health Services
www.healthservices.gov.bc.ca/assisted

Supportive Housing Fact Sheet
www.mcaaws.gov.bc.ca/housing/support_hous.html

CMHC Partnership Centre, Vancouver (604) 737-4118 - for information on seed funding to support need and demand studies for supportive housing projects for seniors.

Queen's Printers, Ministry of Finance & Corporate Relations
www.qp.gov.bc.ca

Real Estate Foundation, www.landcentre.ca/foundation

Real Estate Act, www.qp.gov.bc.ca or from the Queen's Printer in Victoria: (250)387-3309 - for information regarding forms of tenure, such as life lease or strata that require deposits or other forms of equity capital.

Residential Rehabilitation Assistance Program (RRAP), www.cmhc-schl.gc.ca - this is a CMHC program providing grants for the upgrading of rental projects and the conversion of non-residential properties to residential use.

APPENDIX 1: SAMPLE JOB DESCRIPTIONS

POSITION DESCRIPTION	
TITLE: Executive Director/ Manager	REPORTS TO: Board of Directors

Position Overview:

The Executive Director/Manager is responsible for all aspects of service provision within the seniors community. The Manager will directly supervise all administrative staff and the coordinators responsible for hospitality and personal care services. Responsibilities include the delivery of housing services, personal care and hospitality services, quality and risk management, communications, human resource management, financial management and legal/regulatory compliance.

Key Activities:

Supervises and acts as a resource to coordinators and staff. Guides and monitors the development, implementation and evaluation of resident service plans within each functional area. Coordinates service delivery overlaps between housing, hospitality and/or care services to create seamless efficiencies that enhance service delivery;

Ensures service delivery meets the changing needs of the resident population and occurs within acceptable parameters as set by the Board of Directors, organizational goals and objectives, budget allocation, provincial standards and legal requirements. Champions the development, implementation, monitoring, evaluation and revision of benchmark quality standards that ensure overall service delivery meets resident needs and expectations;

Leads coordinators and staff in all aspects of operations management including health and safety, continuous quality improvement, and financial, risk and human resources management;

Administers and monitors the operating budget; makes appropriate adjustments to ensure budget targets are achieved. Reports and justifies cost centre variances, develops and presents business case for budget adjustments on a year-to-year basis and makes recommendations for capital expenditures / improvements;

Provides leadership and direction for the service team by fostering and promoting new initiatives; implementing, interpreting and monitoring compliance with service related policies and procedures; coordinating and directing staff orientation and in-service training programs; scheduling and assigning work; monitoring and evaluating performance and recruiting, developing and/or terminating staff;

Prepares and presents a monthly management report to the Board outlining overall operations performance including financial, human resource, service delivery and innovations. Sets and reports on quarterly and annual service team goals;

Works closely with the community at large to promote the organization, attract new tenants and ensure opportunities for integration between the site and community at large are fully actualized. Develops and implements a marketing plan for the site to ensure occupancy meets or exceeds targets. Maintains statistics related to occupancy, service provision and client satisfaction. Manages and reports on client complaints; and

Stays abreast of industry trends, changes and/or initiatives that may present opportunities for the organization or warrant changes in service provision.

Qualifications and Experience:

Successful completion of a Bachelor of Arts degree in marketing, commerce, gerontology or related discipline complemented with a minimum of two (2) years seniors community management experience involving the supervision of a multidisciplinary team of staff, budgetary responsibilities and quality management processes. A proven track record in sales, marketing and/or community relations is desirable.

- Ability to multi-task, manage time effectively and prioritize work
- Ability to plan, direct, evaluate and control the delivery of multi-faceted services for seniors within a social model framework
- Effective interpersonal and conflict resolution skills; enjoys teamwork
- Computer literacy in a Windows environment including Word, Excel and Powerpoint

- Client service orientation, sound understanding of consumer sales, customer service and community relations principles and objectives
- Strong leadership skills; participatory management style
- Working knowledge of seniors' health care, food service, housekeeping and environmental service delivery in a large scale operation a strong asset

POSITION DESCRIPTION	
TITLE: Assisted Living Coordinator	REPORTS TO: Community Manager

Position Overview:

Under the direction of the Community Manager, the Assisted Living Coordinator coordinates the provision of personal care services for residents residing in the Assisted Living Units.

Key Activities:

Works directly with prospective tenants and their families to coordinate facility tours, tenant screening and move-ins;

Conducts initial assessment interview with new tenants, determines functional level, needs and preferences and develops a Service Plan and Managed Risk Agreement (where needed). Ensures individual tenant needs and preferences are addressed in programming, meal planning and hospitality / personal care services. Supervises Assisted Living Workers in the provision of services;

Oversees the development of monthly social and recreational program plans and ensures programming is appropriate for the resident population. Develops and circulates the monthly activities calendar (in facilities which do not employ an Activities Coordinator). Posts activity reminders as needed;

Observes and assesses assisted living tenants during communal activities and during tenant-initiated interactions for changes in physical or cognitive abilities that require intervention or changes to service provision. Documents assessment information in the tenant record;

Conducts tenant review meetings with Assisted Living Workers to ensure Service Plans remain appropriate and service goals are being achieved. Provides direct health care services requiring nursing expertise and personal care services as needed for Assisted Living tenants;

Under the direction of the Community Manager, participates in planning, management and quality improvement activities. Assists the Community Manager in the development of a Quality Improvement Plan for the operation. Collects and maintains

statistical information used to evaluate overall program effectiveness, client satisfaction and compliance with program objectives;

Conducts tenant reviews with tenants, their families and members of the service delivery team to ensure the Service Plan remains current and appropriate to the needs of the tenant; and

Coordinates Assisted Living Worker training in Delegated Tasks with the RN and maintains current, accurate records of Assisted Living Workers authorized to complete Delegated Tasks for each resident. Performs Delegated Tasks in the absence of an authorized Assisted Living Worker.

Qualifications and Experience:

Licensed Practical Nurse with current status in British Columbia. Coursework must have included client "head to toe" assessment instruction and the administration of oral, subcutaneous, intramuscular and PRN (as needed) medication AND current CPR certification.

AND

At least two years experience working with seniors preferably in a community setting

- Ability to organize and prioritize work to meet defined timelines
- Effective supervisory, interpersonal and conflict resolution skills
- Skilled communicator, both orally and in writing
- Customer service oriented
- Knowledge and understanding of a "Social Model of Care"
- Staffing and Scheduling experience

POSITION DESCRIPTION	
TITLE: Hospitality Coordinator	REPORTS TO: Community Manager

Position Overview

Reporting to the Community Manager, the Hospitality Coordinator is responsible for all aspects of food service, building maintenance, housekeeping and laundry services. The Coordinator will ensure policies, procedures and standards are in place to support the delivery of quality services that meet or exceed tenant expectations and regulatory requirements.

Key Activities

Implements, monitors and evaluates the hospitality service plan, policies and procedures to ensure goals, targets and overall objectives for all hospitality service areas are met. Oversees the sourcing and purchasing of food supplies, paper products, chemicals, cleaners and ware-wash;

Provides leadership and direction to staff involved in the provision of hospitality services by fostering and promoting new initiatives; interpreting and implementing policies and procedures; mentoring and role modeling; scheduling and assigning work; and monitoring and evaluating service delivery;

Assists in the hiring of hospitality staff, staff orientation, in-service training programs, staff performance evaluation and staff development objectives in accordance with the organizations human resource plan. Maintains inter-service consistency and coordinates cross-training initiatives;

Under the direction of the Community Manager, participates in planning, management and quality improvement activities. Assists the Community Manager in the development of a Quality Improvement Plan for the operation. Collects and maintains statistical information used to evaluate overall program effectiveness, client satisfaction and compliance with program objectives;

Works effectively with other coordinators, tenants and their families, members of the community and regional

representatives to maintain positive working relationships and uphold the reputation of the organization;

Leads the site Occupational Health and Safety Program, leads safety meetings, follows up on incidents and takes corrective action. Acts as site WHMIS Coordinator, providing staff training and liaises with outside agencies to maintain a safe work site.

Qualifications and Experience

Diploma or certificate in building services, hospitality management or food service management coupled with at five years experience within a seniors' housing or health care environment. Supervisory experience preferred. Food Safe Level II and WHMIS certification required.

- Ability to organize and prioritize work to meet defined timelines
- Food preparation experience within a large scale operation
- Skilled communicator, both orally and in writing AND customer service oriented
- Knowledge and understanding of a "Social Model of Care"
- Staffing and Scheduling experience

APPENDIX 2: INTERVIEWEES BY SURNAME

Interviewee		Position	Organization
Terry	Alleyn	Secretary / Manager	Royal Canadian Legion Branch 88
Blake	Armstrong	Director, Housing & Environment	New Vista Society
Joanne	Arnold	Senior Vice President	Health Employers Association of BC
Gary	Arsenault		Rockston (Developers)
Rose	Bergen		New Vista Society
Anthony	Boni	Architect / Principal	Boni Maddison Architects
Conrad	Boucher	Architect / Principal	Conrad Boucher Architect
Gregg	Brown	Architect / Partner	Killick Metz Bowen Rose Architects
Linda	Campbell	Manager Supportive Living	Vancouver Island Health Authority
Al	Campbell	Development Consultant	Independent
Ashley	Chester	Coordinator, Program Implementation	BC Housing
Derek	Crawford	Architect / Principal	Derek Crawford Architect
Richard	D'lorio	Manager	Social Housing Branch, Municipal Affairs and Housing, Province of Ontario
Barb	Dante	AL Coordinator, Kootenay Boundary Region	Interior Health Authority
John	Davidson	Principal	Davidson Yuen Simpson Architects
Margaret	Douglas Matthews	Executive Director	Dania Manor
Steve	Fowler	Programs Manager, Seniors Housing Services	Alberta Department of Community Development
Pat	Frewer	Development Consultant	Seniors' Housing Advisory
Gillian Watson Donald	Fullerton	Development Consultant	Pacific Development Advisory Group

Julio	Gomberoff	Architect / Principal	Gomberoff Bell Lyon Architects
Scott	Gordon	Architect / Principal	Scott Gordon Architect
Cameron	Gray	Manager, Housing Center	City of Vancouver
Bev	Grieve	Long Range Planner	City of Burnaby
Steve	Hawboldt	President	Yellowridge Construction
Robin	Hill	Real Estate Broker & Consultant	Carewest
Dennis	Hohn	Owner	Gibsons Garden Inn
Ralph	Hubele	Strategic Planner	Calgary Regional Housing Authority
Linda	Ingham	Administrator	Evergreen Baptist Housing?
Dane	Jansen	Associate	Davidson Yuen Simpson Architects
Al	Jina	President	Park Place Seniors Living
Doug	Kaspar	Project Manager	(Exclusive to) Retirement Concepts
Jacques	Khoury	Development Consultant	VanCity Enterprises
Anne	Kloppenborg	Social Planner	City of Vancouver
Barb	Kroon	Administrator	Seton Villa
Endre	Lillejord	President	Golden Life Management Corp
Denis	Loeppky	Development Consultant	Independent
Val	MacDonald	Executive Director	Seniors Housing Information Program
Cathy	Makihara	CEO	Nikkei Home
Bonnie	Maples	Architect / Principal	Stantec Architecture
Keith	McBain	Assisted Living Leader	Fraser Health Authority
Darvin	Miller	Owner / Operator	Victoria Apartment Properties Ltd.
Gerald	Neufeld	Executive Director	Menno Hospital, Home & Lodge
Dianne	Nichols	Treasurer	Cloverdale Senior Citizens' Housing

Judith	Rae	Executive Director	Pleasantview Seniors Community
Joan	Reichardt		Kootenay Seniors' Coordinating Society
Luke	Stack	Executive Director	Society of H.O.P.E.
Julia	Vryheid	Senior Program Policy Advisor	Social Housing Branch, Municipal Affairs and Housing, Province of Ontario
Perry	Staniscia	Manager, Development & Acquisitions	Greater Vancouver Housing Corporation
Ken	Takeuchi	Architect / Principal	Takeuchi Architect
Stuart	Thomas	Principal	Terra Housing Consultants
Art	Van Maren	President	Van Maren Constructors
Rob	Whitlock	Senior Housing Officer	City of Vancouver
Lauralee	Wilkinson	Director, Marketing	Southview Terrace
Ron	Yuen	Associate	Davidson Yuen Simpson Architects