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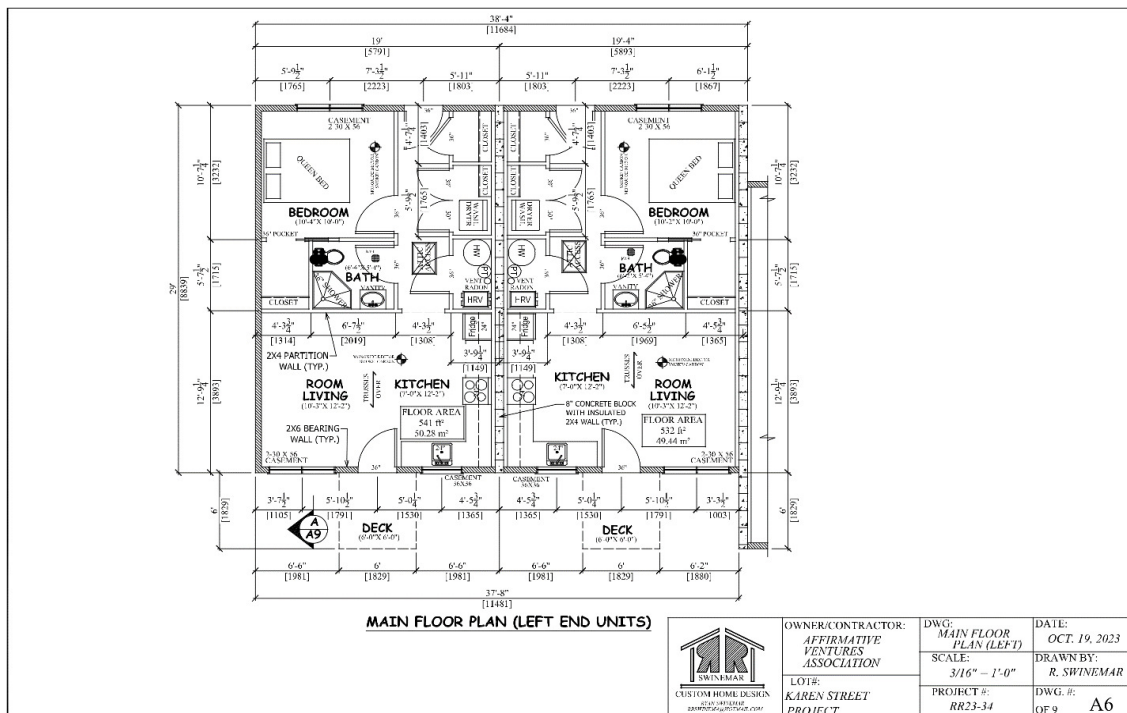
Project – Karen Drive

Project Goal:

To continue to develop and build safe and true affordable housing units to low-income earners living with mental health, seniors and veterans in need of permanent homes.

In Development – Property: Karen Drive (Quick Project Notes)

- Land granted to Affirmative Ventures Association under the Land for Housing Program, Department of Municipal Affairs and Housing, PNS (3.1 acres)
- 30 1-bedroom self-contained rowhouse units built in 5 buildings of 6 units each, 1 community hub \ center,
- Expected start of construction – May, 2024 (dependant on development agreement with HRM),
- Expected date of first occupancy – Fall of 2024 ((dependant on development agreement with HRM),
- Budgeted cost: \$ 8,220,000 (\$ 265,161 per unit)
- Rents capped at \$ 595 per month for 20 units \ rents capped at \$750 per month for 10 units, (up to 46% below market rent), and
- No expectation of on-going, future investment by government for operations, rent subsidies or other funding – once built, project will be completely self-sustaining.



Affirmative Ventures Association: Background

Mental illness often strikes young people before they finish their education, resulting in life-long dependence and poverty. The increase for the potential of inadequate housing, homelessness, or risk of homelessness may also exacerbate illness and inhibit treatment.

Formerly called the Affirmative Industry Association of Nova Scotia, Affirmative Ventures was created in 1991 with the support of the Nova Scotia Hospital. The Nova Scotia Hospital is a psychiatric hospital located in Dartmouth. Operated by the Nova Scotia Health Authority, it is the province's largest and oldest mental health facility.

Affirmative Ventures' experience from 1991 to 2005 showed that people with mental-health issues were in the process of "Recovery". The Recovery model was a new concept, and while research has since confirmed its validity, it is still emerging as a means to support people with chronic mental illness. Over this period, it became evident that people needed more options to help manage their illness, build their lives and live independently.

Also, during this period, the mental health system began to move away from an institutional model of support towards a community living model. In that transition, the need for safe and affordable housing as a foundation for Recovery became increasingly more apparent.

To help with meeting housing needs, AV developed and built its first housing project - Affirmative House, a 10-unit apartment building where low-income earners living with mental health could live independently and affordably. Affirmative House has met the needs of many clients over the last 18 years, however more was needed. As a result, the AV Mental Health Housing Continuum was established and continues to grow.

Affirmative Ventures Association Mental Health Housing Continuum				
Project	Date Established	Description	Type of Housing	Supports Available
Affirmative House	2007	10 self-contained apartment units offering long-term tenancy to 12 mental health consumers.	Supportive Housing	AV offers job readiness and training through its 12-week Way-to-Work Program. Job development follows the program for participants who are job ready, with employment support and job maintenance offered to all tenants who are employed. Financial Literacy, Personal Wellness and Tenancy programs are also offered to all tenants.
Affirmative Homes	2016	Properties owned and operated by AV: 1) Semi located on Cole Harbour Road offers deep affordable long-term housing to a family of 4. 2) Duplex on Westwood Drive <u>Unit 3</u> - offers deep affordable housing to a single Mom family. <u>Unit 3A</u> - offers deep affordable housing to 3 mental health consumers. <u>Unit 3B</u> offers affordable housing to a senior couple. Community Landlords: 4 tenants Total in Tenancy: 15	Independent \ Transitional Living	
Main Street Centre	2023	45 self-contained apartment units offering tenancy to 20 mental health consumers and 25 low-income seniors.	Independent Living	In addition to the above noted supports for individuals living with mental health, services for seniors will be available through partnerships with the Northwood Home Care and Ocean View Continuing Care Centre.
Karen Drive <i>(pre-development)</i>	2023	30 self-contained housing units built town-house style in blocks of 6 - will offer deep affordable, long-term housing to mental health consumers, seniors and veterans.	Independent Living	All services as noted above will be available to all tenants. Adding to this support, AV has partnered with VETS Canada to offer more directed support for veterans in tenancy.

AV Housing History

In addition to partnering with community property owners and landlords, Affirmative Ventures owns, operates and several of its own properties:

1. Affirmative House
 - 10-unit apartment building,
 - average monthly rent of \$675 per unit, *(39% below current market rent)*
 - built by AV in 2007,
 - provides safe and affordable housing under a 5-year housing program to low-income persons living with mental health.
2. Cole Harbour
 - a duplex located on Cole Harbour Road,
 - purchased in 2019,
 - provides housing to a low-income family of 4,
 - current monthly rental rate is 31% below market rent.
3. Westwood Drive
 - a duplex located in Dartmouth,
 - purchased in 2018,
 - provides housing to 6 low-income individuals living with mental health,
 - average monthly rent of \$801 per unit. *(27% below current market rent)*
4. Westwood Drive – Backyard Suite
 - construction completed in October of 2022,
 - built in the backyard of the Westwood Drive property,
 - construction completed and fully funded by Affirmative Ventures Association,
 - build time – 3 months,
 - construction cost - \$ 167,000,
 - rental rate is 36% below current market rent.
5. Under Development:
 - Main Street Center
 - 45-unit residential building,
 - construction has started,
 - occupancy expected in June, 2025.
 - Karen Drive
 - Row house, town homes *(1 bedroom)*
 - 46% below current market rents

Project Vision – Karen Drive Project:

Building on the success of other AV properties, AV has developed plans for a small neighborhood of 30 1-bedroom homes for low-income individuals ready for independent living. A small community hub \ center will also be built on-site to accommodate community activities and socialization. The center will also be available to other community agencies offering any needed \ requested support services to neighbourhood residents. All units are completely self-contained, accessible and age friendly.

This project will add to the Housing Continuum as established by AV 18 years ago - supported to transitional to independence - and will allow AV to continue with development and leadership in the safe and affordable provision of long-term housing for low-income earners living with mental health, seniors and veterans.

Development Plan Overview

This project is being developed in line with the current MPS for this site. The property is zoned R-4 under the Cole Harbour \ Westphal Land Use By-Law which does permit multi-unit dwellings. It has been designated Urban Residential under the Cole Harbour \ Westphal MPS with the intent that residential development either in the form of townhouses or low-rise unit dwellings be built, in support of provincial goals to provide senior-oriented and\ or affordable housing.

As this project consists of 5 rows of 6 units (townhomes) each, a development agreement application will not require a change to the existing MPS and should be considered an “enabled” planning application to be decided on by the Harbour East – Marine Drive Community Council.

Community Impact:

The AV Housing continuum offers supportive community for low-income earners living with mental health as well as seniors and veterans.

There will be a small community hub on-site to be used as a gathering space for events, supports and programs.

Partnerships with several senior support organizations are being explored and a working relationship with VETS Canada has been established to offer support services to residents who may be in need.

In addition, AV will continue to work with NSMH and other organization to offer job development and management as well as Financial Literacy training to residents wanting to secure employment.

Need and Demand:

Attached is the NS Provincial Housing Needs Assessment report which highlight key factors in housing availability in the province:

“There is a housing supply shortage across the housing spectrum.

There is a significant unmet need for housing across the province. As of the end of 2022 there was a gap between demand for housing and the available housing supply of about 27,300 units, including both market and non-market housing.

The current pace of construction cannot fill the gap.

While new housing developments are expected to continue over the next decade, if the current pace of construction continues, the number of new units being built will not meet anticipated needs.

Forecasts suggest that to keep pace with population growth, the province will need 71,600 new units by 2027 (including the existing shortage of 27,300) and 104,800 by 2032. Assuming that future housing development matches recent trends, 6,080 units could be built annually. This means that the current supply shortage will grow to 41,200 units by 2027 and 44,000 by 2032 – despite ongoing development at the current pace of construction.

We need a balance of housing types and sizes moving forward.

To align with existing patterns and projected household composition, of the 71,600 units required to meet demand by 2027, about 21,550 (30%) would need to be studio/1-bedroom dwellings, 28,930 (40%) 2-bedroom dwellings, and 21,120 (29%) 3+ bedroom dwellings (percentages are rounded).

There is a lack of affordable options.

In addition to the overall housing shortage, many communities are experiencing a lack of affordable options. Simply put, it costs more to own a home, the share of people reasonably able to afford a home is lower, and the proportion of median income required to purchase a home, in most instances, is significantly higher than households can afford.

Surges in demand, and a lagging supply, have made buying and renting a home increasingly expensive. Nova Scotia's median home sale price increased 63% from 2019 to 2022. For rental housing, the provincial vacancy rate hit a low of 1% in 2022. CMHC reported median rents had increased 24% since 2019, almost double the increase since 2016. Furthermore, the average unit turned over to a new tenant between 2021 and 2022 had a 28% increase in its rent.

A rapidly growing population is exacerbating the housing situation.

A considerable contributor to the housing shortage is Nova Scotia's rapid population growth, at 2.9% between 2021 and 2022 – the highest across Canada's provinces. Much of the growth centres are around HRM. While this population growth provides exciting opportunities, it also creates significant housing challenges in the short term. Based on demographic modelling, the HRM may need to build about 6,200 units annually – well above historical completion rates.

Population demographics are changing and so are housing needs.

Like many Canadian provinces, Nova Scotia is seeing an increase in the number of seniors and the share of the population they represent. For those who cannot age in place, this means a greater need for purpose-built seniors housing, including accessible housing options.

Post-secondary student needs are also changing. Communities with post-secondary institutions are seeing an increase in students who do not want to live on campus. CBRM, in particular, has seen significant in-migration of international students (a 52% increase in international student enrolment at Cape Breton University between 2017/18 and 2021/22), which has increased strain on rental housing.

In the HRM, increased interprovincial and international in-migration has led to a rise in households with children or of age to have children. This means we must ensure we balance housing sizes to accommodate individuals or couples without children and families.

Labour shortages are impacting housing construction

Several trades are projected to be at risk by 2030 in Nova Scotia, like carpenters, roofers, and crane operators, due to low anticipated levels of qualified tradespeople entering the workforce over the decade. A deficit of construction labour poses a considerable challenge for builders to complete projects.

Lack of housing options also impacts the workforce

Several sectors, and particularly the health care sector, shared that finding housing for employees is increasingly complex and prevents qualified professionals from taking a job that is sorely needed to meet increasing workloads."

Affirmative Ventures Association has been providing true, affordable and supported housing for over 18 years and can attest to and agree with the above noted key findings.

Accessibility and Environmental Efficiency:

Accessibility – all proposed units are designed to accommodate aging in place and will offer mid-range accessibility.

Environmental Efficiency – all proposed units will be equipped with HVAC systems and heat pumps. AV is also researching solar options.

Priority Groups:

- Low-income earners living with mental health,
 - Seniors and
 - Veterans
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Security Details:

AV does have a legal firm who does some pro-bono work for us on other projects, however we have not secured them as of yet on this project.

Project Team:

Lori Edgar – AV Director of Operations
Julie Gosse – Karen Drive Project Manager \ Social Enterprise Development \ Business Manager
Mark Smith, Contractor – Sand Seal Construction
Thomas Giovannetti, P. Eng., NSLS - CivTech Engineering
Alan Stevens, CET – CivTech Engineering
Kristin Sheffer, Geomatic Engineer – CivTech Engineering
Ryan Swinemar – Swinemar Homes
Glenn Graham, Geotechnical Engineering, Project Manager – Englobe
Aaron Kennedy, P. Eng., PKP, Structural Engineer – Skyscape Engineering
James Copeland, P. Eng., RSP1, Traffic & Road Safety Engineer – Griffin Transportation Group
David Dooks, Development Advisor – Altus Group

Other Notes of Interest:

1. AV has partnered with VETS Canada who will offer wrap-around support services for veterans in need.
 2. All tenancy applications will be screened and approved by AV. AV programs and housing support will be offered to any tenant who may need services, however participation in AV's Programs is not mandatory for tenancy.
 3. AV will manage this property in-house.
 4. AVPM will provide maintenance services.
 5. AV Greenhouse and Gardens (*a division of AVPM*) will manage and operate the greenhouse and gardens.
 6. AVPM will use the project maintenance requirements as well as the greenhouse and gardens as additional training platforms for AV program participants. Paid employment opportunities will also be available to participants interested in part-time \ outdoor work.
 7. During land development and construction, any \ all labour (*general or skilled*) needed will be offered to AV program participants prior to public postings of any job offerings.
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Capital Costs \ Construction Cost:

Land Cost	\$ 1,000	
Lot Development	\$ 2,718,760	
Construction Cost	\$ 4,854,974	
Pre-Development \ Soft Costs	<u>\$ 645,266</u>	
Total Project Cost	<u>\$ 8,220,000</u>	(unit cost: \$ 265,161.29)

Notes to Project Cost:

1. All project costing was done in-house. When completed, AVPM worked with David Dooks from the Altus Group to complete a Hard Cost Budget Review (*Class B Estimate*) to confirm costs.
2. Per CMHC requirements, a FPC has been completed with Sand Seal Construction.
3. Altus Group has been retained as quality surveyor, monitoring and draw reports during the build.

Project Funding:

Transformation Fund – Growth Fund	\$ 50,000	<i>(confirmed \ 35K rec'd to date)</i>
Efficiency NS	\$ 310,000	<i>(pending)</i>
CMHC SEED Contribution	\$ 50,000	<i>(pending)</i>
Housing NS	\$ 106,000	<i>(see note 1 below)</i>
AHDP	\$ 3,000,000	<i>(pending CMHC confirmation & DA)</i>
CMHC – Forgivable	\$ 2,250,000	<i>(pending AHDP confirmation & DA)</i>
CMHC – Repayable Mortgage	\$ 1,757,500	<i>(pending AHDP confirmation & DA)</i>
PSB Rebate (@50%)	\$ 629,191	
AV Invest	<u>\$ 67,309</u>	
Total Funding:	<u>\$ 8,220,000</u>	

Summary:

This project is shovel-ready pending a development agreement with HRM. Upon completion, rental rates are deeply affordable with no per door subsidy requirement and no on-going government investment needed for operations, maintenance or future CC.

Per unit cost is \$ 265,161.29

True affordable housing – built affordably ,,,,

For any further information and \ or discussion, please contact Julie at anytime. Thanks for your time and consideration,

Julie

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