

TINSHS REVIEW OF SENIORS HOUSING MODELS 2022

Elders are facing a difficult time, as all of Canada is struggling with an aging population, limited affordable housing options for aging-in-place and a primary care doctor shortage.

AND, we are also in an exciting time, with all kinds of social housing innovations happening around the world, in Canada and in BC. The term aging-in-place is itself a hallmark of this thinking where we are considering in advance how to stay in our communities – not in nursing homes – for as long, and as well, as we can.

We want to tell you about some of the current models for housing development.

HOUSING TYPES

COMMUNITY or SOCIAL HOUSING developments have a non-profit sponsor or co-operative housing organization structure – they are not privately owned and operated. Community housing can be rentals built by a non-profit organization to meet the needs of seniors. Or, they can be co-operatives with a mission to provide affordable housing to low- and moderate-income households and they are jointly owned by their members.

These projects receive preferred financing rates, forgivable capital contributions, interest rate write-downs and/or a full operating subsidy from CMHC, BC Housing or other public sources.

COMMUNITY HOUSING is not PUBLIC HOUSING! Public housing projects are targeted to at-risk, low-income households and are administered by provinces or municipalities.

COMMUNITY or SOCIAL HOUSING can be:

- **AFFORDABLE:** Housing that can be owned or rented with shelter costs (rent or mortgage, utilities, etc.) that are less than 30 per cent of a household's gross income.
- **INDEPENDENT LIVING HOUSING:** Access to living arrangements and community features for seniors provides as much independence as possible at home and in social and recreational settings.
- **SERVICE-ENRICHED HOUSING:** This option combines safe, secure housing and adds services to increase quality of life. This could include social services, fee-for-service options like provision of meals and housekeeping, and the offering of social and recreational activities that maximize residents' independence, privacy and dignity.
- **COHOUSING:** Intentional communities with private dwellings, common amenities and a village-style support system. Members pay a fee to participate in the development of a shared living model. A co-caring community can be multi-generational or seniors-only. It develops over time and requires a deep commitment by its members.

- **SUPPORTIVE HOUSING:** Combines affordable housing with intensive coordinated services and relies on access to health specialists, nurses or doctors, and case managers to provide care. *TINSHS is not considering working on Supportive Housing at this time.*

ANY OF THESE HOUSING TYPES CAN BE FLEXIBLE AND SENIOR-FRIENDLY

- Accommodate mobility issues (ramps, no stairs), accessible to amenities (store, clinic, bank, gas station, ferry), safe (no falling hazards), built with universal design features that are adaptable to future needs for aging-in-place.
- They can all have participatory design and collective decision-making.
- They can be centralized (townhomes or low-rise apartments) or decentralized (ADU's on scattered properties) or in-between with small homes on a single property with shared amenities.

FINANCING SENIORS HOUSING

BC Housing has been the go-to funder for building *affordable rental housing*. However, given the demand for additional housing in our region, we anticipate that receiving BC Housing funding will take years. All experts in the field of seniors housing are encouraging some sort of cross-subsidization: communities raising partial capital costs in partnership with loans and grants from government sources. This means that successful housing developers are mixing market-based ownership or rentals with affordable housing included.

Some basic ownership models include:

- **Co-op developments** with participatory decision-making by owner/members. We focus on financing cooperatives here.
- **Non-profit rental housing**, owned and operated by a community organization.
- **Strata developments**, in which owners purchase and build equity in their own units on common land. Owners pay a monthly fee to maintain common spaces and/or complete upgrades/maintenance of units as necessary, and everyone must adhere to strata bylaws.

FINANCING COOPERATIVES: Non-profit housing co-operatives are social enterprises established by members for the purpose of creating and delivering community-based affordable housing. They fall under the umbrella of "community-housing" (alongside other non-profit housing models), and thus are often eligible for many of the same government funding opportunities as non-profit rentals housing. Multi-sector partnerships (housing providers, social services, government, financial institutions, residents) help with funding challenges and financial viability.

While co-ops can be financed by traditional loans and mortgages, there are currently many exciting options being put forward by social entrepreneurship and innovation organizations.

These innovative options include:

- COMMUNITY BONDS for construction; residents can invest directly from their RSPs.
- LIFE LEASES involve a non-profit sponsoring the construction of residential units that are leased to seniors. The non-profit sponsor conducts pre-sales for homes to be built, and the buyer makes a payment of 5 per cent of the estimated purchase price. The money goes into trust so prospective buyers get it back if the project does not go ahead for any reason. Once the majority of the units are pre-sold the sponsor goes to the Credit Union, for construction financing. Towards the end of construction, the prospective buyers sell their homes, invest part of the proceeds in a life lease apartment and pay no rent for the rest of their lives, only a monthly service and maintenance fee.

The price of each unit is determined by dividing the total cost of the development - land cost, construction cost, architectural fees and financing cost - by the total number of units to determine the purchase price of each unit, also called the entrance fee. There is no profit built in to this equation, which is what makes it affordable.

There are currently 22 affordable life lease developments in BC with a total of 1,400 units. Kate Mancer, a Canadian specialist in developing Life Lease housing, is located in Vancouver BC.

- CO-OP COTTAGES on Galiano Island is a non-profit co-op that is funding construction of Accessory Dwelling Units (cottages or tiny homes) on privately owned lots. The co-op holds the lease and mortgage on market-rate rentals, runs the project and collects rents. Some seniors may choose to live in the newly-constructed ADU's and rent out their original homes, with affordable construction organized and subsidized by the co-op financial structure.

These are just a few of the many different custom designed projects involving innovative financing and ownership models which are flourishing in BC. They are known as social enterprise development projects, and right now municipalities and regional governments are looking at these most favourably as they try to make their funding dollars go further.

COMMUNITY PARTICIPATION: LET'S PUT OUR HEADS TOGETHER!

Whether we continue to focus on building rental housing, support the development of a co-op, or other alternative options, we are committed to listening to the voices from within our community – especially our fellow seniors!

GET INVOLVED: Email us at info.tinshs@gmail.com and join the discussion!