



ACT CASE STUDY

AFFORDABLE HOUSING IN VANCOUVER
FOR PEOPLE LIVING WITH HIV/AIDS



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AFFORDABILITY AND CHOICE TODAY (ACT) DEMONSTRATION PROJECT

How the Wings Housing Society of Vancouver Created Affordable Housing for People Living with HIV/AIDS

Prepared for:

**Federation of Canadian Municipalities
Canadian Home Builders' Association
Canadian Housing and Renewal Association
Canada Mortgage and Housing Corporation**

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FOREWORD

The project documented in this case study received funding assistance under the Affordability and Choice Today (ACT) Program managed by the Federation of Canadian Municipalities, the Canadian Home Builders' Association and the Canadian Housing and Renewal Association, together with the funding agency, Canada Mortgage and Housing Corporation. The ACT Program is administered by the Federation of Canadian Municipalities.

ACT, which was launched in January 1990, is designed to foster changes to planning and building regulations and residential approval procedures in order to improve housing affordability, choice and quality. In 1998, the ACT Program was recognized by the United Nations Centre for Human Settlements as a "best practice" in improving the living environment.

ACT awards grants to municipalities, private and non-profit builders and developers, planners and architects to undertake innovative regulatory reform initiatives in municipalities across Canada. Three types of projects are awarded grants under the ACT Program: Demonstration Projects, Streamlined Approval Projects, and Promotion Projects (of existing initiatives).

Demonstration Projects build innovative housing that demonstrates how modifications to planning and construction regulations can improve affordability, choice and quality.

Streamlined Approval Process Projects develop a method or an approach that reduces the time and effort needed to obtain approvals for housing projects.

Promotion Projects promote regulatory reform initiatives.

Change and innovation require the participation of all the players in the housing sector. ACT provides a unique opportunity for groups at the local level to work together to identify housing concerns, reach a consensus on potential solutions and implement action. Consequently, a key component of ACT-sponsored projects is the participation and co-operation of various players in the housing sector in all phases of each project, from development to realisation.

All projects awarded a grant under the ACT Program are documented as case studies in order to share information on the initiatives and the benefits of regulatory reform with other Canadian communities. Each case study discusses the regulatory reform initiative, its goals and the lessons learned. Where appropriate, the cost savings resulting from modifications in various planning, development and construction regulations are calculated and reported.

PROJECT OVERVIEW

The Issue

Wings Housing Society of Vancouver believes "every person living with HIV must have adequate housing." Acting on this belief, the Society began operations in 1990 by administering federal/provincial subsidies that allowed eligible tenants to remain in their homes even as their incomes declined due to poor health. In the early 1990s, the federal withdrawal from funding for new housing stopped this program, although subsidies already in place remained.

The demand for support, however, continued to grow as the number of individuals diagnosed with HIV continued to increase. If affordable housing was to be provided to the growing number of people in need, Wings Housing Society would have to find another approach.

The Plan

Wings Housing Society had three options:

1. Partner with another organization to obtain units within an existing project.
2. Buy land and construct its own building, consuming two to three years in the process.
3. Purchase an existing building, which offered the fastest turnaround.

When the Society learned that the Bonaventure apartment building was for sale, option three became the plan. It occupied an ideal location, near a wide range of programs and services for people living with HIV. From the perspective of the Society, there was another advantage: the building required minimal upgrading and could be occupied within months.

To complete the project, Wings Housing Society worked with the British Columbia Housing Management Commission (BC Housing), a provincial agency, to:

- o assess the building
- o decide to purchase
- o hire a project manager
- o end the tenancy of current tenants
- o complete the renovations and upgrades
- o select new tenants
- o move the new tenants in

The Project Team

BC Housing purchased the building, established a budget for renovations and retained a project manager. The manager worked closely with Wings Housing Society to ensure their objectives were met. The Society's Board of Directors delegated most of the decisions and authority to its then Executive Director, Paul de Leon.

Although he was not a member of the project team, local MLA Tim Stevenson, a member of the provincial government, played a key role in getting the project underway. He became the Society's advocate within government and worked diligently to build awareness, support and direction for this project.

At the delivery phase, key players included Wings Housing Society, BC Housing and the project manager, who had the authority to make the day-to-day decisions required for successful completion.

The Results

In January 1999, Wings Housing Society opened the Bonaventure, a 30-unit apartment building located in downtown Vancouver, having spent \$4 million on the purchase and renovations. The building required minimal upgrades for its age, since it had been fixed up and modernized to provide accommodation during Expo '86. While the scale of work was sufficient to justify ending the tenancy of the tenants, it did not entail any structural modifications.

Wings Housing Society helped the building owner inform the tenants and explain why they were receiving notice to end their tenancy. While everyone feared that there would be resistance, most tenants were understanding and supportive of the intended use of the building, and most were able to move within the three months notice period (one month longer than the legal requirement).

There is no doubt the Bonaventure helps the Wings Housing Society fulfil its mission of providing affordable housing to people living with HIV. Rents are affordable for people on BC Benefits, which has a maximum shelter rate of \$325. The purchase and renovation option brought housing to the market two years faster than new construction. It also allowed the Society to offer housing services in a neighbourhood with excellent social supports but extremely inflated real estate values. Unlike new construction, renovation also permitted a more appropriate amount of square footage per resident.

For the hard-to-house HIV target group, the Bonaventure expanded and continues to provide housing choices in one of the country's tightest markets, at a time when options are few.



Plaque unveiled at Bonaventure opening, January 21, 1999

1.0 PROJECT DESCRIPTION

Wings Housing Society began in Vancouver, British Columbia in 1990, as part of British Columbia Persons with AIDS (BCPWA). In 1994, the BCPWA housing program became a separate organization, Wings Housing Society, with a mission that "every person living with HIV must have adequate housing". From 1994 to 1998, Wings Housing Society administered a portable rent subsidy program. In January 1999, Wings Housing Society opened the Bonaventure, a 30-unit apartment building located in downtown Vancouver. The transition to becoming a housing provider and the development of the Bonaventure housing project was unique in many respects

1.1 History and Incentive for Project

Wings Housing Society began in Vancouver, British Columbia in 1990, as part of British Columbia Persons with AIDS (BCPWA). In 1994, the BCPWA housing program became a separate organization, Wings Housing Society, with a mission that "every person living with HIV must have adequate housing". From 1994 to 1998, Wings Housing Society administered a portable rent subsidy program. In January 1999, Wings Housing Society opened the Bonaventure, a 30-unit apartment building located in downtown Vancouver. The transition to becoming a housing provider and the development of the Bonaventure housing project was unique in many respects.

Wings Housing Society manages 102 portable subsidies. The portable subsidy program- funded 67 percent through the federal government and 33 percent through the provincial government- provides rent subsidies to eligible tenants. One significant advantage of the portable subsidy program was that it allowed tenants to remain in their homes even as their incomes declined due to poor health. However, the federal government ceased funding for new housing units in the early

1990s and, without their contribution, no new subsidies were provided, although existing portable rent subsidies continued to be funded.

Concurrently, the waiting list for subsidies grew longer and longer due to several factors: the number of individuals diagnosed with HIV continued to increase, the introduction of new drug therapies reduced the death rate (and therefore the turnover rate of the portable subsidies), and the Society became better known, resulting in more applications. At one point the Executive Director calculated that the average wait would be over 100 years.

Wings Housing Society had been lobbying unsuccessfully since inception for additional portable subsidies. By 1997, the political message was unequivocal: there would be no new portable subsidies for people living with HIV/AIDS. If affordable housing was to be provided to the growing number of people in need, Wings would have to find another approach.

1.2 Formulation of objectives and mobilization of resources

The objective was clear: to provide affordable housing. With a growing applicant registry, Wings Housing Society recognized that the need for affordable housing was more urgent than ever. Although there was no longer a portable subsidy program, there existed another program through BC Housing. BC Housing's HOMES BC program provides financing and ongoing operating subsidies to non-profit societies to develop and operate affordable housing. For Wings Housing Society, this represented an opportunity to grow as an organization and to provide a wider range of options in terms of affordable housing.

Wings Housing Society began lobbying for a housing project. In 1995, the Vancouver HIV/AIDS Care Co-ordinating Committee had prepared a strategic plan that identified the critical need for housing as the highest priority for all service providers. The HIV/AIDS community in Vancouver is well developed and cohesive, and Wings Housing Society was able to approach politicians and funding agencies with not only their own organisational goals and the strategic plan recommendations, but also the support of nearly 30 organisations. Wings also lobbied within those organisations, asking those who were in positions of potential influence to seize opportunities to lobby on behalf of Wings Housing Society.

The local MLA, Tim Stevenson, who was a member of the government, had a history of volunteer work with people living with HIV/AIDS and had a strong awareness of housing and AIDS issues. He had gained familiarity with Wings and their goals prior to being elected. Stevenson continued to be highly supportive and provided continuing support as the Board members met with successive Ministers responsible for housing. The lobbying work of Wings Housing Society achieved meetings with the Minister of Housing and with the Chair of BC Housing. The demonstrated need and the strong public awareness of the urgency of providing affordable housing for people living with HIV contributed to obtaining support. The existence of the provincial housing program, HOMES BC, was critical in securing the financial support, based on the Society's ability to demonstrate need.

The next step was to clarify the best approach to providing housing - there were several potential options:

1. There was a large non-profit development project already underway in a downtown neighbourhood near the West End, the ideal location for the clients served by the Society; there was the opportunity to

partner with the organisation involved and obtain 10 to 15 units within the project, which would be completed in about two years.

2. There was also the possibility of obtaining land and developing an independent project elsewhere in Vancouver, which would take about two to three years.

3. The third possibility was the purchase of an existing building in the West End; this option would offer the possibility of the fastest way to provide housing to meet the urgent need. Downsides to this option included the lack of available buildings in the West End area, Canada's most densely populated neighbourhood, with associated skyrocketing real estate values. Further, at first glance, it appeared that existing housing in this neighbourhood was too expensive. The Board decided to aggressively research every building in the West End that was on the market or expected to come onto the market in 1998. The Board recognized that this could potentially be the fastest option.

1.3 Identifying and Realizing the Housing Opportunity

The first step was to begin evaluating potential opportunities and alternatives. Within a very short time, the BC Housing real estate department identified the sales listing for the Bonaventure apartment building. The location was ideal: near to a wide range of programs and services for people living with HIV, including Pacific AIDS Resource Centre, the Dr. Peter Centre, and St. Paul's Hospital, a Centre for Excellence in HIV/AIDS. From the perspective of Wings Housing Society, there were other key advantages: the building required minimal upgrading and could be occupied within months, as opposed to a timeframe of years to build new housing. Because the listing was active and had not yet been publicized, a decision was required quickly.

"The Bonaventure was a great find - it came on the market at the right time and it was in the right location!"

*- Danna Locke,
Senior Project Officer, BC Housing*

The advantages of the Bonaventure building included the building density, the ideal location, the timeline to occupancy, and the fact that the price made it viable within the BC Housing funding guidelines. The cost of land and the development requirements (such as building setbacks and underground parking) meant that building new housing in that location or other similar nearby locations was extremely difficult and generally exceeded the funding guidelines.

The disadvantages of the Bonaventure building included the fact that many of the units were two bedroom units, while many of those on the waiting list were single. Additionally, there was no wheelchair access, although there appeared to be the potential to create access at the rear of the building. The age of the building was also a concern, particularly in terms of building envelope and building maintenance. An additional concern was that the building was tenanted, with tenants paying market rents.

The major steps in completing the project were: assessment of the building and decision to purchase, retaining the project manager, ending the tenancy of the current tenants, completion of the building upgrades as quickly as possible, and selection and move-in of tenants.

The complete timeline for this project was unusually rapid: the initial meeting with the Chair of BC Housing, the indication of project support, the identification of the building, the purchase, the occupancy by Wings Housing Society tenants, all occurred within one year.



The Bonaventure's Edwardian-style main entrance displays its heritage qualities.

The short time frame was due to several factors, including strong political support for the project, the Bonaventure building being "the right place at the right time" when it came on the market, the scope of renovations required, and an absence of unforeseen circumstances that could have caused delays, such as a challenge of the evictions, delays in obtaining a development permit, financing delays, or identification of additional building renovation work during the upgrading. The total process was completed within 11 months, and saved at least 12 months compared with new construction.

Overall, the building upgrades and renovations proceeded very efficiently and were completed to the satisfaction of BC Housing and Wings Housing Society, ahead of schedule and under budget. In many BC Housing projects, the nonprofit housing society works with a development consultant who liaises with BC Housing. For this project, BC Housing was directly involved and retained a consultant to provide project management of the renovation phase. Additionally, the Executive Director of Wings Housing Society worked closely with the project manager, facilitating efficient decision-making and contributing to appropriate and timely communications among the parties. The roles and actions of the Executive Director and the project manager were identified by all stakeholders as key to the successful purchase and upgrading of the building.

1.4 The Decision to Purchase

The advantages of the Bonaventure building included the building density, the ideal location, the timeline to occupancy, and the fact that the price made it viable within the BC Housing funding guidelines. The cost of land and the development requirements (such as building setbacks and underground parking) meant that building new housing in that location or other similar nearby locations was extremely difficult and generally exceeded the funding guidelines.

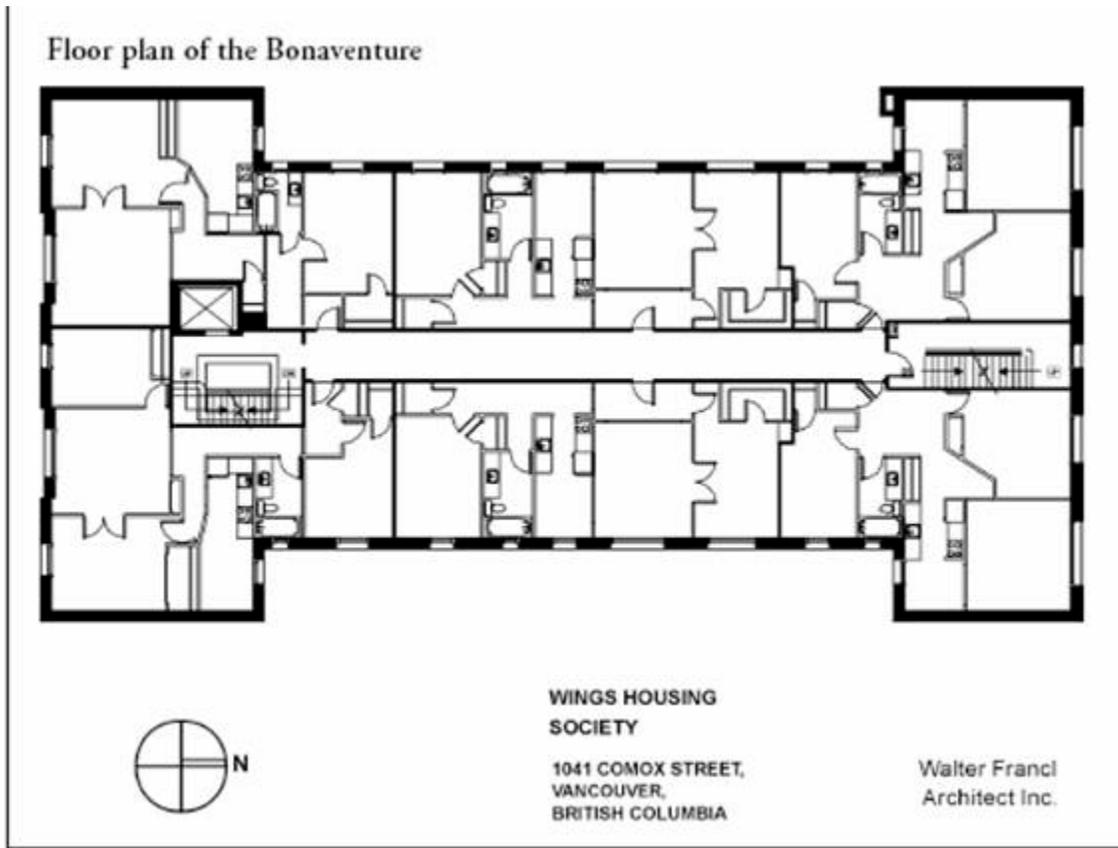
One of the considerations in evaluating the building was the current density and the future development potential of the site, which contributed to the affordability of the site. While the building was old (circa 1908 - 1914), it was built to a height of five storeys and was built to the property lines. The current zoning of the site, located in the high density high rise area of the West End, would not permit anything close to the current density. Additionally, the site itself is very small and with the setback requirements, the floorplate would be too small to be viable for development. Moreover, the building is listed on the Heritage Register as a category "C" building, which could potentially complicate site

redevelopment, although it could also be used as an incentive for relaxations of density limitations. The reduced allowable density would have reduced the redevelopment potential of the property, and this would have been reflected in the cost to purchase the property. For this reason, it was a unique opportunity for BC Housing and Wings Housing Society.

The building purchase and upgrading cost a total of \$4.0 million; the purchase and renovation of the building resulted in a cost savings relative to new construction. BC Housing funds projects based on a set of guidelines that specify the Maximum Unit Price (MUP) for various locations and housing types. For a multistorey project in that location, the MUP for 30 units would have been \$4,100,400. The actual cost to build 30 units in that location, including land, current zoning requirements and City requirements such as parking, would have exceeded the MUP allowance.

The required upgrading was relatively minimal for a building of its age, since the previous owner had upgraded the building to provide accommodation during Expo '86. Although the renovations were sufficiently substantial to justify ending the tenancy of the current tenants, they did not entail any structural modifications. If structural modifications had been required, the project would not have been viable, as the scope of the renovations would have exceeded the City's threshold for requiring a seismic upgrade, which would have been technically challenging and very costly.

The building was tenanted at the time of sale. BC Housing has a general policy of purchasing only properties that are vacant at possession. The building would need to be vacated in order to complete the upgrades required to accommodate tenants with HIV/AIDS. The vendor agreed to end the tenancy of the current tenants. A building permit was obtained, providing a legal basis for ending the tenancies. The building permit, which can often take three to four months, was obtained within two weeks.



This quick turnaround was, in part, due to the diligence of the project manager, the limited scope of required renovations, and the straightforward application. In hindsight, the value of the strong political support of the local MLA should not be underestimated in this process.

Once the building permit had been obtained, it was possible to proceed with the notices to end tenancy. Wings Housing Society assisted the building owner with informing the tenants and explaining the notices. The Executive Director and one Board member personally delivered the notice to all tenants together with a written explanation about Wings Housing Society and the plans for the building. While it was anticipated that this task

would be a difficult challenge, most tenants were understanding and supportive of the intended use of the building, and most were able to move within the three-month notice period (one month longer than the legal requirement). Tenants were offered one month of free rent, and some tenants received assistance to defray costs of moving. Some required, and were provided with, assistance with securing alternative housing. The vendor, who also owned several other apartment buildings in the neighbourhood, also committed to accommodating tenants, although this was not required, as most tenants were able to secure housing.

Wings Housing Society fully recognized that the evictions were unfair and intrusive and were committed to ameliorating the disruptions as much as possible. This proactive and caring approach may have also contributed to the efficiency, as tenants were generally very understanding and supportive, and there were no delays due to appeals.

Once the building was vacant, BC Housing, through the provincial land holding corporation, Provincial Rental Housing Corporation, purchased the property and funded the renovations. The renovated building was then leased to Wings Housing Society.

1.5 Renovating the Bonaventure

In the months between the notices to end tenancy and the tenants moving out of the building, the project manager and BC Housing prepared bid packages based on the scope of work, and awarded contracts to the contractors. Once the renovation work was underway, there were some unanticipated issues. While the vendor had described the building as "fully upgraded in 1986" this was found to be less than accurate. The only drawings were dated 1908 and there were no complete drawings.

During the renovations there were the inevitable surprises. There were no drawings for the building's hot water radiator heating system, which had leaks. The budget did not allow for the replacement of the heating system, and the process of finding the leaks was "like looking for a needle in a haystack", particularly because the system was 100 years old and not zoned, so the entire system had to be shut off to repair each leak.

During the replacement of the roof, asbestos was found. This required containment and removal, which had not been included in the budget.

- The Renovations**

 - Roof replaced
 - Wiring and plumbing replaced
 - Ventilation system installed in electrical room
 - Rooftop reservoir removed
 - Roof hatches installed
 - Hard-wired smoke detectors installed
 - Hot-water system flushed
 - Carpets replaced
 - Hardwood floors refinished
 - Trim moulding installed
 - Walls re-painted
 - Sprinkler system installed

During the initial building inspection, some units were identified as never having been approved for occupancy. Given this, the building inspector reviewed the units and based on their use, the mandate of the project and the limited scope of work required, the units were approved for occupancy.

The most significant component of the upgrading was the installation of a sprinkler system, which was not a requirement, but which BC Housing and Wings Housing Society felt was appropriate as a fire and life safety issue.

A number of other renovations were undertaken. All of the construction work was completed within four months; the preparatory work was an additional two months.

The project financing was also a consideration in the decision to purchase and renovate the building. There would be no rental revenue during the renovation period and because the mortgage had been assumed from the vendor, mortgage payments had to be paid throughout the period from possession to occupancy. This contributed to the requirement for an efficient construction process.

The renovation budget included the scope of work prepared by the project manager, a construction management fee, consultant fees for architectural, mechanical, electrical work and asbestos removal, trades and contractors, all materials and supplies, and a 15 per cent contingency. Additional costs included the Property Purchase Tax, GST, interest on advances, property taxes, and utilities. In total, these costs were \$800,000 in addition to the property purchase price, for a total project price of \$4.0 million. Although the approximate \$130,000 per unit cost is expensive, the high real estate values for the West End of Vancouver create this scenario. However, the quality of the housing units, combined with their proximity to services, ensure that the tenants of the Bonaventure have affordability, choice and quality in their housing. In purchasing the building, the existing mortgage of \$2.3 million was assumed from the vendor, and the difference between the mortgage and the purchase price of \$3.2 million was paid with a

1.6 Moving In

While construction was underway, the Society's Executive Director hired the building manager and contracted with an experienced staff member of another AIDS housing provider. This team of three began the process of reviewing the waiting list and selecting tenants. The building needed to be fully occupied as soon as possible following completion of the renovations. Tenant selection was based on a point score system to determine greatest need. The point score system meant that those who most urgently

needed housing, including those who had no current housing, were given the highest priority.

Because the AIDS epidemic in Vancouver was changing, the people on the waiting list and the relative priority of their applications were also changing. In 1994 in Vancouver, the most frequent risk category for HIV changed from men having sex with men to injection drug users. By the time the Bonaventure was purchased in 1997, this changing population was being reflected in the waiting list. While many of those on the list were experiencing improved health due to the introduction of protease inhibitors, and their need for housing was becoming less urgent, newer applicants tended to more urgently need housing. Many of these applicants were living not only with HIV, but also with other factors including mental illness, addiction, involvement in the sex trade, homelessness, and poor health due to chaotic lifestyles.

Two additional factors affected the character of the waiting list. Many on the list wanted only a subsidy and were not willing to relocate from their current homes. Others were willing to move, but were not willing to live with a roommate. As a result, many people on the waiting list did not accept units in the Bonaventure. Those who had the fewest choices about housing and who were most urgently in need were most likely to accept. The Society's mission and use of the term "adequate housing" reflects its intent to preserve or provide the type of housing in which a tenant or subsidy holder had lived his or her life. The goal was not allowing housing adequacy to be compromised due to HIV illness. Of the tenants selected, some did not have previous housing experience that was comparable to the independent living apartments offered by the Bonaventure. Some tenants did not know how to arrange for a telephone or utilities, and many were not familiar with the roles and expectations associated with being a tenant. Some of these tenants had previously lived in SRO (single room occupancy) hotels or had shared friends' accommodations. This unanticipated

problem has resulted in ongoing operational difficulties, and has highlighted the need to either select tenants who can live successfully in an independent housing model (but who may not be those with HIV who most urgently need housing), or to adapt the operating model to provide the support required to ensure that all tenants can live in a safe and well-run building.

Another issue that provided some complications was the type of available units. The Bonaventure comprised only six one-bedroom units, 21 two bedroom units, and three three-bedroom units. The three-bedroom units have been occupied by families, but the majority of those on the waiting list are single or couples (who qualify for a one bedroom unit only). While the proportion of two bedroom units was recognized as less than optimal, Wings Housing Society approached it as appropriate for tenants who would have family caregivers living with them, or for two tenants living as roommates. The process of having roommates assigned to the two-bedroom units has proved to be problematic over the last two years, with a number of tenants moving out or being evicted due to roommate difficulties.

BC Housing recognized that because of the anticipated uses of the two-bedrooms units, including the accommodation of caregivers, the Operating Agreement needed to allow for a rent scale which recognized various income sources within individual units. Therefore the Operating Agreement was modified to recognize these unique situations, and a rent scale was implemented, combining rent scales from other Homes BC programs, to allow BC Housing to base a tenant's rent on either the BC Benefits shelter rate, or to charge 30 per cent of income, to a maximum of market rental rates. The Operating Agreement and rent scale formula developed for the Bonaventure has subsequently become a model for operating agreements under the Low Income Urban Singles (LIUS) homeless/at-risk component of BC Housing's HOMES BC program.

A further issue has been wheelchair accessibility. The building has an elevator but there are steps both outside and inside the front door to the elevator. This issue was identified at the time of evaluating the building for purchase. Wheelchair accessibility was considered a priority, as the building was intended to house people living with HIV who could become quite ill and frail. At the time of inspection, a cursory examination indicated the potential to provide wheelchair access in the lane at the rear of the building through renovations. During the renovation phase, however, it was found that the planned wheelchair access would require a variance, which would require site inspections and delay occupancy. For those reasons, it was decided to defer the wheelchair access until after the building was occupied. However, when the wheelchair access was pursued with the City subsequent to occupancy, the required relaxation for the encroachment into the lane was rejected and thus it was not possible to provide wheelchair access. Subsequently, some tenants have moved out of the building, requiring wheelchair accessibility due to their illness.

One of the greatest risks in purchasing an existing building, particularly an older building, is the condition of the building, which cannot always be adequately appraised prior to purchase. In this case, the assessment indicated potential problems with the building envelope, but attempts to obtain further information were not successful. To investigate this concern prior to purchase would have required legal action to obtain evidence and would have delayed the projects by several months. However, subsequent to purchase of the property, it has become evident that there are building envelope problems and it is estimated that the cost of repairs will be \$350,000 to \$500,000, an amount approximately equal to all of the upgrades initially completed on the building prior to occupancy.

2.0 EVALUATING THE SUCCESS OF THE BONAVENTURE PROJECT

Overall the project is considered a success by all the stakeholders: Wings Housing Society, BC Housing, the project manager, and the tenants. The key objective has been successfully realized: to meet the need for affordable and adequate housing for people living with HIV. The major immediate result has been the provision of affordable housing for 57 adults and families living with HIV.

Success of the project can be measured in several ways:

- o There is additional adequate and affordable housing for people living with HIV.
- o The housing is provided in the best possible location to meet the tenants' needs; a location that could not have been matched under other development approaches.
- o To build a 30-unit development in the West End would have required a larger piece of land and cost more. Vacant land is also very rare in this area.
- o The project provided more housing (the Bonaventure houses 57 tenants) than could have been provided.

with new construction for the same amount of capital in the same area of the city.

"The apartments are beautiful - they've got character!"

- tenant, Bonaventure

- o The development approach of purchasing and upgrading an existing building provided the most units as quickly as possible compared with other development options. The project was less than one year from the indication of BC Housing support to occupancy.
- o The project was completed ahead of schedule and under budget.



Inside of one of the Bonaventure units furnished

- o Wings Housing Society has grown as an organization and has made a transition from managing portable rent subsidies to also being a housing provider.
- o Wings Housing Society has gained project development and management skills, and has gained experience working with BC Housing.

There have been lessons learned from this project, many of which are reflected in the success measures described. These lessons include:

1. Two-bedroom units, while providing flexibility for clients with caregivers and those wishing to live as roommates, can also lead to significant problems and should be avoided for this tenant profile.
2. The importance of good communication, a responsive and co-operative approach, and timely decision-making was recognized and valued by the project manager, BC Housing and Wings Housing Society.
3. It may not be feasible to comprehensively evaluate a building's condition prior to purchase. Buyers should be prepared for the possibility of unknown or unforeseen costs related to building conditions, and ongoing operating budgets should reflect this.
4. It is important to match the housing and operational funding model with the appropriate selection of tenants, to ensure that tenants are appropriate and that there is the staffing and resources to meet tenants' needs in order that they can maintain their housing tenure.
5. Having the flexibility to adopt different development approaches can contribute to identifying and securing unique housing opportunities that may have substantial benefits, including being less costly, being provided faster and in a better location.
6. The purchase of a tenanted building and ending the tenancy of residents can be done successfully, if the process is well managed and is respectful of the residents' situation.

3.0 THE COMMUNITY CONTEXT FOR THE BONAVENTURE PROJECT

The social, economic and environmental aspects of the community within which the Bonaventure was developed are probably unique in Canada.

Geographically, as a major urban centre, and one with a significant gay male population, HIV has been a major health issue for the past fifteen years. In that time, the AIDS epidemic has evolved from a life threatening, catastrophic illness affecting a predominantly gay, male population centred in the West End of the City, to an illness that may have a greater life expectancy and improved health status for those who can manage the treatment regime. The HIV epidemic is now impacting a more street involved population located on the Downtown Eastside. In Vancouver, St. Paul's Hospital is the provincially designated tertiary care facility for people living with HIV and AIDS, and it is located in the West End and near the Downtown Eastside. The West End area is also the location of many services and programs for people living with HIV, including the Pacific AIDS Resource Centre, the Dr. Peter Centre, which provides a day program and a supportive residence for people living with HIV, and the Three Bridges Community Health Centre which includes social and health programs for at-risk populations.

**"It's excellent, great! Perfect location - close to shopping, the hospital, the Dr. Peter Centre."
-tenant, Bonaventure**

There are also several other projects in downtown Vancouver providing affordable housing for people living with HIV. The location of the Bonaventure is the project's greatest single success factor, as it

makes the building a very desirable and appropriate place to live and could not have been easily matched. The building is located in the West End, adjacent to St. Paul's Hospital, and within walking distance of most other programs and services, as well as several transit routes, and shops including a 24-hour supermarket and 24-hour pharmacy.

Socially, the demographic shift in the epidemic has dramatically changed the face of AIDS, as an increasing proportion of people living with HIV are also living with other life circumstances that present challenges to the effective provision of housing, health care and social supports. As previously noted, those with stable lifestyles are benefiting from improved health due to the protease inhibitors, while more recently infected individuals may be unaware of their HIV status until they become acutely ill, and often have additional personal circumstances such as addictions, poverty, involvement in the sex trade, criminal activity, mental illness, and poor general health.

Economically, the City of Vancouver represents one of the most expensive housing environments in the country with low vacancy rates and high rents. Additionally, many people living with HIV are dependent on BC Benefits for their total income; (the BC Benefits shelter rate is \$325/month). Poverty and unaffordable housing are very significant issues for people living with HIV. The portable subsidy program was historically effective because individuals who had been economically self-sufficient experienced rapidly declining incomes as their health failed, and were at risk of losing their homes unless their rent could be subsidized. Similarly, most of those now living with HIV as a chronic illness are on BC Benefits and require a subsidy in order to maintain affordable housing.

At the initial stages, the key players were those involved with the lobbying: Wings Housing Society vigorously and continuously lobbied successive Ministers for Housing, and the Chair of BC Housing with extensive support and

assistance from the local MLA and member of government, who acted in a role of advocate within government.

The local MLA, the Minister and the Chair of BC Housing were all lobbied vigorously by the Society, and this work was key in building the support and direction for this project. The key players during the project delivery phase included Wings Housing Society, BC Housing and the project manager. None of the parties had worked together before and all parties concur that this project was a successful and positive development experience. Wings Housing Society was introduced to BC Housing as a result of their political lobbying, and there was a strong organizational interest in completing a project. The project manager appreciated that both BC Housing and Wings Housing Society allowed him a leadership role to undertake and manage the work, and to make decisions and recommendations. Conversely, both BC Housing and Wings Housing Society recognized the project manager's commitment to communications, and responded with prompt decisions, well informed by the project manager.

"Wings [Housing Society] lobbied the provincial government to no end..."

- Paul de Leon, past Executive Director, Wings Housing Society

In terms of leadership roles, Wings Housing Society was the leader in terms of determining and meeting the objectives, and had overall responsibility for the project. However, BC Housing, as the funding agent, had a leadership role in establishing and managing the budget, and the project manager had a leadership role in meeting the project budget, schedule and scope of work. Within Wings Housing Society, most of the decisions and authority were delegated by the Board to the then Executive Director, Paul de Leon, who had a key role throughout the project.



Minister for Housing Mike Farnworth, Wings Board Chair Warren O'Briain and MLA Tim Stevenson, at Bonaventure opening, January 1999

4.0 IMPACT ON AFFORDABILITY, CHOICE AND QUALITY IN HOUSING

For the Bonaventure project, the key regulatory mechanism was passive. The regulatory context that made the project viable was not an exemption or amendment of regulatory controls, but an opportunity afforded by regulatory controls. Because the building was nearly 100 years old, site zoning had changed significantly, and if the site were to be re-developed, the allowable density would be far less than the density of the current building. Additionally, the site is very small and with the required setbacks the floorplate would have been so small that the project viability would be questionable. The effect of the "down zoning" to a lower density reduced the development potential and therefore value of the site, providing a more affordable opportunity to purchase the property for housing using the existing building.

There was relatively minimal involvement of any type of regulatory structures, and no approvals or changes in procedures were required in the process of developing and implementing the Bonaventure project.

The primary factor leading to the success of the Bonaventure was the purchase and renovation of an existing building. Instead of working within the new construction arena—a more typical approach for the provision of affordable housing in British Columbia—the Wings Housing Society sought out, purchased and renovated a heritage building with close proximity to services. This approach streamlined the project and made the outcome—affordability, quality and choice in housing for people living with HIV/AIDS—reachable. The entire team recognized that this project was meeting an urgent need. A sense of urgency at the political, bureaucratic and non-profit agency level drove all parties to streamline and fast track this project. The project set a record in B.C. for being the fastest social housing development ever. This project demonstrates the critical importance of a

unified vision when trying to hasten a complex and challenging new social housing service.

The successful purchase and renovation of the Bonaventure created a model that could be transferred to other areas in the province and to the provision of affordable housing for a range of potential tenants. Concurrent with and subsequent to the Bonaventure, BC Housing has completed four projects based on the purchase and conversion of existing buildings, most of which are motels or hotels, and which are being renovated to provide housing under the Low Income Urban Singles (LIUS) program. This approach is based on flexible service delivery and provides a means to respond to unique opportunities within the real estate market.

"The bottom line is that the Bonaventure worked. It met our program criteria, its location is ideal and it was completed quickly. It's a good development."

- Danna Locke, Senior Project Officer, BC Housing

This project contributed to sustainability in housing by facilitating the efficient use of BC Housing capital funding. With a new project, 57 people could not have been provided with affordable housing in the centre of Vancouver for the total \$4.0 million capital for this project. Additionally, the project has contributed to housing affordability by providing subsidized housing for people on B.C. Benefits which has a maximum shelter rate of \$325 per month. The time saved in the approvals process because it was not new construction, as well as

the potential design and construction time saved, contributed to provide housing up to two years faster than through new construction. An additional component of the housing initiative that has demonstrated both transferability and sustainability is the development of a hybrid operating agreement that made provision for rent to be based either on the B.C. Benefits shelter rate or on 30% of income, whichever is greater, at the discretion of BC Housing. This more flexible model was necessary to recognize the role of caregivers that might move in to care for a person with HIV who was ill or dying.

The Bonaventure project is a successful project because:

1. The project demonstrated the capital cost efficiencies of purchasing an existing building, particularly in a situation in which the zoning would not permit new construction of comparable density.
2. The project demonstrated the value of communications in achieving successful outcomes, including the eviction of tenants, and the completion of renovations ahead of schedule and under budget.
3. The project served as a model for the purchase and renovation of existing buildings in other communities.
4. The project served as a model for an operating agreement that provides affordable housing based on the B.C. Benefits shelter rate, but can be adjusted for tenants with higher incomes.
5. The project provided housing for more tenants than would likely have been funded by BC Housing for new construction.
6. The project provided the housing about one to two years sooner than new construction.
7. The project provided affordable housing for 57 people living with HIV, meeting the mission statement: "Every person living with HIV must have adequate housing".
8. Wings Housing Society gained the experience to

develop and operate affordable housing and is now positioned to transfer the knowledge to new projects.

Renovating existing buildings with a heritage designation is clearly not for everyone, but the Bonaventure project could be a model for groups in other parts of the country, particularly where high property values make it difficult to develop newly-built social housing in close proximity to social supports and needed health services.

The then Chair of the Board of the Wings Housing Society, Warren O'Brian, elaborates as follows:

"Wings mustered political support, community support, and public support for the Bonaventure project, but all the supportive sentiment in the world would still have left us unable to afford construction of new housing for 57 people in Vancouver's pricey West End. Yet building new in another more affordable neighbourhood would have seriously compromised the project's ability to meet the housing needs of our client group.

The Bonaventure, with its restrictive heritage designation, its grandfathered higher-than-currently-allowable densities, and its complete lack of parking (it was built before cars were common), was unattractive in the eyes of many in the real estate market. But to us it was a diamond in the rough, perfectly located, well-priced, and with some speedy renovation, capable of quickly providing our clients with quality affordable housing that is both attractive and generous in its square footage. The entire building is devoted to precious living space, with not even a square foot turned over to parking - since Wings clients tend to rely on public transportation, maximum shelter for people had to be our priority.

While costs may be considered high by standards in other parts of Canada, purchase and renovation of the Bonaventure worked out to about \$70,000 per resident, considered extremely reasonable for Central Vancouver. I would encourage other groups seeking to provide social housing to carefully consider the renovation option, particularly as in our experience the potential for a quick turn-around can engage regulatory authorities and funders to assist in streamlining the process.

In hindsight, I would say we undertook the following steps to help move the project forward, steps that would be similar in any community:

- o identified priority housing needs for our client group;*
- o identified which neighbourhood, social supports, and physical structure can best meet identified needs;*
- o shared this information with community partners, allied agencies and consumer groups;*
- o enlisted the aid of political leaders and allied partners, agencies and groups in a public education process;*
- o approached potential funders and sponsors with a comprehensive initial proposal ensuring that community "validators" not only wrote letters of support, but also made phone calls and scheduled face-to-face meetings to highlight the need for such a project;*
- o secured commitment in principle to the proposed project from funders and sponsors;*
- o gathered information on costs for a traditional purpose-built project, including land values in the desired neighbourhood (often you can obtain such information in general terms from other, recently completed, projects);*
- o examined the availability of existing buildings that could be suitable, with special attention to neighbourhood-based supports and amenities;*
- o ensured any existing building being considered did not already house low-income individuals (Wings only considered buildings where existing tenants were paying above market rent, and purposely avoided building where rents were below market, in an attempt to avoid removing more affordable rental options from an extremely tight rental market);*
- o once located, ensured the building receives a comprehensive inspection that includes a careful analysis of potential renovation costs;*
- o prepared a detailed budget and secured firm commitment from funders and sponsors*
- o once project is under way, ensured that a comprehensive communications plan is developed and implemented, both for neighbours and community, as well as for existing tenants who had to move;*
- o ensured each existing tenant who had to move received a personal visit from society directors/staff explaining the project. (In the case of the Bonaventure, existing tenants were given a month more than legally required to locate new housing, one month's free rent to compensate for inevitable moving costs, as well as offers of assistance in locating new housing if needed).*
- o communicated relentlessly with all the project funders, sponsors, and community supporters (this resulted in a willingness on the part of many supporters to search for ways of streamlining the project and helping us meet our extremely optimistic timeline.*

The Bonaventure project was both a cost-effective and a timely solution for Wings Housing Society and its clients."