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# Village of Gold River REPORT TO COUNCIL

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Regular Council Meeting  
February 7, 2022

**Author: Michael Roy, Chief Administrative Officer**

**Subject: Supportive Housing**

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**RECOMMENDATION(S):**

THAT Council receive the report for information.

**ALTERNATIVE(S):**

N/A

**PURPOSE**

To present the document prepared by Providence Health Care, M'akola Housing Society and M'akola Development Services regarding a supportive housing initiative for Gold River.

**ATTACHMENT(S):**

The Case for a Gold River Supportive Housing Solution

**DISCUSSION**

Seniors' housing and supportive housing options has been on Council's radar for the past 5-6 years with lots of discussions with various provincial departments, our MLA, and Vancouver Island Health Authority. Some of the goals identified for the project are:

- Supportive housing that can provide the flexibility of care services that may be required to keep residents in our community.
- Standard community care services that could be utilized where each resident negotiates their care delivery independently and is flexed up or down as needed.
- The apartment building could house younger residents who are at risk of LTC placement, and they could age in place versus moving to a larger centre for care.

In discussion with Providence Health Care, M'akola Housing Society and M'akola Development Services a document was created for a supportive housing solution for Gold River. This paper

outlines a 20-unit solution for Gold River, and the Village has earmarked village owned property for this project.

This document can be used to support our efforts to obtain grant funding for this developemnt. The document has been shared with our MLA, the Ministers for Housing and Health, BC Housing and BC's Seniors Advocate.

### **FINANCIAL IMPLICATIONS**

This project is currently estimated at \$6.6 million and will require financial support from the province and additional partnerships to develop.

### **POLICY IMPLICATIONS**

None

### **LEGAL IMPLICATIONS**

None

### **STRATGIC PLAN ALIGNMENT**

Although not identified as a strategy in the strategic plan it does support community liveability with the overall betterment of the village residents and our neighbours.

Respectfully submitted,

Michael Roy  
Chief Administrative Officer  
Village of Gold River

# The Case for a Gold River Supportive Housing Solution

Prepared by:



**Mark Blandford**  
Vice President, Seniors Care, Clinical & Operations  
Providence Health

**Kevin Albers**  
Chief Executive Officer  
M'akola Housing Society

# The Case for a Gold River Supportive Housing Solution

This paper outlines why a combination of a 20 unit non-profit housing complex combined with a range of supportive services for Gold River residents is a viable alternative to more expensive and less available Long Term Care (LTC) facility beds for aging seniors with frailty as well as other adults “at risk of LTC placement” to remain in Gold River (GR). A supportive housing complex in GR will also reduce the burden on Island Health LTC and Assisted Living (AL) sites in the north island which are already operating at full capacity and increase the availability and sophistication of Home Care options in Gold River. When combined with the training of local residents as care providers, a supportive housing complex will increase the local availability of trained healthcare personnel. This will reduce the burden on Island Health community staff based in Campbell River and provide sustainable long-term jobs in GR.

## Project Summary

- With the relatively low cost of living, access to basic medical needs and other community services, GR is an attractive place to live for younger retirees and seniors.
- The current lack of health supports beyond basic primary care and limited home care is contributing to GR residents leaving the community when their need for supportive care and higher levels of community health care increases. Residents in this situation opt to move to a larger community to access services or are forced to move pre-maturely into LTC in either Campbell River or the Comox Valley.
- Although GR has a small population of less than 2000 people, the care issues of this population do impact the already strained community and facility care resources provided by Island Health in the north island. Currently (November 2021):
  - 4 GR residents are waiting for placement in LTC.
  - 11 residents are utilizing community health services (CHS). Seven of these clients have care needs assessed by Island Health as high to very high meaning they may require respite care or LTC outside the community within 12 months.
  - There have been 15 deaths in the last 12 months where supportive or palliative care in GR would have been the best option.<sup>1</sup>

These data are consistent with historical data back to 2018 and highlight there is a need for supportive care alternatives to meet the current situation and for the future.

- While the current situation in GR is a strong argument for action, data indicating an overall increase in future demand is also strong:
  - The aging population on Vancouver Island is increasing with projections of ages 74-84 increasing by 72%
  - The total number of persons aged 85+ increasing by 41% by 2027 (Rural Coordination Centre of BC, 2018).
- The trend of increasing aged persons requiring care services is adding to the pressure on the LTC facilities that are already operating at full capacity in the north island and while the government is

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<sup>1</sup> Data supplied by Island Health.

committed to new beds in the north island these beds are not expected to be operational before 2025.

- GR relies on supportive services, AL and LTC in Campbell River. The distance (94 km) from GR to Campbell River is a barrier for many people needing increased care due to the 3 hour round trip which can be dangerous in the winter months.
- The BC Seniors Advocate estimates that up to 20% of people entering LTC have care needs that could be met in community settings if appropriate supports and environments were available. This proposal seeks to address this specific system gap by offering a supportive housing environment equipped to offer a high level of community care to defer, and in some cases negate, the need for LTC placement.
- LTC placement is triggered either by a need for unscheduled 24/7 access to professional nursing care, the collapse of family supports or when the persons condition, as in severe dementia for example, makes living in a community situation unsafe. However, many individuals with complex care needs can remain at home if the environment is suitably adapted – for instance with accessible bathing facilities, flexible informal supports like meals on wheels and flexible unscheduled care is available.
- Traditional solutions such as providing LTC in GR are not cost effective. The economy of scale required to be viable is a facility with 100 or more beds. Additionally, the licensing requirements for staffing levels and other needs in LTC make this option unrealistic considering the low number of potential residents and the high operating costs.
- The development of an AL facility in GR has some advantages such as offering a full package of services to support residents. However, while the support package for AL has some benefits current regulations mean that residents are forced to move out into LTC at an earlier point in time than if they lived in Supportive Housing. Simply put, residents with high care needs can remain in Supportive Housing for much longer than AL if adequate supports and care are in place and the Community Care and Assisted Living Act (CCALA), which governs Assisted Living, does not apply. The issues that make the AL option less attractive includes high costs for development and rents, significant regulations for resident, and the lack of flexibility to support residents whose health deteriorates and need unscheduled care.
- Finally, the viability of AL for a new provider is contingent upon Health Authority funding through an RFP process. Given the current focus on new LTC and the reduced effectiveness of AL, Island Health has assessed the viability for both LTC and AL facilities in GR and determined that neither of these solutions have a workable business case or have significant disadvantages for residents and the operator.
- The development of a 20 unit non-profit supportive housing solution is the option with the greatest advantages for all stakeholders.
  - Supportive housing can provide the flexibility of care services as required to keep residents in their community.
  - Standard community care services could be utilized where each resident negotiates their care delivery independently and is flexed up or down as needed.
  - The apartment building could house younger residents who are at risk of LTC placement, and they could age in place versus moving to a larger centre for care.
  - If BC Housing participates in the development of the building, rents could be in the market range and more affordable.

- Following a housing and community care model means CCALA regulations do not apply and allows for a variety of flexible supports to meet resident needs beyond that provided in AL.
- Supportive Housing settings are proven to facilitate housing and care for a wide range of residents with stable but complex health conditions as long as mitigation for safety and care options are available.

**This proposal seeks to secure a 20 unit Supportive Housing building through a partnership as follows:**

- The township of Gold River will lease the land required free of charge to M’akola Housing Society to build the 20 unit housing complex.
- M’akola Housing Society will use its expertise to develop, build and ultimately operate the 20 unit building.
- Providence Living Society (PLS), working with Island Health, will provide care ongoing care and other supports to the residents of the 20 units.
- Care costs would be funded through the normal community care assessment approval process with a dispensation to increase the flexibility of PLS to deliver additional instrumental activities of daily living (IADLs) services.
- Construction and rents for tenants would be subsidized and financed through a collaboration with BC Housing.
- PLS Working with North Island College will seek to establish a community training program to train local residents, including First Nation residents, up to the Health Care Assistant certificate level.

## Proposal Details

### OBJECTIVES:

1. Increase the viability of seniors and others with health concerns remaining in GR and reduce the need for these people to leave their community of choice.
2. Reduce the burden on Island Health LTC and AL resources in the north island by increasing the availability and sophistication of Home Care options in GR.
3. Increase the local availability of trained healthcare personnel and reduce the burden on Island Health community staff based in Campbell River.

### ASSUMPTIONS

1. That seniors and others with complex care needs can have their care needs successfully met in a supportive, wood frame housing environment provided the design is flexible.
2. High levels of care can be provided in a non-assisted living suitable housing environment provided the clients served do not require 24hr access to a registered health care professional.
3. That GR residents currently electing to move to larger communities to seek higher levels of health care service would stay in GR if more service were available.
4. That an increase in service levels in GR would benefit Island Health in two ways:

- a. Deferral of clients seeking LTC placement in North Island LTC or AL facilities.
- b. Reduce the need to send community care staff to GR allowing them to remain in larger centres.

## PROPOSAL OVERVIEW

- Develop a 20 unit nonprofit supportive housing complex in GR that would provide housing for a wide range of people aged over 19 that require housing with supportive care.
- Engage multiple stakeholders in the development of this supportive housing complex.
  - BC Housing – provide direction, financing, “per door” grants, and “per unit per month” subsidy similar to Community Housing Fund structure
  - M’akola Development Services (MDS) – development consultants
  - Town of Gold River - provide suitable land, waive permit fees, provide 5 years of tax exemption
  - A third party funding partner - \$1 million contribution to buy down the deficit and decrease the operating subsidy
- The housing complex residents would be governed under the Residential Tenancy Act
- Providence Living would initiate a Human Resources plan to train and manage a local workforce including Indigenous participants where possible
- Providence Living proposes entering into a sole source contract with Island Health to provide the care and support model which could include:
  - 24 hour unscheduled non-professional care
  - Hospitality services on a “a la carte” basis and paid for by the resident
    - Access to meals (i.e., Meals on Wheels)
    - Support with housekeeping
    - Support with Basic Activities of Daily Living (BADL) – (i.e., walking, dressing, and grooming, toileting, bathing, transferring)
    - Support with Instrumental Activities of Daily Living (IADL) – (i.e., transportation, shopping, meal prep, communication, managing finances, and managing medications).
    - Security - facilitate the use of a pendant call system.

## HOUSING DEVELOPMENT PLAN

M’akola Development Services (MDS) will be the development consultant for the housing complex project (the full report is included in the attachments). The housing assumptions are as follows, but are open to adjustment based on funding programs and project details:

- **Key Building Features**
  - Wood Frame Construction
  - Four stories or less
  - Surface parking
  - No programming spaces

- **Unit Features** - 20 rental units
  - 15 one-bedroom units (588 sqft)
  - 5 two-bedroom units (812 sqft)
  - 15,250 sqft gross livable area (including circulation and service areas)
  - All units accessible
  
- **Financing Terms** (assumes BC Housing financing assumptions)
  - Debt-Cost-Ratio (DCR) of 1.1 or 1.0 when calculating subsidy
  - Interest rate of 3.55% (assuming 2023 takeout)
  - 35 year amortization
  
- **Key Costs Assumptions**
  - Construction Costs: 325/sqft
  - Approximately \$15,000 in municipal fees
  - Approximately \$80,000 in servicing upgrades
  - Assuming land is provided at no cost
  - Total budget of \$6,599,544 which works out to a cost \$329,977.18 per unit with a total sqft cost of 432.76/sqft

- **Construction Method**

The project will be developed using the more standard stick build method versus modular construction. MDS' experience is that modular construction is rarely cheaper, and they can run into factory constraints.

- **Breakdown of Rent Costs**

- A variety of near market rents, rents-geared to income rates and shelter cost rents
  - 4, one-bedroom units - \$375/month
  - 6, one-bedroom units - \$604/month
  - 5, one-bedroom units - \$921/month
  - 4, two-bedroom units - \$728/month
  - 1, two-bedroom unit - \$1148/month
- Utilization of the Community Housing Fund (CHF) to take advantage of “per door” grants.
  - \$100,000 grant for each one-bedroom unit
  - \$125,000 grant for each two-bedroom unit
  - Total grant eligibility: \$2,125,000
- Ongoing subsidy: \$725/unit/month for the length of the mortgage

The analysis provided by MDS outlines that a financing scenario based on the Community Housing Fund model provides the closest feasible option, but fundraising or additional project grants totaling \$1 million to buy down deficit would reduce the operating subsidy to \$545/unit/month which would make this very close to what BC Housing would be willing to support.

- **Next Steps**

1. Seek out a 3<sup>rd</sup> party willing to provide \$1 million in equity contributions
2. Work with BC Housing and prepare for future senior government funding programs
3. Develop a plan based on M’akola’s 7 recommendations outlined in the Gold River Development Scenario paper attached

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## Attachments



Gold River  
Development Scenario