



Seniors' Housing Needs Assessment and Business Case



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Table of Contents

1.0	Executive Summary	3
2.0	Background and Project Description	7
2.1	Background.....	7
2.2	Project Description	8
3.0	Seniors’ Housing Needs Assessment	10
3.1	Strathmore and Area Seniors Housing Overview	10
<u>3.1.1</u>	Demographics	10
<u>3.1.1.1</u>	Seniors Population.....	11
<u>3.1.2</u>	Housing Stock Characteristics	12
3.1.3	Seniors Household Characteristics	14
3.1.4	Low-Income Status	14
3.1.5	Housing Affordability.....	15
3.1.6	Core Housing Need	15
3.1.7	Supply of Seniors’ Housing in the Region	15
3.1.7.1	Wheatland Housing Management Body Portfolio	16
3.1.7.2	Private Housing Stock.....	16
3.2	Future Seniors’ Housing Requirements.....	17
<u>3.2.1</u>	Alberta Health Services: Continuing Care Needs Assessment - Calgary Zone	19
<u>3.3</u>	Existing and Future Need and Demand for Seniors Housing	19
4.0	Environmental Analysis	21
5.0	Options Overview	23
<u>5.1</u>	Hospice.....	24
6.0	Site Assessment	25
7.0	Business and Operational Impacts	27
8.0	Project Risk Assessment	30
8.1	Risk Category and Level of Exposure	30
8.2	Risk Mitigation	32
9.0	Financial analysis	33
9.1	Capital Cost Assumptions and Estimates.....	34
9.2	Operating Revenue and Expense Assumptions	35
9.3	Project Net Cash Flow – Financial Results	36
9.4	Qualitative Analysis – Non-Financial Benefits.....	37
9.5	Options Assessment, Conclusions and Recommendations	38
<u>9.5.1</u>	Options Analysis.....	38

9.5.2	Conclusions.....	40
9.5.3	Recommendations	42
10.0	Implementation Strategy	43
11.0	Review and Approval Process	44
12.0	Appendices.....	45

1.0 Executive Summary

The Wheatland Housing Management Body (WHMB) in collaboration with other local groups developed this business case for a new 165 suite seniors housing facility in Strathmore. The existing Wheatland Lodge (95 suites) would no longer serve as a seniors' lodge once the new facility is opened and everyone in Wheatland was accommodated.

The project objectives are to:

- Complete a regional seniors housing needs assessment for the Wheatland Housing Management Body's geographic territory;
- Develop options to address the needs and gaps identified in the regional seniors housing needs assessment, and;
- Develop a business case that uses an impact and risk assessment and cost benefit analysis to identify the best course of action.

Seniors Housing Needs Assessment

- Existing Gaps:
 - There are 1,720 senior led households and 430 are in need (25%)
 - Most are homeowners and have significant equity in their homes, but many are renters on fixed incomes who are independent but required rent-gear-to-income (gap could be as high as \$600 month for market rent).
 - There is a shortage of purpose-built one and two-bedroom rental apartments for independent seniors who want to downsize their housing.
 - The need for supportive living SL4 and SL4D is rising – there were 240 households in 2016 that were 85 years and over.

Future Gaps:

- The region is expected to grow by 2,136 people 65 years and over by 2026. 1,411 housing units will be required to accommodate the growth – about 20% will require subsidized housing and care.
- The monthly affordability gap in market rent will increase for lower income seniors on fixed incomes as their pension indexing will not keep pace with the market.
- The 75 – 84 age group represents the largest need and demand (606 households - up by 91% in the 10 years) and will require a combination of supportive living from independence to memory care (SL4D).
- The 85+ age group will also increase significantly (269 households - up by 86% in the 10 years) and directly impact the need and demand for supportive living with levels 4 and 4D care.

Options Considered for the Business Case

- **Option One:** 165 Lodge suites
- **Option two:** 115 Lodge, 20 SL4 and 30 SL4D suites
- **Option Three:** 133 Lodge and 32 Apartment suites

The options also include a 3-bed hospice which the Wheatland & Area Hospice Society has the capital and operating funding to build and operate.

The costs and benefits associated with each option are summarized below:

- Option One has the lowest capital costs and high operating deficits. Residents would have to move when they are no longer independent.

Alternatives	Business & Operational Impacts	Project Risk Assessment	Cost/Benefit Analysis
Option 1: 165 lodge suites and 3 hospice beds	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • Less units pose less risk - government equity/guarantee would reduce the risk • Lack of direction from government may put proposal on hold 	<ul style="list-style-type: none"> • Capital Cost: \$49,697,851 • Addresses need for independent market and non-market seniors housing • Hospice will address the palliative care needs of the area.
Option 2: 115 Lodge with 50 Supportive Living suites and 3 Hospice beds	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Partnership with AHS are new experience - requires contract with AHS • Working with AHS staff and level 4/4D residents is a new experience for WHMB staff • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • More units with higher health care needs pose more risk to WHMB - government contract/ guarantee would reduce the risk • Lack of direction from government may put proposal on hold • Need assurances that supportive living units will not be funded by municipal requisition 	<ul style="list-style-type: none"> • Capital Cost: \$51,037,774 • Addresses need and demand for independent and supportive living market and non-market seniors housing • Hospice will address the palliative care needs of the area.
Option 3: 133 Lodge and 32 apartment suites and 3 Hospice beds	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • Risk is moderate but reduced through the development of market one and two-bedroom units • Lack of direction from government may put proposal on hold 	<ul style="list-style-type: none"> • Capital Cost: \$50,589,752 • Addresses need and demand for independent market and non-market seniors housing • Hospice will address the palliative care needs of the area.

Options Analysis - Summary Assessment

- Option Two has the highest capital costs and the lowest operating deficit – this assumes that AHS will fund the health care costs of residents in the supportive living suites. Residents would not have to move when they are no longer independent – they could age within the facility.
- Option Three has higher capital costs and the highest operating deficit. The apartments provide much needed rental housing - non-market and market. Residents would have to move when they are no longer independent.

Conclusions and Recommendation

All three options will enable key stakeholders to address the housing needs of seniors living in the Wheatland Housing region. A facility incorporating supportive living levels 2 through 4D (Option Two) will also address the ongoing health-related care needs of existing and future residents. It will also enable a fully functional program to be incorporated into the design to better meet the needs of residents while minimizing risks and maximizing the benefits associated with the project. There would be business impacts from Option Two but those will be addressed over time.

The following recommendations are identified to help define the Wheatland Housing facility design and management:

1. **Strathmore Facility** - That a purpose-built 165-unit lodge and supportive living facility be built in the Town of Strathmore. The cost/benefit analysis and assessment of the three options strongly supports Option Two - a 165 suite aging in place seniors housing facility.
2. **Engage Project Partners** - The project requires capital and operating support from government to proceed. The draft business case can be used as the basis for discussions with funding partners on funding models, building ownership and other project details.

Alberta Seniors and Housing and Alberta Health Services are two key funders that WHMB should engage early to review and comment on the draft business case. This will make them aware of the project and allow for a discussion about how to proceed with the project.

3. **Refine Design Options and Costing Considerations and Update the Business Case as Needed** - As the project moves forward, discussions with funding partners, operators and service agencies will all provide more detailed information about the final project option, design and costing. Detailed drawings of the project will help refine the capital cost estimates. The information can be used to update the pro forma and business case.
4. **Project Management** - That an overall project management structure be established to develop the WHMB facility with the following roles and responsibilities:
 - **Project Sponsors** – The project sponsors (to be identified) will fund and lead the overall business case finalization, funding consortium, project design and development of the project partnerships. Significant levels of capital and operating support will be required to make the project financially viable.

- **Project Manager** - The project manager (to be identified) will lead the development process including hiring the architect and functional planner. The sponsor will also tender the project and hire the construction firm to build the facility. The project sponsor will be accountable to the project partners.
- **Project Partners** – The project partners (to be identified) will provide financial, program service and facility support services for the project.

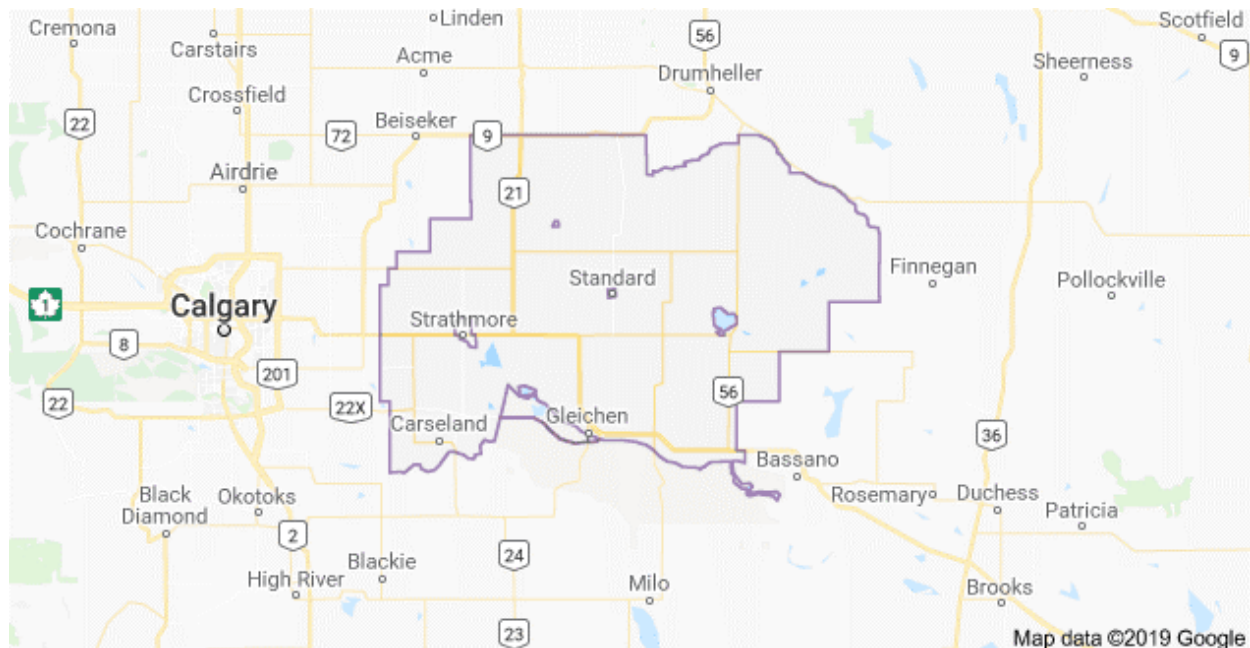
2.0 Background and Project Description

Background information on Wheatland Housing Management Body and a description of the project are the focus of this section.

2.1 Background

Wheatland Housing Management Body (WHMB) was established as a Management Body under the Alberta Housing Act and represents Wheatland County, Town of Strathmore, Villages of Rockyford, Standard, Hussar, Gleichen and Carsland (see map below).

WHMB operates 138 housing units of seniors' apartments and the 95-unit Wheatland Lodge in Strathmore. There are also 20 units in four of the rural hamlets.



Wheatland Lodge was constructed in the early 1960's and undergone several renovations and additions over the years. While the building is in good condition and the seniors are happy with the accommodation, it does not meet today's standards or the expectations of the upcoming generation. The WHMB Board of Directors decided that the time has come to start considering replacing the Lodge with a new facility. Given the density around the Wheatland Lodge, it is not possible to rebuild adjacent to the existing building. The best option is likely to build on a different site in the Town of Strathmore.

2.2 Project Description

The WHMB Board is interested in knowing the results of the seniors housing needs assessment in terms of the need and demand for supportive living. They are interested in building to meet current and future needs and would consider adding higher levels of support if the needs assessment shows there is long term demand.

WHMB and the Wheatland & Area Hospice Society (WAHS) have agreed to work together to include a 3-unit hospice within all of the options being considered. All three options for a hospice. More details are included later in the report.

Objectives

The project objectives are to:

- Complete a seniors regional housing needs assessment for the Wheatland Housing Management Body's geographic territory.
- Develop options to address the needs and gaps identified in the seniors regional housing needs assessment.
- Develop a business case that uses an impact and risk assessment and cost benefit analysis to recommend the best course of action.

Scope

The project options will include a mix of continuing care services, ranging from SL2 (lodge) to SL4D. The regional seniors' housing needs assessment completed for the region supports a 165-unit facility.

Three Options are explored in the business case. Each Option is explained in more detail in Section 5.0. Option One replaces the 95 suite Wheatland Lodge and adds 70 additional lodge suites; Option Two replaces the 95 suite Wheatland Lodge and adds 20 additional lodge suites and 50 supportive living 4 and 4D suites, and; Option Three adds 38 additional lodge units and 32 apartment suites with one and two-bedroom suites. All of the options contain a mix of non-market and market housing.

Timelines

It is anticipated that provincial funding will be approved by the fall of 2020. This would enable the Wheatland Housing Management Body to initiate detailed planning work over the winter and spring, with the goal of tendering the project in mid 2022 and starting construction in November 2022. The WHMB anticipates receiving project development funding from the province to fund the pre-construction work.

Location

The project will be constructed in the Town of Strathmore. Five potential sites for a seniors' project were identified and assessed. One of the sites is where the Town Administrative Office is currently located and the Town has indicated it would be willing to transfer the site with full remediation of the buildings, etc., to the

WHMB after they have vacated the property. Further analysis will be required prior to making any decisions regarding the site.

Project Development Deliverables

Outcome/Deliverable	Estimated Completion
Commission Architect	March 1, 2021
Functional Program	May 1, 2021
Schematic Design Report	August 1, 2021
Design Development Report	November 1, 2021
Pre-Tender Report	May 1, 2022
Tender/Award Construction Contract	July 1, 2022
Construction	November 1, 2022
Building Commissioning	December 1, 2023
Operational Commissioning	March 1, 2024

3.0 Seniors' Housing Needs Assessment

The purpose of the seniors' housing needs assessment is to determine how many senior led households, now and into the future, will need some form of seniors housing. While the assessment will focus on the need for non market or subsidized housing, it will also address the demand from seniors' households who want to sell the family home and move into something more suitable to their lifestyle. Finally, the assessment will address current and future need and demand for both independent and supportive living accommodation.

The seniors' housing needs assessment will not identify or assess the availability and gaps in community amenities and support services for seniors.

3.1 Strathmore and Area Seniors Housing Overview

The housing overview includes demographic (65+) trends, housing stock and senior's household characteristics, seniors' income and housing affordability, seniors in need and a summary of the existing supply of seniors housing in Strathmore, including both Wheatland Housing portfolio and other seniors' housing facilities currently existing in Strathmore. The AHS continuing care needs assessment results for Strathmore and area are also provided.

3.1.1 Demographics

The population from the Census of Canada (2001 to 2016) by age cohort for the Town of Strathmore and Wheatland County are displayed in Table One below¹. While the growth rate for the Region has slowed since the 2001 to 2006 time period – from 18.6% in 2001 - 2006 to 9.5% in 2011 - 2016 – it is still very strong, led by the Town which has nearly doubled in size – 81% growth – since 2001.

Table One: Population of the Town of Strathmore and Wheatland County, 2001 - 2016

Town of Strathmore and Wheatland County								
Age Group	2001	Share	2006	Share	2011	Share	2016	Share
0 - 14 years	4,060	26.2%	4,110	22.4%	4,390	21.3%	4,520	20.0%
15 - 64 years	9,990	64.4%	12,389	67.4%	13,900	67.5%	14,740	65.4%
65 years+	1,455	9.4%	1,890	10.3%	2,300	11.2%	3,280	14.5%
Total	15,505	100.0%	18,389	100.0%	20,590	100.0%	22,545	100.0%
Growth Rate			18.6%		12.0%		9.5%	

Source: Canadian Census, 2001 - 2016, Statistics Canada

Current growth trends show a dramatic shift in the age profile of the 65+ age group. In addition to growth in numbers, the distribution of the population by age is also important:

- 0 – 14 age group has decreased as a share of the total population from 26.2% in 2001 to 21.3% in 2016

¹ There are an additional 250 – 300 seniors living in the 5 villages (Rockyford, Standard, Hussar, Gleichen and Carsland) not included in the population of Wheatland County

- 65 and over age group increased from 9.4% in 2001 to 14.5% in 2016

This shift will continue for the next 15+ years and have significant impacts on the housing market and they transition from the housing market into congregate housing.

3.1.1.1 Seniors Population

The main driver of need and demand for seniors housing is population growth and migration from rural to urban communities. In the case of seniors' housing in Strathmore and the County, it's the aging of the baby boomers and their financial and health status that determines the amount and nature of housing required to meet housing need and demand.

The baby boomers started becoming seniors in 2011 and they will be the main driver of seniors' housing for the next 20 years. Strathmore's healthy pace of population growth over the past 20 years also contributes to the growth of the senior's population (aging) in future years.

Seniors are healthier and wealthier today and are living independently longer than even just a few decades ago. The seniors entering the congregate (communal) housing system are much older now on average, resulting in 75+ year old's as the focus of demand for housing and care today. While incomes are higher today, a portion (about 25%) will require some form of assistance to afford the housing and support they need.

The population 55 and over from 2001 to 2016 is displayed in Table Two.

Table Two: Town of Strathmore and Wheatland County Population, 2001 - 2016

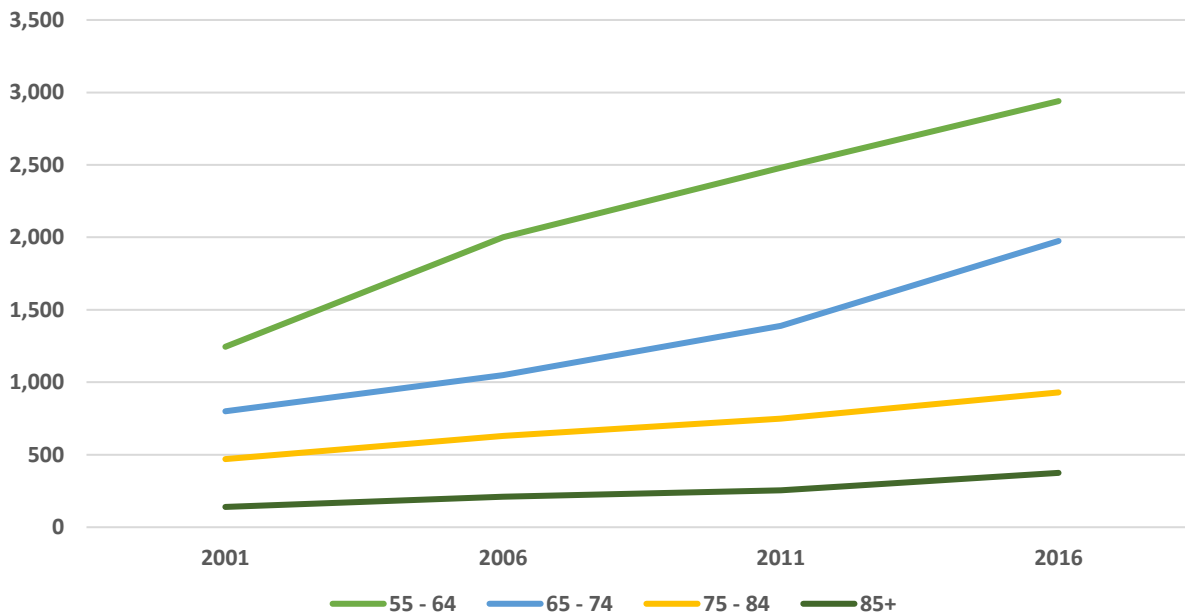
Town of Strathmore					
Age Group	2001	2006	2011	2016	% Change
55 - 64	585	990	1,325	1,580	170.1%
65 - 74	400	590	830	1,180	195.0%
75 - 84	320	435	515	655	104.7%
85+	115	150	205	310	169.6%
Total 65+	835	1,175	1,550	2,145	156.9%
Wheatland County					
	2001	2006	2011	2016	% Change
55 - 64	660	1,010	1,155	1,360	106.1%
65 - 74	400	460	560	795	98.8%
75 - 84	150	195	235	275	83.3%
85+	25	60	50	65	160.0%
Total 65+	575	715	845	1,135	97.4%
Town of Strathmore and Wheatland County					
	2001	2006	2011	2016	% Change
55 - 64	1,245	2,000	2,480	2,940	136.1%
65 - 74	800	1,050	1,390	1,975	146.9%
75 - 84	470	630	750	930	97.9%
85+	140	210	255	375	167.9%
Total 65+	1,410	1,890	2,395	3,280	132.6%

Source: Canadian Census, 2001 - 2016, Statistics Canada

An examination of the 10-year age cohorts above 55 years of age reveals some interesting trends:

- The 55 – 64 age group grew by 136.1%, which suggest continued strong growth for the 65+ age group in future years.
- The 65+ age group grew by 132.6% over the 15 years
 - The 85+ age group grew the most – 167.9%
 - The 65 – 74 age group was second – 146.9%
 - The 75 – 84 age group was third – 97.9%

Graph One: Strathmore and Wheatland County Seniors Population, 2001 - 2016



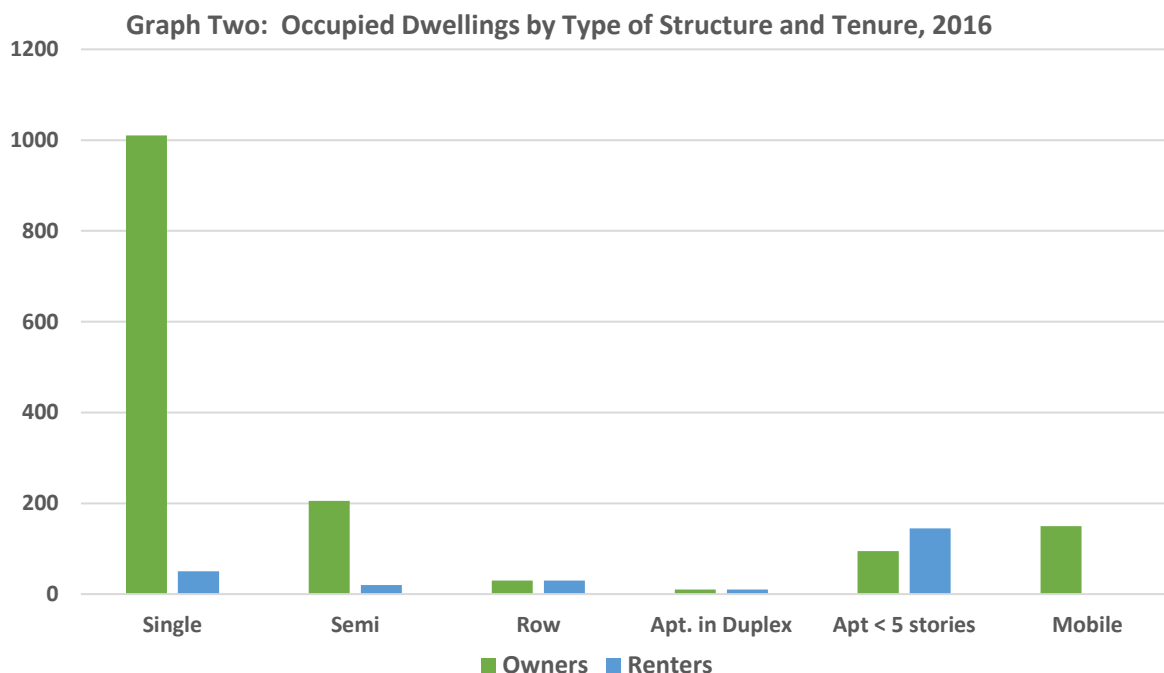
Source: 2016 Canada Census, Community Profiles

It is somewhat surprising that the population 85 years old and over was the fastest growing during this time period; most communities in Alberta have experienced a larger increase in the 65 – 74-year-olds, due mainly to the aging of the baby-boomers. The increase in more elderly seniors shows that many of them have remained in the area. There is no question that Strathmore is the regional centre where supportive living accommodation (SL4, SL4D and LTC) is available and this makes it possible to remain in the region.

3.1.2 Housing Stock Characteristics

Like most households, those led by seniors occupy the following types of structures in the region (detailed numbers are available in Appendix One - Tables A1, A2 and A3):

- Most (1,160 or 60.4%) senior’s households live in single detached houses and 95% of them are homeowners.
- 240 or 13.4% of senior’s households occupy apartments of less than 5 stories and 60% of them are renters
- 225 or 12.8% occupy semi-detached dwellings and 90% are homeowners
- 150 or 8.5% occupy mobile homes and all of them are homeowners.



Source: 2016 Canada Census, Community Profiles

There are few options for independent seniors in the region who are or would like to become renters. There is a small inventory of purpose-built rental apartment units in Strathmore. According to the 2018 CMHC Rental Market Report², there are only 5 bachelor and 27 one-bedroom units available for rent in all of Strathmore. There are 119 two-bedroom units and 39 three-bedroom units, but this is still small in comparison to the number of households who rent their accommodation. The shortage of rental units impacts households in need even more because they cannot compete in the rental housing marketplace with higher income households.

Table Three: Apartment Rental and Vacancy Rates in Strathmore, 2017 and 2018

Rental Apartments in the Town of Strathmore										
	Bach		1-Bdrm		2-Bdrm		3 Bdrm+		Total	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Vacancy Rate	-	-	-	-	11.3%	8.8%	2.9%	5.6%	9.3%	7.7%
Rental Rate	-	-	-	-	\$985	\$964	\$1,091	\$1,106	\$969	\$959
Number of Units	5	5	27	27	119	115	39	39	190	186

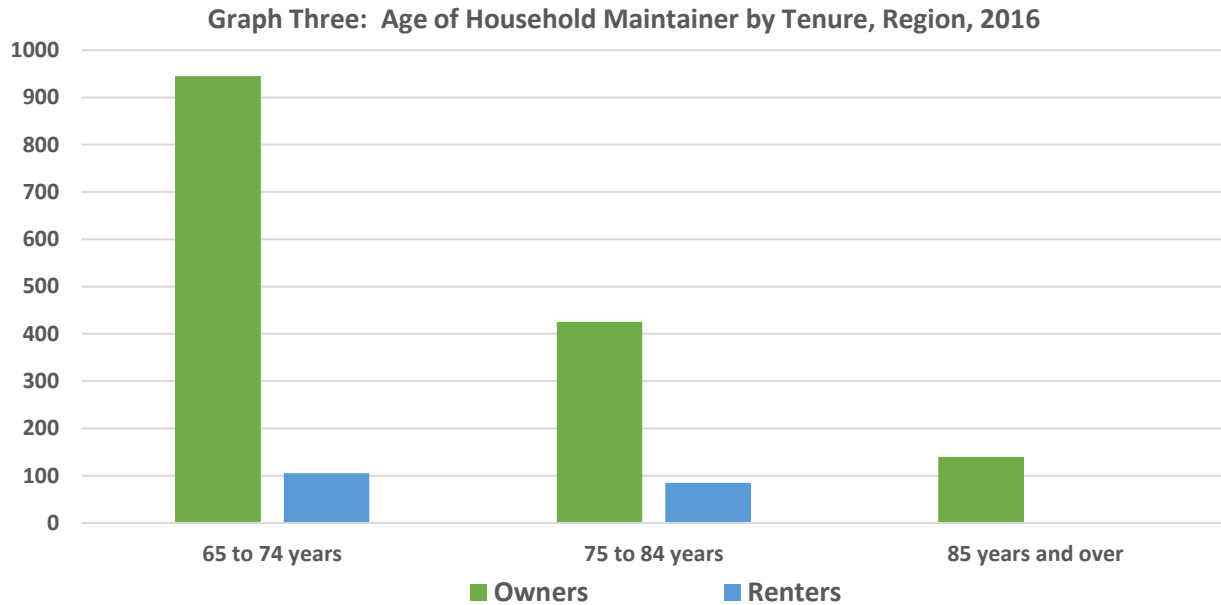
Source: 2018 CMHC Rental Market Report

More purpose-built rental options with amenities like new larger suites, 2-bedroom units, underground parking, balconies, etc. are required to meet the need and demand from seniors right now and in the future. Both market and non-market rental units are required to meet the need and demand from seniors of all ages and income levels.

² CMHC surveys structures with 3 rental units or more that have been available for at least 3 months.

3.1.3 Seniors Household Characteristics

The age of the household maintainer and tenure – whether they rent or own – are the 2 characteristics examined. It is fairly clear from Graph Three that few seniors rent their housing, with the number declining with age. The absence of appropriate rental housing is likely constraining seniors who would like to sell their larger family home and move into a larger one or two-bedroom market rental unit.



Source: 2016 Canada Census, Community Profiles

3.1.4 Low-Income Status

Data from the 2016 Canada Census shows the prevalence of low income after tax (LIM-AT) for 20,750 individuals, of which 2,885 were 65 years old and over. The census shows that 215 individuals in the Town of Strathmore and Wheatland County were 65 years old and over and that 130 or 60% were women. While the complete 2016 data set is not readily available from Statistics Canada (requires a custom order to derive), we know that most lower income seniors, especially women, are living on basic fixed incomes and encounter affordability problems without having any major health related problems that required some form of assisted or supportive living. A senior household which cannot afford to pay more than 30 percent of its income for housing requires income-based rent, also known as social housing to meet their needs. This is the same level of assistance provided to residents of the Senior’s Self Contained (apartment) Program. The data is displayed in Table Four on the following page.

Table Four: Low Income by Age Group, Town of Strathmore and Wheatland County, 2016

Age Group	Town of Strathmore and Wheatland County		
	Total	Male	Female
0 – 17	595	330	265
18 – 64	1040	480	555
65 and over	215	85	130
Total	1,845	895	950

Source: 2016 Canada Census, Community Profiles

3.1.5 Housing Affordability

There is limited data available on housing affordability by age group in the general information published by Statistics Canada on the 2016 census data – a custom tabulation is required to answer specific questions on housing. However, from the data that is available, it shows there were 1,365 owner households 65+ in 2016 and 285 of them were paying more than 30% of their income on housing (see table below). There were 250 renter households 65+ in 2016 and 145 of them were paying more than 30% of their income on housing (see table below). Not surprising, 58% of renters 65+ pay more than 30% of their income on housing compared to only 21% for owners 65+ (this does not even include home equity, which is a major source of wealth for many seniors). Detailed number are available in Appendix One – Table A4).

Table Five: Households with Affordability Problems, 2016

Owners 65+	1,365
Renter 65+	250
Owners 65+ in need	285 (21%)
Renters 65+ in need	145 (58%)
Households in need	430 (27%)

Source: 2016 Canada Census, Community Profiles

3.1.6 Core Housing Need

A household is in core need if it pays more than 30% of income for housing and is below the income threshold³. Preliminary data on CMHC’s 2016 Core Housing Need has been released. While it is not broken down by tenure, age or type of household, it shows that the incidence of rate of core housing need in Strathmore and the County have declined slightly from 2006 through 2016 (See Table Six). However, the data does reveal an interesting difference between the two jurisdictions – the percentage of households in core need in the County is more than double the rate in Strathmore.

Table Six: Households in Core Housing Need, 2006-16

Year	Households in Core Need (%)	
	Town of Strathmore	Wheatland County
2006	8.1%	19.7%
2011	7.4%	20.7%
2016	7.7%	18.2%

Source: Canada Census Community Profiles, Statistics Canada

The limited core need data available suggests there are 370 households in need in the Town of Strathmore and Wheatland County.

3.1.7 Supply of Seniors’ Housing in the Region

There is a variety and choice of housing supply ranging from independent living to supportive living options in the region, which includes accommodation for those with dementia and Long-Term Care (LTC)

³ Households must earn less than the Core Need Income Threshold, which is based on local housing costs.

in Strathmore. For those who have sufficient income, homeownership with homecare is the most popular choice evidenced by the 86 percent of senior led households in the region in 2016. This section reviews the types of purpose-built housing accommodation available for seniors in the region today.

3.1.7.1 Wheatland Housing Management Body Portfolio

Wheatland Housing Management Body owns and operates the Lodge in Strathmore and operates seniors self-contained apartments in Strathmore and 4 surrounding communities. The details are included in Table Seven.

Table Seven: Wheatland Housing Management Body Portfolio

Program/Location	No. of Units	Vacancies or Rate (%)			No. on Waiting List*		
		2017	2018	2019	2017	2018	2019
Lodge	94	0	0	0	22	28	36
Self-Contained Apts.	64						
1. Sunset Haven-Strathmore	32	0	0	0	18	12	21
2. Dr Giffen Manor-Strathmore	12	0	0	0	18	12	21
3. Stocken Manor- Gleichen	6	8%	0	2%	0	0	0
4. Rockspring Manor-Rockyford	6	0	2%	2%	0	0	0
5. Sunrise Manor - Standard	4	8%	6%	8%	0	0	0
6. Carseland Manor - Carseland	4	0	0	0	0	0	0

* Applicants on Sunset wait list are also on Dr. Giffen Manor waitlist

Wheatland Lodge provides room and board at a cost based on the household income. The vacancy rate on average for the past 2 ½ years is zero. The wait list was 22 in 2017 and has increased to 28 last year and 36 in 2019. The building was constructed in the early 1960's and has expanded and renovated several times since construction. While many improvements have been made (enlarging rooms, double units, etc.) and the building is in good condition and structurally sound, the facility does not meet the standards and expectations that future seniors are going to expect and demand.

The Seniors' Self-Contained Program provides seniors with an apartment for 30% of household income. Forty-four of the self-contained apartments are located within two buildings in Strathmore and have not recorded a vacancy in the past 2 ½ years. The waiting list for the 44 units increased from 18 in 20-17 to 21 in 2019. There are six-unit buildings in Gleichen and Rockyford which have experienced some vacancies in the past, but are full now (2% is considered zero). There are four-unit buildings in Standard and Carseland - Standard has an 8% vacancy rate and Carseland has been full the past 2 ½ years. The four buildings outside of Strathmore do not have anyone on a wait list.

3.1.7.2 Private Housing Stock

There are three private operators in Strathmore – one large company who operates numerous large facilities across Alberta and two smaller home-based models with 5 people each - who provide independent living for seniors and higher levels of continuing care including SL4, SL4D and LTC. Some details are provided below:

Supportive Living - SL1

- Sagewood Estates Affordable Housing (Independent Living) - 36 one-bedroom and 6 two-bedroom units (42)
- Sagewood Villas (Independent Living Condominium) – 24 Two-bedroom, two-bathroom units
- Lambert Village (Independent Living Condominium) – 40 units targeted to 50+

Supportive Living - SL4, SL4D and Long-Term Care (LTC)

- Age Care Sagewood Estates (Supportive Living/LTC) includes 165 units for seniors and others with special needs. The breakdown of the units by level of service are:
 - SL4 75 units
 - SL4D 35 units
 - LTC 55 units
- Meadowlark Senior Care Home and the Red Door – 10 SL4/LTC

Table Eight: Summary of Housing for Seniors in Strathmore and Wheatland County

Level of Support	Number of Units
Independent Living	159
SL1	64 (RGI) + 86 market
SL2/3	95 (RGI and affordable)
Supportive Living	175
SL4	80
SL4D	35
LTC	60
Total	334

Note: Includes 20 units of self-contained housing in 4 rural communities

3.2 Future Seniors' Housing Requirements

This section addresses current housing needs and future housing requirements directly related to population growth. Population projections produced for the Calgary Metropolitan Region Board in late 2018 show continued growth for the region. This will provide continual growth for future generations of seniors.

The growth assumptions used for the Calgary Metropolitan Region Board population projections for the Town of Strathmore and Wheatland County are outlined in Table Nine. The population projections show the growth rate for the Town of Strathmore increasing significantly from 1.9% to 2.6% in 2021 and continuing beyond 2028. Wheatland County is expected to experience a modest increase in the rate of growth from 1.8% to 1.9% for 2023 – 2026, after which time decreases to 1.7% in 2027 and beyond.

Table Nine: Population Growth Projections for the Town of Strathmore and Wheatland County

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Town of Strathmore	1.9%	1.9%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%	2.6%
Wheatland County	1.8%	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.7%	1.7%

In terms of future housing requirements of seniors over the next 10 years, a projection was made by simply aging the 55 - 85+ year-olds by 10 years (less deaths) and dividing by the 1026 household size.

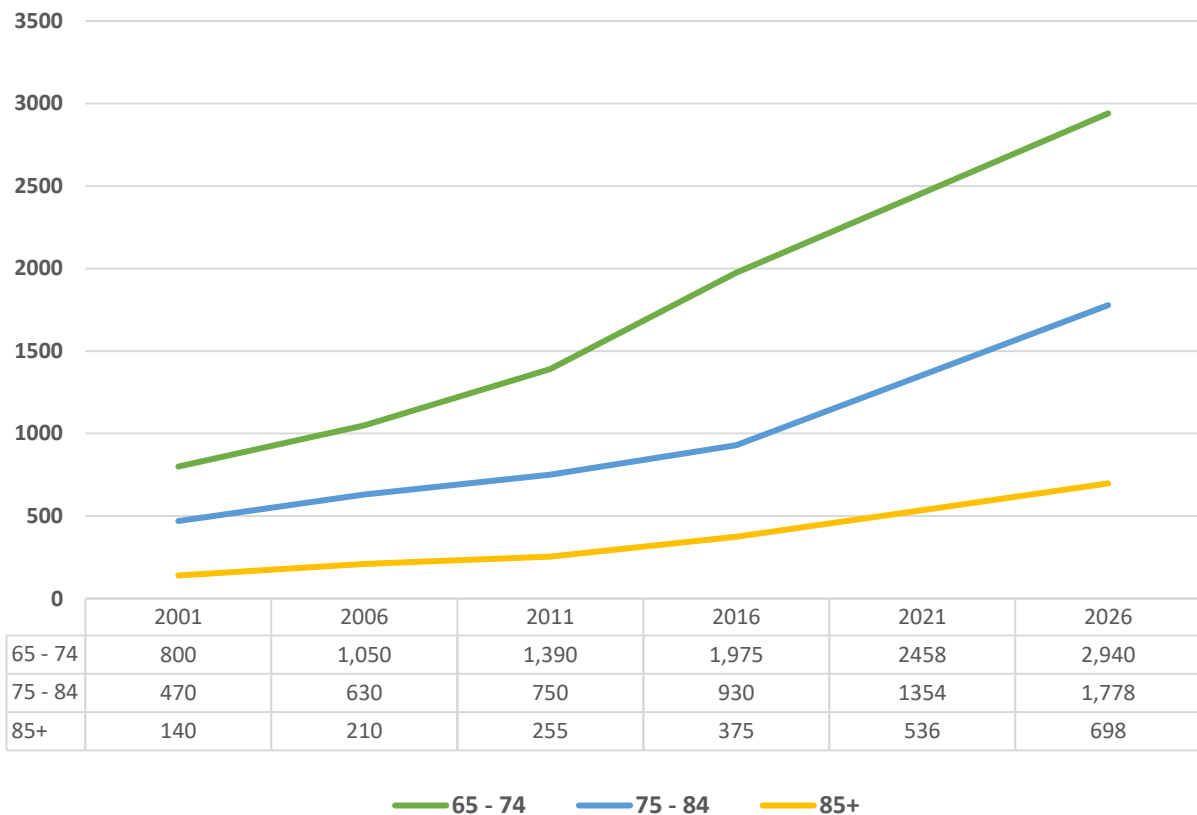
Future population growth was not considered in the projection. The results are displayed in Graph Four and show that by 2026, another 1,411 households will be led by a senior. Somewhat surprising is the growth in the number of seniors 75+ year old – from 930 to 1,778 – an increase of 91% in 10 years. The

	2016	2026	Change	Units Required
65 - 74	1,975	2,940	965	536
75 - 84	930	1,778	848	606
85+	375	698	323	269
Total 65+	3,280	5,415	2,136	1,411

Source: Gordon & Associates

number of seniors 85+ is expected to almost double by 2026 from 375 in 2016 to 698 in 2026 or 86%.

Graph Four: Population Projections - 65 Years and Older



Source: 2016 Canada Census, Community Profiles and Gordon & Associates

This amount of growth will require additional supportive living facilities and services to meet the accommodation and care needs of many of the older couples and singles. The Table above shows the breakdown of units by age group. The largest increase is from the 75 – 84 age group, which will require 606 additional units (mostly SL4) or about 60 every year. During the previous 10 years, the largest increase was from the 65 – 74 age group. This is evidence of a maturing population. The need and demand from these households will require both market-based and subsidized housing and care.

3.2.1 Alberta Health Services: Continuing Care Needs Assessment - Calgary Zone

AHS provided a memorandum explaining their capacity requirements and demand forecast for Strathmore as of June 18, 2019 (see Appendix 2). According to their memorandum, there was a waitlist (as of May 3, 2019) of 31 for LTC, 11 for SL4, and 1 for SL4D. They also indicate that there are currently no committed continuing care builds in the Strathmore area and furthermore, that Strathmore and area is not identified as a priority community within the Provincial Priority Ranking List.

It appears that AHS’s strategy is to expand homecare in an effort to keep seniors at home as long as possible and reduced the demand for supportive living. According to the existing (2014) Continuing Care Needs Assessment for the Calgary Zone, Strathmore will not require additional supportive living units for at least 10 years - 60 SL4 and 60 SL4D units by 2034-35. The assessment indicates that homecare will expand from 263 in 2014 to 617 in 2021-22 – an increase of 354 or 135 percent.

Table Ten: Continuing Care Needs Assessment for Strathmore, 2021-22 and 2034-35

		2021-22		2034-35	
Supportive Living Spaces	Existing	Number	Change	Number	Change
LTC	35	95	60	95	0
SL4D	35	35		95	60
SL4	95	95		155	60
Long Term Health Care	263	617	354	1,213	596
Total	428	842	414	1,558	716

3.3 Existing and Future Need and Demand for Seniors Housing

The need and demand for seniors’ accommodation in Strathmore includes (1) independent seniors who need non-market housing and those who demand market housing, (2) seniors who need non-market supportive living and those who can afford to pay for it (demand). Need and demand also includes both existing and future seniors’ households.

The results from the seniors housing need assessment are summarized as follows:

Existing Gaps:

- There are 1,720 senior led households and 430 are in need (25%)
- Most are homeowners and have significant equity in their homes, but many are renters on fixed incomes who are independent but required rent-gear-to-income (gap could be as high as \$600 month for market rent).

- There is a shortage of purpose-built one and two-bedroom rental apartments for independent seniors who want to downsize their housing.
- The need for supportive living SL4 and SL4D is rising – there were 240 households in 2016 that were 85 years and over.

Future Gaps:

- The region is expected to grow by 2,136 people 65 years and over by 2026. 1,411 housing units will be required to accommodate the growth – about 20% will require subsidized housing and care.
- The monthly affordability gap in market rent will increase for lower income seniors on fixed incomes as their pension indexing will not keep pace with the market.
- The 75 – 84 age group represents the largest need and demand (606 households - up by 91% in the 10 years) and will require a combination of supportive living from independence to memory care (SL4D).
- The 85+ age group will also increase significantly (269 households - up by 86% in the 10 years) and directly impact the need and demand for supportive living with levels 4 and 4D care.

Table Eleven summarizes the number of existing (2016) senior’s households who are experiencing housing affordability problems (430) and the number of new seniors’ households by 2026. While most of the seniors will access homecare to remain in their homes as long as possible, some will require non-market housing to address their affordability needs (282) and other will require higher levels of supportive housing to meet their health care needs.

Table Eleven: Existing and Future Seniors Housing Requirements, 2016 - 2026

Age Group	Existing Non-Market Seniors’ Housing Need	Future Seniors’ Housing Requirements		
		Market Housing	Non-Market Housing (Need)	Total Seniors’ Housing Requirements
65 – 74 years	245	429	107	536
75 – 84 years	130	485	121	606
85+ years	35	215	54	269
Total	430	1,129	282	1,411

4.0 Environmental Analysis

There are numerous seniors housing projects across the province where Housing Management Bodies (HMBs) have partnered with Alberta Seniors and Housing, Alberta Health and AHS. The most common model is one where Housing Management Bodies (HMBs) and Alberta Seniors and Housing provide capital and operating grants for the housing, Alberta Health provides a capital grant for the continuing care units and AHS provides the health care staff for the residents. Some examples of how these partnerships have produced successful continuing care facilities in Alberta are described below.

Local Experiences

Three communities and housing management bodies were identified for review.

- Smoky Lake - Smoky Lake Foundation - Bar-V-Nock Supportive Living Centre
Project Configuration - 46 Lodge
20 SL4
20 SL4D
86 Units

- Boyle - Greater North Foundation
Project Configuration - 42 Lodge
14 SL4
8 SL4D
64 Units

- Sundre - Mountain View Seniors Housing - Sundre Seniors Supportive Living
Project Configuration - 18 Independent (Life Lease)
46 Lodge
20 SL4
20 SL4D
104 Units

Summary of Discussions

Individuals from all three organizations were interviewed by telephone. The discussion and their answers to our questions are summarized below.

○ Partners/Funders

In addition to the local housing management body, the three partners/funders and their funding contribution are:

- Alberta Health - Capital grant for up to 50% of the cost of the supportive living units
- Alberta Health Services - Operational funding or the staff required to care for the residents
- Alberta Seniors and Housing - Up to 50% of the capital for the lodge units and operational grant (i.e. LAP).

○ **Benefits achieved**

- Non market units are needed by many seniors who cannot afford market rates
- Where market units are available, they enable seniors of all income levels to remain in their local communities - there are no other facilities for higher income seniors in many smaller rural communities. The additional revenue also helped make the facility more financially sustainable in the short and long term
- Created capital infrastructure, and local investment and employment during construction and long-term operations of the facility

○ **Critical success factors**

- Effective coordination between government ministries, AHS and HMBs was critical during the development and approval process
- Providing a continuum of levels of care from independence to SL4D addressed the housing and health care needs of seniors in the community. In all 3 cases, the SL4D units were filled immediately, implying strong need and demand
- The lodge and continuing care staff work well together. They have regular meetings and coordinate activities to ensure a seamless service to the residents. The Lodge provide meals and light housekeeping for the continuing care residents.
- The higher-level care units had to be occupied slowly (2 per week) to enable the AHS staff to integrate the new residents into the facility. Initially, they tried to locate 5 or 6 residents and ran into difficulties and had to slow down
- Flexibility to serve seniors who are above the income cut-off enabled higher income seniors to remain in their local communities

○ **What would you have done differently?**

- Tried to negotiate for more flexibility with Alberta Seniors and Housing to adjust revenues – it is becoming increasingly difficult to balance budgets without significant cuts to services due to external forces (e.g. carbon tax, minimum wage increases, etc.)
- There is very little common space in the continuing care facility. Due to the security needs of the dementia residents, the use of the space is not being used optimally.
- More secure external space for dementia residents

○ **Other**

- In one instance, considerable delays in construction – warranties, poor workmanship, etc. – resulted in the building open one year behind schedule, resulting in considerable revenue losses (expenses were still incurred).

5.0 Options Overview

The purpose of this section is to outline the potential options available to address the needs and gaps in seniors housing in the Wheatland Housing region. The options were developed with the WHMB Board and assessed for their ability to address the needs assessment findings.

Three alternative options are considered in the business case. The status quo is not included as one of the options because:

- Replacement of the Wheatland Lodge is a priority;
- The needs assessment shows significant need and demand for seniors housing now and into the future.

Option 1: New Seniors' Lodge

- Construct a new 3-4 story building on a site in Strathmore. It would be constructed in one phase, and following completion, the residents of the existing Wheatland Lodge would move into the new building. The existing Lodge building is owned by WHMB and would be re-purposed or decommissioned.
- Total floor area of the building is 18,980 m².
- Unit breakdown:
 - SL2/3 165 units (Wheatland Lodge replacement)

Option 2: New Seniors' Lodge and Supportive Living Units

- Construct a new 3-4 story building on a site in Strathmore. It would be constructed in one phase, and following completion, the residents of the existing Wheatland Lodge would move into the new building. The existing Lodge building is owned by WHMB and would be re-purposed or decommissioned.
- Total floor area of the building is 18,593 m².
- Unit breakdown by level of support:
 - SL2/3 115 units (Wheatland Lodge replacement)
 - SL4 20 units
 - SL4D 30 units
 - 165 units

Option 3: New Seniors' Lodge with Independent Living Apartments

- Construct a new 3-4 story building on a site in Strathmore. It would be constructed in one phase, and following completion, the residents of the existing Wheatland Lodge would move into the new building. The existing Lodge building is owned by WHMB and would be re-purposed or decommissioned.
- Total floor area of the building is 19,339 m².
- Unit breakdown by level of support:
 - SL1 32 units
 - SL2/3 133 units (Wheatland Lodge replacement)
165 units

5.1 Hospice

The Wheatland & Area Hospice Society (WAHS) was established in 2015 to support palliative patients and their families, provide community based palliative programs and services, and to build and operate an independent rural hospice. Their new 3- bed hospice will be a collaboration of community resources, private funders, and Alberta Health Services based on a homecare model (home death) with residency within a WAHS rural hospice bed.

There is significant community support for a rural independent hospice. It will be unique within Alberta in that operational funding will be entirely independent of AHS. It is a commitment to a new model of care that addresses discrepancies in rural palliative access and utilization. WAHS is currently engaged with AHS PEOLC (Palliative and End of Life Care) and AHS IHC (Integrated Homecare) at the project management stage. Metrics and evaluation of the financial benefits to AHS will be embedded in project management, with hopes of potential replication in other rural communities.

The WAHS Board has been collaborating with the WHMB Board to include a 3-bed hospice as a component of any seniors housing facilities being considered for development. The WAHS has the capital to fully fund the construction of a 3-bed hospice. The WAHS and WHMB Boards approached their respective municipal councils wanting more appropriate level of services in their community, and requisition motions were passed to financially support the on-going operations of any hospice units included in a future WHMB seniors housing facility. With these financial commitments, the WAHS and WHMB have the capital and operational funding to realize the hospice component of each Option being considered.

As a result of the funding commitments, all three options considered in the business case include a 3-bed hospice. Since there are no capital or operating funding requirements, no capital or operating costs are included in the pro forma for the business case.

6.0 Site Assessment

During the month of June, 16 sites were identified and considered. The Caldwell Ranch development was also considered. We worked with Nettie Hendricks from Century 21 who was very efficient and helpful identifying various sites.

Most of the identified sites were either located too far from Strathmore or in an inappropriate location (e.g. on the south side of the highway) for a seniors housing project. After careful review, five sites were identified as being appropriate. We did not develop any selection criteria because the number of available and appropriate sites was limited.

The five sites provide some choice in terms of location; two are brownfield and three are greenfield sites, and they vary in terms of size and price. Depending on the design and height, a 165 units seniors project requires between 3 and 5 acres of land. A detailed servicing and environmental assessment (Phase 1) would be required once the decision to move forward is made and WHMB is considering purchasing a site.

Table Twelve: Land Available for Sale during the month of June 2019

Available Lots	Size	Zoning	List Price	Notes
Town of Strathmore: Site of Administration Building	4.6 acres	n/a	n/a	Town will remove buildings and remediate the site (e.g. environmental contamination) and sell to WHMB for \$1.
60 Wheatland Trail	8.4 acres	P1 but has the potential of being rezoned for a residential or a commercial development	\$2,900,000	This prime piece of land has the potential of being rezoned for a residential or a commercial development. Some servicing upgrades may be required
100 Wildflower Rd	40 acres	No ASP for the site	\$3,500,000	Developer would have to get an ASP approved by the Town
80 Wheatland Trail	9.92 acres	P1 but has the potential of being rezoned for a residential or a commercial development	\$2,400,000	This prime piece of land has the potential of being rezoned for a residential or a commercial development. Some servicing upgrades may be required
4 Parkland Way	4.2 acres	R3	\$1,400,000	Central location makes this site attractive. It has an existing 2-story barn style house that would be removed

Note: The listing for 60 Wheatland Trail recently expired

Based on the results of the site assessment, it is estimated that an appropriate parcel of land in the Town of Strathmore would cost about \$2.5 million. Without the benefit of further analysis of each site, the offer from the Town to make the old administration building site available at no cost to the WHMB is very appealing and one that would be very difficult to turn down.

7.0 Business and Operational Impacts

This section identifies the business and operational impacts for each stakeholder, both internal and external, and for each alternative.

7.1 Business Impacts

Business impacts result from strategic and longer-term effects, such as a change in services or direction. The impacts of each alternative on the stakeholders are outlined below.

Impact and Description	Alternative Option 1	Alternative Option 2	Alternative Option 3
Stakeholder 1: Alberta Health			
Impact 1: Alberta Health will provide a capital grant for 50% of the SL4 and SL4D rooms	n/a	Low	n/a
Impact 2: Project will contribute to the continuing care capacity targets committed by the Alberta Government	Low	High	Low
Stakeholder 2: Alberta Seniors and Housing			
Impact 1: Alberta Seniors and Housing will provide a capital for between 50% - 100% of the capital costs of the lodge and self-contained apartment suites	High	High	High
Impact 2: Project will provide lodge residents with current standards of accommodation	High	High	High
Stakeholder 3: Alberta Health Services			
Impact 1: AHS will provide the health care staffing	n/a	Low	n/a
Impact 2: Will complement and enhance efficiency of the Long -Term Care beds and General Hospital in Strathmore	Medium	High	Medium
Impact 3: Partnership in provincially innovative community based palliative care service model at NO cost funding	High	High	High
Stakeholder 4: Canada Mortgage and Housing Corporation			
Impact 1: CMHC will provide a low interest mortgage for the lodge and self-contained apartment suites	High	High	High
Stakeholder 5: Wheatland & Area Hospice Society			
Impact 1: Project will enable the WAHS to meet its mission and objectives	High	High	High
Stakeholder 6: Wheatland Housing Management Body			
Impact 1: Project will provide lodge residents with current standards of accommodation	High	High	High
Impact 2: Opportunity to partner with Alberta Health and AHS in delivering seniors housing with health care incorporated	n/a	High	n/a

Impact and Description	Alternative Option 1	Alternative Option 2	Alternative Option 3
Stakeholder 6: Wheatland Housing Management Body (cont'd)			
Impact 3: Project will provide lodge residents with current standards of accommodation	High	High	High

7.2 Operational Impacts

Operational impacts result from procedural effects, such as introducing a new or enhancing an existing program, services delivered at other facilities in the region. The impacts of each alternative on the stakeholders are outlined below.

Impact and Description	Alternative Option 2	Alternative Option 3	Alternative Option 4
Stakeholder 1: Alberta Health			
Impact 1: Reporting requirements for the supportive living units (SL3/4 and SL4D) will have staffing implications	n/a	Medium	n/a
Impact 2: Opportunity to partner with the Wheatland Housing Management Body	n/a	High	n/a
Stakeholder 2: Alberta Seniors and Housing			
Impact 1: Administration and reporting requirements for the additional lodge units will have staffing implications	High	Medium	High
Stakeholder 3: Alberta Health Services			
Impact 1: Will provide operational funding for care staff	n/a	High	n/a
Impact 2: Opportunity to partner with the Wheatland Housing Management Body to provide additional supportive living beds in community	n/a	High	n/a
Impact 3: Addition of three community based palliative care beds at NO cost funding	High	High	High
Stakeholder 4: Canada Mortgage and Housing Corporation			
Impact 1: Option will require mortgage financing	High	High	High
Impact 2: Option will create affordable and market housing units for independent seniors	High	High	High

Impact and Description	Alternative Option 2	Alternative Option 3	Alternative Option 4
Stakeholder 5: Wheatland & Area Hospice Society			
Impact 1: Opportunity to partner with WHMB	High	High	High
Stakeholder 6: Wheatland Housing Management Body			
Impact 1: Option will create affordable and market housing units for seniors	High	High	High
Impact 2: AHS will determine who accesses the continuing care units	High	High	High
Impact 3: Health and housing needs of residents are met	High	High	High
Impact 4: Option will require additional staff	Medium	Medium	Medium

8.0 Project Risk Assessment

This section assesses the level of exposure to each type of risk assessed for each project option. Any serious risk (e.g. high dollar exposure) is accompanied by a discussion on potential mitigation options. The risk of keeping the status quo is the reason for preparing the business case, which is described in Section 2.

8.1 Risk Category and Level of Exposure

Risk Category	Description of Risk
Program Risk	The new government has not released any policy direction regarding how they want to fund and develop new housing and continuing care spaces in Alberta. Spending restraint could delay or jeopardize provincial funding.
Political Risk	The new government has indicated that job creation and debt reduction are 2 key priorities. Spending restraint could delay or jeopardize provincial funding.
Approval Risk	The Town of Strathmore has indicated there will not be any delays in receiving development and building permits and any other third-party approval requirements on schedule.
Construction Risk	There is the risk that the construction of the project will not be completed on time, on budget and to the specifications required (materials, labour, etc.)
Cost escalation and Overrun Risk	There is always the risk that the project will exceed the approved budget and the ability of the funding sources to provide more resources.
Weather Risk	Volatile weather conditions seem to be increasing. Project delays due to adverse weather can be partly anticipated, but not to the extent of a major delay.
Commissioning Risk	The possibility that not all approvals will be received in a timely manner could delay opening of the facility.
Operating Risk	Unanticipated challenges with the daily operation of the facility could occur, especially with the commercial space.
Community Impacts	There is the possibility that a new multi-story building will negatively impact residents adjacent to the building (height, traffic, etc.) and other neighbours by changing the landscape of the community.

The level of exposure to the different types of risks for each option is assessed below.

Risk Category	Exposure to Risk (Low/Medium/High)					
	Option 1		Option 2		Option 3	
	Probability	Impact	Probability	Impact	Probability	Impact
Program Risk	Medium	Medium	Medium	High	Medium	Medium
Political Risk	Medium	Medium	Medium	Medium	Medium	Medium
Approval Risk*	Low	Low	Low	Low	Low	Low
Construction Risk	Medium	High	Medium	High	Medium	High
Cost Escalation and Overrun Risk	Medium	High	Medium	High	Medium	High
Weather Risk	Low	Low	Low	Low	Low	Low
Commissioning Risk	Low	Low	Low	Low	Low	Low
Operating Risk	Low	Low	Low	Medium	Low	Medium
Community Impact Risk	Low	Low	Low	Low	Low	Low

* Town assures approvals will be expedited

8.2 Risk Mitigation

Risk mitigation considers strategies to reduce or prevent consequences of the risks from occurring. Potential mitigation strategies to address the high probability and impact risks identified earlier are summarized below.

Risk	Mitigation Strategy
Program Risk	Given the requirement for multiple funding partners for this project, it will be necessary to establish a solid project management team, confirm contributions for partners, determine timelines and establish contingency funding sources to bridge untimely delays.
Construction Risk	To mitigate construction delays, budget, and specification risks, it is essential to employ an experienced, qualified and reputable project management team and contractors to monitor progress and address matters proactively. The use of management techniques such as Integrated Project Delivery (IPD) shares the risk and reward among all the contractors and can improve results considerably.
Cost Escalation and Overrun Risk	To avoid escalating costs and overrun risk, critical decisions will need to be made throughout the project. Budget management strategies and a process to guide critical cost-related decisions will need to be established before construction starts.

9.0 Financial analysis

The purpose of the financial analysis is to evaluate and compare the options to identify the best alternative for the proposed project. Capital and operating revenues and expenses are identified and projected over the initial 20 years of the project.

The approach used to finance the project is based loosely on a hybrid P3 model. Using this approach, the WHMB would put up \$7.5 million in equity (2.5 million in land from the Town of Strathmore and \$5 million from a loan⁴) and borrow the remainder of the capital as a mortgage. The government would finance the deficit between revenues and expenses and AHS would fund the care component (homecare and supportive living staffing).

Project Specific Assumptions:

Option 1: 165 Lodge Suites

- Building consists of:
 - 135 regular suites
 - 30 double suites (market)
 - 3 hospice units

Option 2: 115 Lodge with 50 Supportive Living Suites

- Building consists of:
 - 95 regular lodge suites
 - 20 double lodge suites (market)
 - 20 SL4 suites
 - 30 SL4D suites
 - 3 hospice units

Option 3: 133 Lodge with 32 Apartment Suites

- Building consists of:
 - 110 regular suites
 - 23 double suites (market)
 - 16 one-bedroom suites (affordable)
 - 16 two-bedroom suites (market)
 - 3 hospice units

The double lodge and two-bedroom apartment suites are included to meet demand today but also to ensure the building will be financially viable (non-seniors) after the baby-boomer wave has passed. Mixing market and non-market housing also reduces the risk of having vacancies, provides lodge accommodation for higher income seniors who have no other options, and partially offsets the cost of the non-market suites.

⁴ The loan is costed at interest only until 2 years after the proposed project is completed to allow for an orderly transfer of residents.

9.1 Capital Cost Assumptions and Estimates

Basic assumptions and estimates of what it would cost to construct and operate a lodge, supportive living and apartment housing units are outlined for each option. The assumptions are used to estimate the capital costs and operating revenues and expenses for each option, which directly affect the annual net cash flow and long-term financial projections.

The following costing assumptions are common to all three options;

- Lodge and supportive living suites are based on 81m² per resident as per the Continuing Care Design Guidelines; one-bedroom suites are 90m² and two-bedroom/double suites are 110m²
- The lodge and self-contained apartments suites are costed at \$2,153 sq. meter (200 sq. foot); the building portion with the supportive living suites are classified as Group B3 Occupancy based on the Alberta Building Code, increasing the cost to \$2,584 sq. meter (240 sq. foot.)
- The budget is based on commercial grade construction using non-combustible construction
- Cost estimates include a soft cost contingency of 10% and a construction contingency of 5%. The soft cost allowance includes professional design fees, legal services, testing services and an allowance for furniture and equipment

Options:

Option One: 165 Lodge Suites and 3 Hospice beds (165)

Land	\$2,500,000
Construction Cost Estimate	\$40,863,940
Soft Cost (10%)	\$4,086,394
Contingency (5%)	\$2,247,517
Total Project Development Cost Estimate	\$49,697,851
Per Unit Capital Cost	\$214,536

Option Two: 115 Lodge with 50 Supportive Living suites and 3 Hospice beds (165)

Land	\$2,500,000
Construction Cost Estimate	\$42,024,047
Soft Cost (10%)	\$4,202,405
Contingency (5%)	\$2,311,323
Total Project Development Cost Estimate	\$51,037,774
Per Unit Capital Cost	\$224,113

Option Three: 133 Lodge with 32 apartment suites and 3 Hospice units (165)

Land	\$2,500,000
Construction Cost Estimate	\$41,636,149
Soft Cost (10%)	\$4,163,615
Contingency (5%)	\$2,289,988
Total Project Development Cost Estimate	\$50,589,752
Per Unit Capital Cost	\$218,590

9.2 Operating Revenue and Expense Assumptions

Project revenues and expenses are based on actuals currently experienced by the WHMB in the lodge and self-contained apartments. There are differences in the rental rates to reflect the different revenue and expense assumptions used to derive the net cashflow for the social (rent-geared-to-income), affordable (20% below CMHC market) and market rental units. All of the figures reflect 2020 costs.

The following project operating revenue assumptions are used to cost the options:

- Lodge rates are based on 2020 forecast in the WHMB Business Plan - \$1,390/month
- Continuing care rates are 2019 rates plus 1.6% - \$2,107/month
- Market lodge rates are the same as the 2019 Continuing care rates plus 1.6% - \$2,107/month
- Affordable apartment rates are based on 2018 CMHC survey plus 5%
 - 1-bedroom - \$731⁵
 - 2-bedroom - \$810
- Market apartment rates are based on 2018 CMHC survey plus 5%
 - 1-bedroom - \$1,200
 - 2-bedroom - \$1,400
- Residents Services: \$45/month/unit
- Non-Residents Services: \$4/month/unit
- Lodge Assistance Program (LAP) Grant: \$210/month/unit
- Municipal Requisition: \$395/month/unit
- Other: \$9/month/unit
- Vacancy allowance (deduction from revenue): 3% of revenue

The operating expenses are based on actuals currently experienced by the WHMB in the lodge and self-contained apartments. The WHMB per unit lodge revenues and operating expenses are used for the lodge, supportive living and hospice suites. WHMB would provide the same level of services (room and board, light housekeeping, etc.) to all of these residents. The per unit self-contained expenses are used for the apartment suites. The per unit operating expense assumptions are detailed below.

Table Thirteen: Project Operating Expense per Unit (Annual)

Operating Expenses	Lodge Units		Apartment Units	
	Annual	Monthly	Annual	Monthly
Human Resources	\$16,030	\$1,336	\$3,794	\$316
Operating Maintenance	\$1,326	\$111	\$1,877	\$156
Operating incl. food	\$4,372	\$364	\$491	\$41
Taxes/Leases	\$0	\$0	\$0	\$0
Utilities	\$2,564	\$214	\$2,198	\$183
Administration	\$541	\$45	\$248	\$21
TOTAL EXPENSES	\$24,833	\$2,069	\$8,608	\$717

Source: Wheatland Housing Management Body

⁵ Based on 1-bedrrom rate for High River (comparable)

Constructing a new building would achieve savings in maintenance and utilities which are based on the existing buildings which require more maintenance and are less energy efficient. The following adjustments were made to these budget expenditures:

- Operating Maintenance: 25% reduction
- Utilities: 15% reduction

9.3 Project Net Cash Flow – Financial Results

Detailed revenues and expenses using the per unit estimates, including a reserve fund and mortgage payments, are used to project the annual net cash flow over the initial 20 years of the project. An inflation rate of 3 percent for revenue and 2 percent for expenses is used over the 20-year projection. The estimated revenues and expenses and net cash flow estimates for year 1 and year 20 for each option are outlined below. A summary of the results for each option are outlined in Table Fourteen below. The details for each option are included in Appendix Four.

Table Fourteen: Summary of Annual Net Cash Flow for Each Option

	Option 1	Option 2	Option 3
Revenue	\$4,193,368	\$6,417,515	\$3,767,286
Expenses	\$4,074,293	\$5,702,724	\$3,673,249
Net	\$119,076	\$714,791	\$94,037
Maintenance Reserve (5%)	\$150,516	\$167,724	\$140,169
Net Cash Flow (Year 1)	\$(2,153,160)	\$(1,642,033)	\$(2,212,696)
Net Cash Flow (Year 20)	\$(829,629)	\$588,528	\$(1,019,219)

All of the options turn a positive net cash flow (includes interest payments on \$5 million loan) without any debt; Option Two turns a significant positive cash flow of over \$700,000 annually in year one due mainly to higher revenues generated by the market lodge and supportive housing units. Option Two also returns a substantial annual net cashflow of nearly \$600,000 by year 20 even after mortgage payments are included.

The capital and operating assumptions used in the three options are fairly generous and could be fine tuned to produce higher positive net cash flow. However, the amount of non-market housing included in all of the options requires a significant capital (or the equivalent) investment (between 85% and 100%) to make them financial feasibility and sustainable over the long run. This also assumes an on-going expenditure by Alberta Health Services to provide the care staffing component for Option Two.

The present value of the net cash flow is often used to ensure we are comparing the future value to today. The result is that the differences between costs for each option are reduced by the discount rate. In this instance, there is no benefit in using a net present value approach to analyze the financial impact of each option.

9.4 Qualitative Analysis – Non-Financial Benefits

The benefits derived from the proposed project are described qualitatively.

Creation of New Social, Affordable and Market Housing Units

- The options replace the 95 units at the Wheatland Lodge and add:
 - Option One: 70 lodge suites and 3 hospice beds
 - Option Two: 20 lodge and 50 supportive living suites and 3 hospice beds
 - Option Three: 38 lodge and 32 apartment suites and 3 hospice beds
- The new facility will include state of the art seniors living with a variety of sizes and costs that meet the seniors need and demand for housing in Strathmore and area

Alberta Seniors and Housing

- Addresses the continuum of regional seniors housing needs and gaps identified in the housing assessment
- Addresses the issues facing Wheatland Lodge in terms of modernization and suitability for future seniors
- Expands use of mixed-income housing for seniors while ensuring the existing rent-geared-to-income and affordable housing for seniors is financially sustainable into the future
- Repurposes operating funding into variances of public-private partnership (P3) projects ensuring more housing per tax dollar.

Alberta Health

- Increases the capacity of community based supportive living in the same community as the hospital and Long-Term Care beds and closer to home for many of the communities that make up the foundation, especially those to the east of Strathmore.
- Meets the Health Business Plan objectives of:
 - Adding to the continuing care capacity and continuum in Strathmore and the region and enables the hospital and Long-Term Care beds to operate more efficiently, and;
 - Upgrading or replacing existing sites (Wheatland Lodge)

Alberta Health Services

- Meets the AHS Business Plan objectives of offering more continuing care living options, including designated supportive living beds/spaces that combine housing with supports for daily living and health care.
- Strengthens the continuum of continuing care, enabling more effective use of the health services and continuing care system in Strathmore.

Wheatland Housing Management Body

- Addresses the continuum of regional seniors housing needs and gaps identified in the housing assessment
- Presents modernized and sustainable housing opportunities to current and future citizens.

- Enables Wheatland Housing Management Body to add new social, affordable, and market housing units to their portfolio.

Wheatland & Area Hospice Society (WAHS)

- Provides compassionate and timely access to hospice palliative services within one’s own community.
- Leverages rural community capacity and sustainability at individual, municipal, and provincial level.
- Supports shift of health care from hospital to community-based home care and hospice model.

Residents Served

- 165 individuals and couples, including many who live on fixed incomes and require subsidized housing and supports.

Community

- Enables seniors throughout Wheatland to remain in their home community.
- Provides subsidized housing and supportive living for low and moderate-income seniors in their home community.
- Provides quality one and two-bedroom apartment units at affordable and market rental rates in their home community.
- Creates meaningful and well paid full and part-time employment (50+ positions) in the community.

9.5 Options Assessment, Conclusions and Recommendations

9.5.1 Options Analysis

A full cost benefit analysis is completed when all possible costs and expected benefits for each option are known in detail. An incremental cost/benefit analysis is used here because the cost estimates are not based on drawings and detailed space requirements⁶. For purposes of the business case, the cost estimates and projections of net cash flow detailed in the pro forma are sufficient to compare the short and long-term impacts of various assumptions. The analysis focuses on the quantitative and qualitative costs and benefits, and potential liabilities and impacts, associated with each option.

Analysis

The overall capital and operating costs associated with all three options can be categorized as follows:

- The per unit capital cost for Option One is lower than two and three by \$9,573 and \$4,054 respectively. This difference is a result of the capital costs associated with constructing the supportive living (higher building standard) and larger apartment units.
- The net cash flow deficit in year 1 for Option Three is marginal higher than Option One by \$33,884 or 1.6%. The difference is the higher mortgage payments due to higher construction costs for the larger apartment units.

⁶ Alberta Government Business Case Template, Page 20

- The net cash flow deficit in year 1 for Option Two is significantly lower than Options one and three by \$663,170 or 30.3%. The main difference is the higher revenues achieved by the 50 supportive living suites.
- The differences in net cash flow increase over time – by year 20, Options one and three has net cash flow deficits of \$924,635 and \$1,076,896 respectively. However, Option Two has positive net cash flow of \$677,682 by year 20. The same reasons account for the differences in net cash flow in year 20.

Table Fifteen: Options Analysis

Costs (per unit)	Analysis	Benefits
<p>Option One</p> <ul style="list-style-type: none"> • Per Unit capital Cost - \$214,536 • Annual Net Cashflow Year 1: -\$2,153,160 Year 20: -\$829,629 	<ul style="list-style-type: none"> • Lowest per unit capital cost • High operating deficit 	<ul style="list-style-type: none"> • Staff and residents work and live in a state-of-the-art seniors’ lodge with supportive living 2 services and home care • Larger suites and alternatives will enhance the quality of life of residents and increase revenues • Market rental units enable higher income seniors to downsize and remain in the area • Aligns with Alberta Government Business Plan objectives (Seniors and Housing, Health and AHS)
<p>Option Two</p> <ul style="list-style-type: none"> • Per Unit Capital Cost - \$224,113 • Annual Net Cashflow Year 1: -\$1,642,033 Year 20: \$588,528 	<ul style="list-style-type: none"> • Highest per unit capital cost • Lowest operating deficit • Requires annual health care funding of \$2,311,775 	<ul style="list-style-type: none"> • Staff and residents work and live in a state-of-the-art seniors’ facility with supportive living 2 through 4D services and home care. This options best meets the needs of seniors identified in the needs assessment (Section 3) • Larger suites and alternatives will enhance the quality of life of residents • Market rental units enable higher income seniors to downsize and remain in the area • Opportunity for seniors to move into the facility while they are independent and age in place • Higher levels of staffing care can manage more complex needs • Aligns with Alberta Government Business Plan objectives (Seniors and Housing, Health and AHS)
<p>Option Three</p> <ul style="list-style-type: none"> • Per Unit Capital Cost - \$218,590 • Annual Net Cashflow Year 1: -\$2,212,696 Year 20: -\$1,019,219 	<ul style="list-style-type: none"> • Higher per unit capital cost • Higher operating deficit 	<ul style="list-style-type: none"> • Staff and residents work and live in a state-of-the-art seniors’ facility with supportive living 1/2 and home care for independent seniors • Larger suites and alternatives will enhance the quality of life of residents • Market rental units enable higher income seniors to downsize and remain in the area • Aligns with Alberta Government Business Plan objectives (Seniors and Housing, Health and AHS)

Summary Assessment

- Option One has the lowest capital costs per unit because all of the units are lodge suites which are smaller. Conversely, the net cash flow deficit is high because there is limited ability for the management body to raise revenue by charging higher rental rates. However, some double lodge suites are included in each option. Residents would have to move when they are no longer independent.
- Option Two has the highest per unit capital costs mainly due to the higher building standards (and associated construction cost) required for the supportive living 4 and 4D suites. However, the operating deficit is the lowest due mainly to the higher revenues achieved from the SL4 and SL4D suites. The net cash flow is based on the assumption that AHS will cover all of the health care costs of residents in the supportive living suites. Residents would not have to move when they are no longer independent – they could age within the facility.
- Option Three has higher capital costs because of the additional cost related to the one and two-bedroom suites. The net cash flow deficit is the highest of the three options because of the high construction costs (mortgage payments) and the limited ability for the management body to raise revenue by charging higher rental rates. Residents would have to move when they are no longer independent.
- The operating revenues and expenses are fairly conservative and could be tightened to reduce net cash flow deficits. However, given the mandate of providing housing for lower income seniors, there is little opportunity for Wheatland Housing Management Body to raise sufficient revenues to make a meaningful contribution towards the project capital requirements.
- The high ratio financing approach used to develop the pro forma does create large net cash flow deficits because the majority of the suites are non-market housing with fairly deep subsidy requirements to meet the needs of seniors in the area. It should be noted all three options are effectively net cash flow positive if the cost of the high ratio financing is not included.
- As stated earlier in the report, the approach used for the business case was used on the assumption that the UPC government would support the least capital-intensive approach to construct new projects. Alternatively, if the government decides to continue to provide the capital for all or a portion of new housing projects, the pro forma can be adjusted to reflect the change and show the impact on net cash flow.

9.5.2 Conclusions

Business Case conclusions are summarized in the table below. All three options will enable key stakeholders to address the housing needs of seniors living in the Wheatland Housing region. A facility incorporating supportive living levels 2 through 4D (Option Two) will also address the ongoing health-related care needs of existing and future residents. It will also enable a fully functional program to be incorporated into the design to better meet the needs of residents while minimizing risks and maximizing the benefits associated with the project. There would be some business and operational impacts but those will be addressed over time.

Table Sixteen: Conclusions

Alternatives	Business & Operational Impacts	Project Risk Assessment	Cost/Benefit Analysis
<p>Option 1: 165 lodge suites and 3 hospice beds</p>	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • Less units pose less risk - government equity/guarantee would reduce the risk • Lack of direction from government may put proposal on hold 	<ul style="list-style-type: none"> • Capital Cost: \$49,697,851 • Addresses need for independent market and non-market seniors housing • Hospice will address the palliative care needs of the area.
<p>Option 2: 115 Lodge with 50 Supportive Living suites and 3 Hospice beds</p>	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Partnership with AHS are new experience - requires contract with AHS • Working with AHS staff and level 4/4D residents is a new experience for WHMB staff • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • More units with higher health care needs pose more risk to WHMB - government contract/guarantee would reduce the risk • Lack of direction from government may put proposal on hold • Need assurances that supportive living units will not be funded by municipal requisition 	<ul style="list-style-type: none"> • Capital Cost: \$51,037,774 • Addresses need and demand for independent and supportive living market and non-market seniors housing • Hospice will address the palliative care needs of the area.
<p>Option 3: 133 Lodge and 32 apartment suites and 3 Hospice beds</p>	<ul style="list-style-type: none"> • Market units are new experience for WHMB • Additional staff required • Hospice Society will provide No Cost palliative care to residents 	<ul style="list-style-type: none"> • Risk is moderate but reduced through the development of market one and two-bedroom units • Lack of direction from government may put proposal on hold 	<ul style="list-style-type: none"> • Capital Cost: \$50,589,752 • Addresses need and demand for independent market and non-market seniors housing • Hospice will address the palliative care needs of the area.

After considering the costs and benefits, Option two clearly offers the most potential in terms of meeting the long-term housing and supportive living needs of all seniors in the region. The opportunity to design the building with the needs of staff and residents taken into consideration will produce a building that has the potential to enhance the lives of the residents. It will give seniors the opportunity to remain in their communities when they require supportive living needs and requirements. Incorporating a hospice makes the Option two even more beneficial and desirable for Strathmore and area.

9.5.3 Recommendations

The following recommendations are identified to help define the Wheatland Housing facility design and management:

1. **Strathmore Facility** - That a purpose-built 165-unit lodge and supportive living facility be built in the Town of Strathmore. The cost-benefit analysis and assessment of the three options strongly supports Option two - a 165 suite aging in place seniors housing facility.
2. **Engage Project Partners** - The project requires capital and operating support from government to proceed. The draft business case can be used as the basis for discussions with funding partners on funding models, building ownership and other project details.

Alberta Seniors and Housing and Alberta Health Services are two key funders that WHMB should engage early to review and comment on the draft business case. This will make them aware of the project and allow for a discussion about how to proceed with the project.

3. **Refine Design Options and Costing Considerations and Update the Business Case as Needed** - As the project moves forward, discussions with funding partners, operators and service agencies will all provide more detailed information about the final project option, design and costing. Detailed drawings of the project will help refine the capital cost and operating expense estimates. The information will be used to update the pro forma and business case.
4. **Project Management** - That an overall project management structure be established to develop the WHMB facility with the following roles and responsibilities:
 - **Project Sponsors** – The project sponsors (to be identified) will fund and lead the overall business case finalization, funding consortium, project design and development of the project partnerships. Significant levels of capital and operating support will be required to make the project financially viable.
 - **Project Manager** - The project manager (to be identified) will lead the development process including hiring the architect and functional planner. The sponsor will also tender the project and hire the construction firm to build the facility. The project sponsor will be accountable to the project partners.
 - **Project Partners** – The project partners (to be identified) will provide financial, program service and facility support services for the project.

10.0 Implementation Strategy

The implementation strategy outlines the recommended next steps at a high level.

To be developed by the Project Manager in collaboration with the Project Sponsors and Project Partners.

11.0 Review and Approval Process

The review and approval process for this Business Case has been focused on the process for the Wheatland Housing Management Body's review and approval. Other reviews and approvals will be led by the Project Manager in collaboration with the Project Sponsors and Project Partners.

12.0 Appendices

Appendix One: Data Tables

Appendix Two: AHS Request

Appendix Three: Stakeholder Engagement

Appendix Four: Pro Forma Financial Statements

Appendix Five: Reference Materials

Appendix One: Data Tables

Population Growth of Seniors

Table A1: Population Distribution of Seniors, 2001 to 2016

2001	Strathmore & WC		City of Calgary	
	Number	Share	Number	Share
Total Population	15,505		878,865	
65 Years and Older	1,410	9.09%	81,155	9.23%
85 Years and Older	140	0.90%	8,095	0.92%
2016	Strathmore & WC		City of Calgary	
	Number	Share	Number	Share
Total Population	22,545		1,239,220	
65 Years and Older	3,280	14.55%	138,405	11.17%
85 Years and Older	375	1.66%	17860	1.44%

Occupied Housing Stock

Table A2: Strathmore Seniors

	Owners	Renters	Total	
Single	550	25	575	48.7%
Semi	170		170	14.4%
Row	30	30	60	5.1%
Duplex	10	10	20	1.7%
Apt	95	145	240	20.3%
Mobile	115		115	9.7%
Total	970	210	1180	100.0%

Table A3: Wheatland Seniors

	Owners	Renters	Total	
Single	460	25	485	84.3%
Semi	35	20	55	9.6%
Row				0.0%
Duplex				0.0%
Apt				0.0%
Mobile	35		35	6.1%
Total	530	45	575	100.0%

Table A4: Strathmore and Wheatland Seniors

	Owners	Renters	Total	
Single	1010	50	1060	60.4%
Semi	205	20	225	12.8%
Row	30	30	60	3.4%
Duplex	10	10	20	1.1%
Apt	95	145	240	13.7%
Mobile	150	0	150	8.5%
Total	1500	255	1755	100.0%

Prevalence of Low Income by Age Group

Table A5: Town of Strathmore				
Age	Total Individuals	In low-income	Not in low income	Prevalence of low income (%)
0 to 17 years	3345	450	2895	13.5
18 to 24 years	1075	100	975	9.3
25 to 54 years	5555	475	5085	8.6
55 to 64 years	1570	165	1405	10.5
65 years+	1845	270	1575	14.6
Total - Age	13395	1455	11935	10.9

Table A6: Wheatland County				
Age	Total Individuals	In low-income	Not in low income	Prevalence of low income (%)
0 to 17 years	1630	265	1365	16.3
18 to 24 years	490	45	445	9.2
25 to 54 years	2955	300	2655	10.2
55 to 64 years	1240	145	1095	11.6
65 years+	1040	135	900	13
Total - Age	7355	890	6465	12.1

Table 7: Town of Strathmore and Wheatland County				
Age	Total	In low-income	Not in low income	Prevalence of low income (%)
0 to 17 years	4975	715	4260	14.4%
18 to 24 years	1565	145	1420	9.3%
25 to 54 years	8510	775	7740	9.1%
55 to 64 years	2810	310	2500	11.0%
65 years+	2885	405	2475	14.0%
Total - Age	20750	2345	18400	11.3%

Senior Households by Tenure with Affordability Problems

Table A8: 2016 Census of Canada						
	Strathmore		Wheatland County		Total	
	Owners	Renters	Owners	Renters	Owners	Renters
65 - 74	605	110	245	30	850	140
In Need	115	70	50	10	165	80
75 - 84	255	85	125	25	380	110
In Need	55	55	30	10	85	65
85+	105	105	30	105	135	105
In Need	25		10		35	
Total	965	300	400	160	1365	355
In Need	195	125	90	20	285	145

Appendix Two: AHS Data Request



Date: June 18, 2019

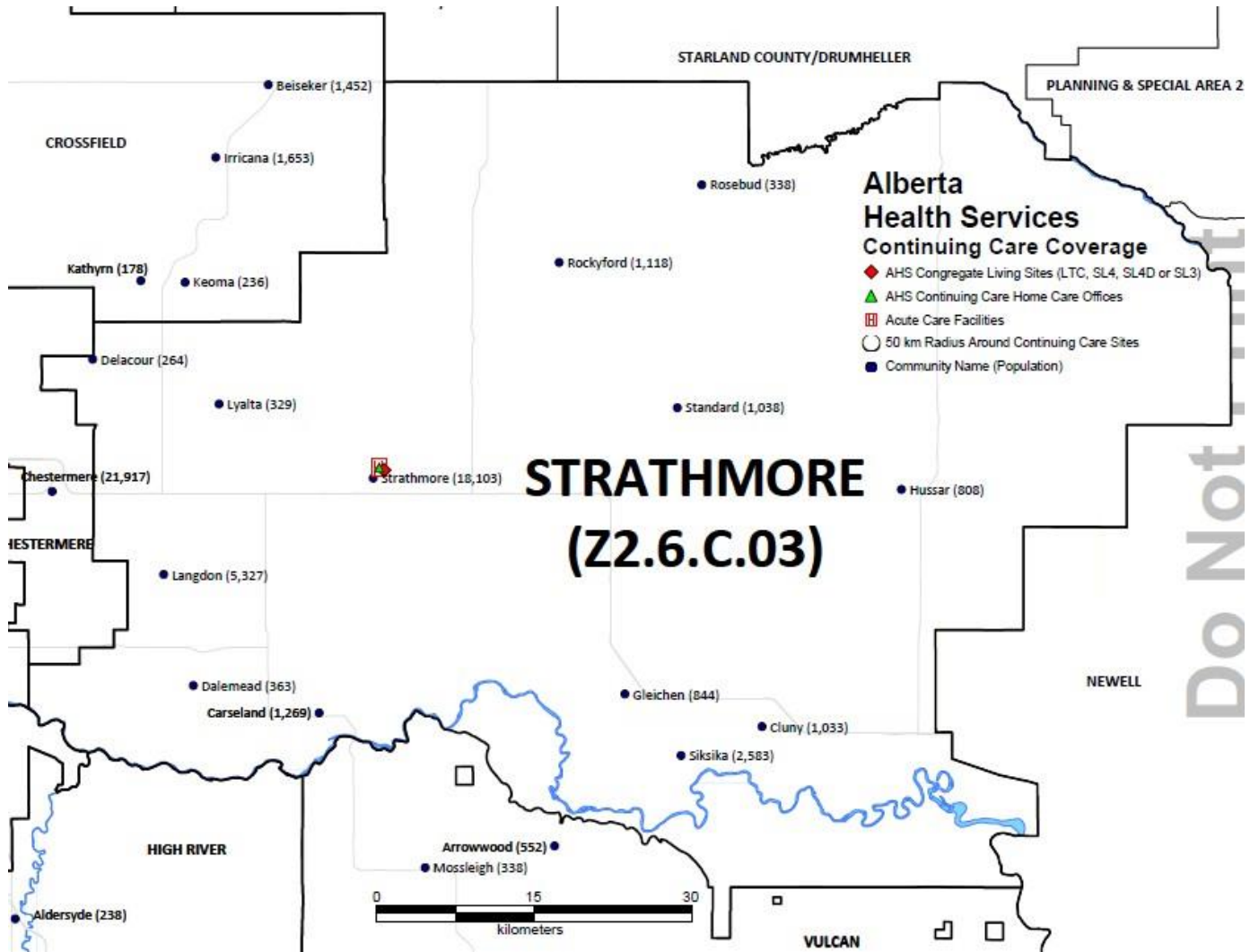
Title: Strathmore Data Request

Issue: Request for capacity requirements and demand forecast in Strathmore (LGA Z2.6.C.03)

Key Messages:

- Demand is forecast for continuing care services over a 20-year horizon at the provincial, zone, and sub-zone service area levels.
- The demand for continuing care services is primarily driven by increases in population volume, population aging, and net increases in disease prevalence (controlling for population size and age).
- Continuing Care living options in Strathmore consist of Agecare Sagewood (55 LTC, 35 SL4D, and 75 SL4) (Table 1).
- The total continuing care bed capacity is 165 with 4.63 BPTNAP (beds per 1,000 needs adjusted population) in Strathmore (Calgary Zone BPTNAP is 4.89 and provincially BPTNAP is 5.44).
- 76% of CC clients remain within the Strathmore Local Geographical Area (LGA). 15% are known to migrate to the Calgary Zone, 2% to Chestermere, 2% to Vulcan, and 5% to other Zones.
- The population for the Strathmore LGA (as of March 31, 2019) is 34,847 and is forecast to reach 46,099 by 2039.
- The current waitlist (snapshot as of May 3, 2019) is 31 for LTC, 11 for SL4, and 1 for SL4D.
- The wait list is only a snapshot of the current state and is not be a reflection of the trend over time.
- There are currently no committed continuing care builds in the Strathmore LGA.
- Strathmore LGA is not identified as a priority community within the Provincial Priority Ranking List.
- Please note capacity projections are intended to be used as a guide, and do not constitute approved AHS capacity plans.

Figure 1:



Do Not

Appendix Three: Stakeholder Engagement

Two overall approaches were used to engage with the community and stakeholders - information sharing and dialogue and direct consultation.

Information Sharing

- Summary information on the housing needs assessment was made available to housing stakeholders to provide some context during the discussions with them.
- A PowerPoint presentation summarizing the results of the needs assessment was used to (1) provide context and background, and (2) stimulate discussion at the Town Hall meeting
- A pamphlet advertising the Town Hall meeting was posted on locally available websites and social media sources and distributed at events for over a month prior to the meeting.

Consulting

- Identified community and housing stakeholders were consulted through face to face meetings with both municipal and regional organizations including:
 - Wheatland FCSS;
 - Strathmore FCSS
 - Strathmore Planning Department, and;
 - Sagewood Continuing Care facility
- About 75 members of the public attended the Town Hall meeting on June 5, 2019 at the Public Library in Strathmore. After the presentation, the consultant posed 3 questions to the public:
 1. What do you feel is the current state of seniors housing in Strathmore? Does the Region need more or less? Which one is the highest priority?
 - Independent rental housing
 - Independent affordable rental housing
 - Lodge style accommodation
 - Supportive living with care
 - Affordable supportive living with care
 - Supportive Living - Dementia
 2. Should Wheatland Housing develop a mixed-income project (market and non-market housing) in the same building?
 3. Is there a preferred location within Strathmore for a new seniors housing facility?
- There was strong support from the public to build a new seniors housing facility in Strathmore. Some of the relevant details of the discussion was describe in the key issues and priorities section.

Community Participation

The focus of this engagement was to develop a better understanding of key seniors housing issues and exchange information regarding the future of seniors housing in the Strathmore region. The engagement will also inform overall strategic priorities and immediate housing needs and support the development of future strategic plans and business cases.

The sessions were also intended as the beginning of an on-going dialogue to work together to address seniors housing issues in the region. Many more public engagement sessions will be held leading up to development approval of a new seniors housing facility in Strathmore.

Key Issues and Priorities

This summary of key issues and priorities from the stakeholder and community engagement was drafted to provide guidance on seniors housing issues, options and project priorities.

Key issues and priorities raised during the engagement are summarized below:

- **Affordability for Low-Income Seniors**

Many seniors in the region are low-income and can only afford rent that is a portion of a very limited fixed income. One of the organizations consulted found that approximately one third of the senior's population in Strathmore is low-income, according to data from the most recent federal census. The average rent for seniors in Strathmore was estimated to be around \$1,000 per month, but this figure was viewed by many stakeholders as being too low, as there are very few one-bedroom units available to rent. There is also a residency requirement that limits subsidies to seniors that have lived in the county for at least one year, although there are many seniors that have access to these subsidy programs but are not aware of them. At the town hall meeting, there was strong support for a mixed-income project to help subsidize the cost for lower income seniors. It would also provide much needed traditional one-bedroom market apartments for higher income seniors who want to transition out of their family home into a smaller unit that meets their needs.

- **Lack of Housing Options in the Region**

There is a shortage of seniors housing in Strathmore as well as low-income housing in general. Most seniors want to stay in the region but have very limited housing options in the housing market. As well, the majority of seniors that qualify for low-income housing are only offered affordable housing. Consequently, there is a wide range of incomes among the seniors living in the current lodge as many of the residents can afford more but do not have any other housing options available to them.

Many seniors are moving to Strathmore with their families to support their children and grandchildren. Over the past two decades, there has been a significant rise in demand for senior's care but very little increase in staffing. More long-term beds have been created during this time but there is still a lengthy waiting list. There is also a smaller population of people under fifty with disabilities who are in long-term care. At the town hall meeting, there was concern expressed about enough space being available in a potential project for couples so they do not need to be separated, as well as how long it would take to be built since there is already a shortage of seniors housing in the region.

- **Transition Out of Home Care**

Home care is keeping seniors at home much longer, which is ideal for those that do not want or need to move. However, many chronic diseases, such as diabetes, COPD, and MS, are forcing seniors into supportive living facilities. Many seniors need to move from independent housing to high need care with very short notice.

There is also a lack of social opportunities for seniors with home care that are living out of town, although some are resistant to moving into town due to not wanting to leave their rural lifestyle. Many seniors receiving home care in urban and rural settings suffer from social isolation. As well, many people want to move into seniors housing but are not allowing to bring their pets with them. During the town hall meeting, it was suggested that the potential project should provide all levels of care for seniors, including a hospice and respite care such as an adult day home, so they do not have to keep moving. It was also proposed that the project should consider the needs of future generations of seniors so it does not quickly become outdated.

- **Importance of Location for Accessibility**

At the town hall meeting, there was very strong support for locating the project in Strathmore, as it would benefit the most people. The majority of participants also supported a location that is close to services so that seniors could easily access them. It was suggested that the surrounding location of the project should also be considered, as the residents would spend a lot of time looking out the windows. Several locations were proposed for the project, including the site of the current town hall due to its central location and the site of the old east grain elevator as it is a very scenic area.

- **Limited Transportation Options for Seniors**

One of the biggest barriers for seniors in the region is the lack of transportation options. Once seniors can no longer drive, it can be very difficult for them to get to medical appointments and access other services. Transportation options in the region are very limited and not affordable for many seniors. As a result, local members of the community often go out of their way to give rides to seniors. There is a flat rate taxi service and a care-driver program but neither of them has wheelchair accessible vehicles. There is also a handy-bus service but it can only be used to get to medical appointments and is often overbooked. The current lodge has a bus that often sits empty because it can only be used for lodge purposes. During the town hall meeting, it was suggested that transportation should be built into the project since it is such a common issue in Strathmore.

Appendix Four: Pro Forma Financial Statements

OPTION 1 – 165 Lodge and 3 Hospice Units

Project Name: TBD
Developer: Wheatland Housing Management Body
Address: Strathmore

Capital Cost Estimate

Acquisition Costs:

Acquisition: Land	\$ 2,500,000
Acquisition: Buildings	
Total Acquisition:	\$ 2,500,000

Construction Costs:

Building Cost	\$ 40,863,940
Soft Costs* (10%)	\$ 4,086,394
Contingency (5%)	\$ 2,247,517
Total Construction:	\$ 47,197,851

	Per Unit
Total Development Cost:	\$49,697,851 \$ 214,536

Equity:

Mortgage Amount	\$ 42,197,851
Equity Amount	\$ 7,500,000
Mortgage Rate	1.90%
Monthly Payments	\$ 176,810
Annual Payments	\$ 2,121,720

Construction Estimate:

Type of Unit	Number	Meters Sq.	Cost/meter	Total Cost
Regular Suite	135	10,935	\$ 2,153	\$ 23,543,055
Double Suite	30	3,300	\$ 2,153	\$ 7,104,900
Main Floor		4,745	\$ 2,153	\$ 10,215,985
Hospice				
Total	165	18,980		\$ 40,863,940

* Soft costs include architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses

Revenue:

	# Units	Monthly	Annual
One-bedroom suite (Lodge)	135	\$ 1,390	\$ 2,251,800
One-bedroom market suite (Lodge)	30	\$ 2,107	\$ 758,520
Hospice			
Resident Services		\$ 45	\$ 89,100
Non-Resident Services		\$ 4	\$ 7,920
LAP Grant/PerDiem		\$ 210	\$ 415,800
Municipal Requisition		\$ 395	\$ 782,100
Other Revenue:		\$ 9	\$ 17,820
Sub-Total	165		\$ 4,323,060
Less:			
Vacancy		3.0%	\$ 129,692
Total Revenue			\$ 4,193,368

Expenses:

Human Resources		\$ 2,644,950
Operating Maintenance		\$ 164,093
Operating		\$ 721,380
Taxes		
Utilities		\$ 359,601
Administration		\$ 89,265
Interest on \$5 Million Loan		\$ 95,004
Total Expenses:		\$ 4,074,293
Operating Surplus/Deficit		\$ 119,076

Mortgage Payments and Reserves:

Maintenance Reserve	5.00%	\$ 150,516
Interest Rate	1.90%	
Mortgage Payments		\$ 2,121,720
	Total	\$ 2,272,236
Annual Net Cashflow		\$ (2,153,160)

20-Year Cash Flow Projection

Income Adjuster: **3.00%** Expense Adjuster: **2.00%**

Revenue:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Net Revenue	\$ 4,193,368	\$ 4,319,169	\$ 4,448,744	\$ 4,582,206	\$ 4,719,672	\$ 4,861,262	\$ 5,007,100	\$ 5,157,313	\$ 5,312,032	\$ 5,471,393

Expenses:

Administrative	\$ 2,644,950	\$ 2,697,849	\$ 2,751,806	\$ 2,806,842	\$ 2,862,979	\$ 2,920,239	\$ 2,978,644	\$ 3,038,217	\$ 3,098,981	\$ 3,160,961
Human Resources	\$ 164,093	\$ 167,374	\$ 170,721	\$ 174,135	\$ 177,618	\$ 181,170	\$ 184,793	\$ 188,489	\$ 192,259	\$ 196,104
Maintenance	\$ 721,380	\$ 735,808	\$ 750,524	\$ 765,534	\$ 780,845	\$ 796,462	\$ 812,391	\$ 828,639	\$ 845,212	\$ 862,116
Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 359,601	\$ 366,793	\$ 374,129	\$ 381,612	\$ 389,244	\$ 397,029	\$ 404,970	\$ 413,069	\$ 421,330	\$ 429,757
Taxes & Insurance	\$ 89,265	\$ 91,050	\$ 92,871	\$ 94,728	\$ 96,623	\$ 98,555	\$ 100,526	\$ 102,537	\$ 104,588	\$ 106,680
Loan Payment	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004
Total Expense:	\$ 4,074,293	\$ 4,153,878	\$ 4,235,055	\$ 4,317,855	\$ 4,402,313	\$ 4,488,459	\$ 4,576,328	\$ 4,665,955	\$ 4,662,370	\$ 4,755,618

Net	\$ 119,076	\$ 165,291	\$ 213,689	\$ 264,351	\$ 317,359	\$ 372,803	\$ 430,772	\$ 491,358	\$ 649,662	\$ 715,775
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Maintenance Reserves	\$ 150,516	\$ 155,031	\$ 159,682	\$ 164,473	\$ 169,407	\$ 174,489	\$ 179,724	\$ 185,116	\$ 190,669	\$ 196,389
Mortgage Payments	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720

Net Cashflow	\$ (2,153,160)	\$ (2,111,460)	\$ (2,067,713)	\$ (2,021,842)	\$ (1,973,768)	\$ (1,923,406)	\$ (1,870,672)	\$ (1,815,478)	\$ (1,662,727)	\$ (1,602,334)
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Revenue:	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Revenue	\$ 5,635,535	\$ 5,804,601	\$ 5,978,739	\$ 6,158,101	\$ 6,342,844	\$ 6,533,129	\$ 6,729,123	\$ 6,930,997	\$ 7,138,927	\$ 7,353,095

Expenses:

Administrative	\$ 3,224,180	\$ 3,288,664	\$ 3,354,437	\$ 3,421,526	\$ 3,489,957	\$ 3,559,756	\$ 3,630,951	\$ 3,703,570	\$ 3,777,641	\$ 3,853,194
Human Resources	\$ 200,026	\$ 204,027	\$ 208,108	\$ 212,270	\$ 216,515	\$ 220,845	\$ 225,262	\$ 229,767	\$ 234,362	\$ 239,049
Maintenance	\$ 879,358	\$ 896,945	\$ 914,884	\$ 933,182	\$ 951,846	\$ 970,883	\$ 990,301	\$ 1,010,107	\$ 1,030,309	\$ 1,050,915
Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 438,352	\$ 447,119	\$ 456,061	\$ 465,182	\$ 474,486	\$ 483,976	\$ 493,656	\$ 503,529	\$ 513,600	\$ 523,872
Taxes & Insurance	\$ 108,814	\$ 110,990	\$ 113,210	\$ 115,474	\$ 117,783	\$ 120,139	\$ 122,542	\$ 124,993	\$ 127,493	\$ 130,043
Loan Payment										
Total Expense:	\$ 4,850,730	\$ 4,947,745	\$ 5,046,700	\$ 5,147,634	\$ 5,250,587	\$ 5,355,599	\$ 5,462,712	\$ 5,571,966	\$ 5,683,405	\$ 5,797,073

Net	\$ 784,805	\$ 856,856	\$ 932,039	\$ 1,010,467	\$ 1,092,257	\$ 1,177,530	\$ 1,266,411	\$ 1,359,031	\$ 1,455,522	\$ 1,556,022
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Maintenance Reserves	\$ 202,281	\$ 208,349	\$ 214,600	\$ 221,038	\$ 227,669	\$ 234,499	\$ 241,534	\$ 248,780	\$ 256,243	\$ 263,931
Mortgage Payments	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720	\$ 2,121,720

Net Cashflow	\$ (1,539,196)	\$ (1,473,213)	\$ (1,404,281)	\$ (1,332,291)	\$ (1,257,132)	\$ (1,178,689)	\$ (1,096,843)	\$ (1,011,469)	\$ (922,441)	\$ (829,629)
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OPTION 2 – 115 Lodge, 50 Supportive Living and 3 Hospice Units

Project Name: TBD
Developer: Wheatland Housing Management Body
Address: Strathmore

Capital Cost Estimate

Acquisition Costs:

Acquisition: Land	2,500,000
Acquisition: Buildings	
Total Acquisition:	\$2,500,000

Construction Costs:

Building Cost	\$ 42,024,047
Soft Costs* (10%)	\$ 4,202,405
Contingency (5%)	\$ 2,311,323
Total Construction:	\$ 48,537,774

		Per Unit
Total Development Cost:	\$51,037,774	\$ 224,113

Equity:

Mortgage Amount	\$ 43,537,774
Equity Amount	\$ 7,500,000
Mortgage Rate	1.90%
Monthly Payments	\$ 182,425
Annual Payments	\$ 2,189,100

Construction Estimate:

Type of Unit	Number	Meters Sq.	Cost/meter	Total Cost
Regular Suite	95	7,695	\$ 2,153	\$ 16,567,335
Double Suite	20	2,200	\$ 2,153	\$ 4,736,600
SL4 and 4D suite	50	4,050	\$ 2,645	\$ 10,712,250
Main Floor		4,648	\$ 2,153	\$ 10,007,862
Hospice				
Total	165	18,593		42,024,047

* Soft costs include architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses

DIRECT CARE STAFFING CALCULATION (AHS)

	Worked Hours Per Client Day	Hours/Year			Funding/Year		Per Day		
		Worked	Benefit	Paid	Rate	Funding	Worked	Paid	Funding
Care & Therapy									
HCA	2.24	818	117%	\$940.24	\$34.00	\$31,968.16	2.24	2.58	\$87.58
RN*	0	0	115%	\$0.00	\$43.00	\$0.00	0	0.00	\$0.00
LPN	0.72	263	119%	\$302.22	\$37.00	\$11,182.14	0.72	0.83	\$30.64
Activities Aide	0.09	33	117%	\$36.79	\$17.00	\$625.46	0.09	0.10	\$1.76
Pro Therapies	0	0	0%	\$0.00	\$23.00	\$0.00	0	0.00	\$0.00
Non Pro Therapies	0	0	0%	\$0.00	\$15.00	\$0.00	0	0.00	\$0.00
Educator	0.05	18	0%	\$20.99	\$26.00	\$545.68	0.05	0.06	\$1.50
Clinical Director	0.07	26	0%	\$29.38	\$42.00	\$1,234.07	0.07	0.08	\$3.38
Recreation Therapist	0.06	22	0%	\$25.19	\$27.00	\$680.00	0.06	0.07	\$1.86
Other		0	0%	\$0.00	\$18.00	\$0.00	0	0.00	\$0.00
*IF REQUIRED		1178.95		\$1,354.81	\$282.00	\$46,235.50	3.23	3.71	\$126.72

Note: The staffing calculation uses a per person calculation $\$46,235.50 \times 50 \text{ units} = \$2,311,775$

Revenue:

	# Units	Monthly	Annual
One-bedroom suite (Lodge)	95	\$ 1,390	\$ 1,584,600
One-bedroom market suite (Lodge)	20	\$ 2,107	\$ 505,680
Hospice			
Resident Services		\$ 45	\$ 89,100
Non-Resident Services		\$ 4	\$ 7,920
LAP Grant/PerDiem		\$ 210	\$ 289,800
Municipal Requisition		\$ 395	\$ 545,100
Other Revenue:		\$ 9	\$ 17,820
One-bedroom suite (SL4 and 4D)	50	\$ 2,107	\$ 1,264,200
Health Care Staffing			\$ 2,311,775
Sub-Total	165		\$ 6,615,995
Less: Vacancy		3.0%	\$ 198,480
Total Revenue			\$ 6,417,515

Expenses:

Human Resources		\$ 1,843,450
Health Care Staffing		\$ 2,311,775
Operating Maintenance		\$ 218,790
Operating		\$ 721,380
Taxes		
Utilities		\$ 423,060
Administration		\$ 89,265
Interest on \$5 Million Loan		\$ 95,004
Total Expenses		\$ 5,702,724
Operating Surplus/Deficit		\$ 714,791

Mortgage Payments and Reserves:

		Annual
Maintenance Reserve	5.00%	\$ 167,724
Interest Rate	1.90%	
Mortgage Payments		\$ 2,189,100
Total		\$ 2,356,824

Annual Net Cashflow	\$ (1,642,033)
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Note: Health care (AHS) staffing costs are not included in the operating budget

20-Year Cash Flow Projection

Income Adjuster: **3.00%** Expense Adjuster: **2.00%**

Revenue:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Net Revenue	\$ 6,417,515	\$ 6,610,041	\$ 6,808,342	\$ 7,012,592	\$ 7,222,970	\$ 7,439,659	\$ 7,662,849	\$ 7,892,734	\$ 8,129,516	\$ 8,373,401

Expenses:

Human Resources	\$ 1,843,450	\$ 1,880,319	\$ 1,917,925	\$ 1,956,284	\$ 1,995,410	\$ 2,035,318	\$ 2,076,024	\$ 2,117,544	\$ 2,159,895	\$ 2,203,093
Health Care Staffing	\$ 2,311,775	\$ 2,358,011	\$ 2,405,171	\$ 2,453,274	\$ 2,502,339	\$ 2,552,386	\$ 2,603,434	\$ 2,655,503	\$ 2,708,613	\$ 2,762,785
Maintenance	\$ 218,790	\$ 223,166	\$ 227,629	\$ 232,182	\$ 236,826	\$ 241,563	\$ 246,394	\$ 251,322	\$ 256,348	\$ 261,475
Operating	\$ 721,380	\$ 735,808	\$ 750,524	\$ 765,534	\$ 780,845	\$ 796,462	\$ 812,391	\$ 828,639	\$ 845,212	\$ 862,116
Utilities	\$ 423,060	\$ 431,521	\$ 440,151	\$ 448,954	\$ 457,933	\$ 467,092	\$ 476,434	\$ 485,963	\$ 495,682	\$ 505,596
Aministration	\$ 89,265	\$ 91,050	\$ 92,871	\$ 94,728	\$ 96,623	\$ 98,555	\$ 100,526	\$ 102,537	\$ 104,588	\$ 106,680
Taxes & Insurance	\$ 95,004	\$ 96,904	\$ 98,842	\$ 100,819	\$ 102,835	\$ 104,892	\$ 106,990	\$ 109,130	\$ 111,313	\$ 113,539
Loan Payment	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004		
Total Expense:	\$ 5,702,724	\$ 5,816,779	\$ 5,933,113	\$ 6,051,775	\$ 6,172,811	\$ 6,296,268	\$ 6,422,193	\$ 6,550,638	\$ 6,681,651	\$ 6,815,284

Net	\$ 714,791	\$ 793,262	\$ 875,229	\$ 960,817	\$ 1,050,159	\$ 1,143,391	\$ 1,240,656	\$ 1,342,096	\$ 1,447,865	\$ 1,558,117
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Maintenance Reserves	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724
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Mortgage Payments	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100
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Net Cashflow	-\$1,642,033	-\$1,563,562	-\$1,481,595	-\$1,396,007	-\$1,306,665	-\$1,213,433	-\$1,116,168	-\$1,014,728	-\$908,959	-\$798,707
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Revenue:	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Revenue	\$ 8,624,603	\$ 8,883,341	\$ 9,149,841	\$ 9,424,336	\$ 9,707,066	\$ 9,998,278	\$ 10,298,226	\$ 10,607,173	\$ 10,925,388	\$ 11,253,150

Expenses:

Human Resources	\$ 2,247,155	\$ 2,292,098	\$ 2,337,940	\$ 2,384,699	\$ 2,432,393	\$ 2,481,041	\$ 2,530,662	\$ 2,581,275	\$ 2,632,901	\$ 2,685,559
Health Care Staffing	\$ 2,818,041	\$ 2,874,402	\$ 2,931,890	\$ 2,990,528	\$ 3,050,339	\$ 3,111,346	\$ 3,173,573	\$ 3,237,044	\$ 3,301,785	\$ 3,367,821
Maintenance	\$ 266,705	\$ 272,039	\$ 277,480	\$ 283,030	\$ 288,691	\$ 294,465	\$ 300,354	\$ 306,361	\$ 312,488	\$ 318,738
Operating	\$ 879,358	\$ 896,945	\$ 914,884	\$ 933,182	\$ 951,846	\$ 970,883	\$ 990,301	\$ 1,010,107	\$ 1,030,309	\$ 1,050,915
Utilities	\$ 515,708	\$ 526,022	\$ 536,542	\$ 547,273	\$ 558,218	\$ 569,382	\$ 580,770	\$ 592,385	\$ 604,233	\$ 616,318
Aministration	\$ 108,814	\$ 110,990	\$ 113,210	\$ 115,474	\$ 117,783	\$ 120,139	\$ 122,542	\$ 124,993	\$ 127,493	\$ 130,043
Taxes & Insurance	\$ 115,810	\$ 118,126	\$ 120,489	\$ 122,899	\$ 125,357	\$ 127,864	\$ 130,421	\$ 133,029	\$ 135,690	\$ 138,404
Total Expense:	\$ 6,951,591	\$ 7,090,622	\$ 7,232,435	\$ 7,377,085	\$ 7,524,627	\$ 7,675,120	\$ 7,828,623	\$ 7,985,194	\$ 8,144,899	\$ 8,307,798

Net	\$ 1,673,012	\$ 1,792,719	\$ 1,917,406	\$ 2,047,251	\$ 2,182,439	\$ 2,323,158	\$ 2,469,603	\$ 2,621,979	\$ 2,780,489	\$ 2,945,352
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Maintenance Reserves	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724	\$ 167,724
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Mortgage Payments	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100	\$ 2,189,100
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Net Cashflow	-\$683,812	-\$564,105	-\$439,418	-\$309,573	-\$174,385	-\$33,666	\$112,779	\$265,155	\$423,665	\$588,528
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OPTION 3 – 133 Lodge, 32 Apartment and 3 Hospice Units

Project Name: TBD
Developer: Wheatland Housing Management Body
Address: Strathmore

Capital Cost Estimate

Acquisition Costs:

Acquisition: Land	\$ 2,500,000
Acquisition: Buildings	
Total Acquisition:	\$ 2,500,000

Construction Costs:

Building Cost	\$ 41,636,149
Soft Costs* (10%)	\$ 4,163,615
Contingency (5%)	\$ 2,289,988
Total Construction:	\$ 48,089,752

	Per Unit
Total Development Cost:	\$50,589,752 \$ 218,590

Equity:

Mortgage Amount	\$ 43,089,752
Equity Amount	\$ 7,500,000
Mortgage Rate	1.90%
Monthly Payments	\$ 180,547
Annual Payments	\$ 2,166,564

Construction Estimate:

Type of Unit	Number	Meters Sq.	Cost/meter	Total Cost
Regular Suite	110	8,910	\$ 2,153	\$ 19,183,230
Double Suite	23	2,530	\$ 2,153	\$ 5,447,090
1-bdrm apt	24	2,184	\$ 2,153	\$ 4,702,152
2-bdrm apt	8	880	\$ 2,153	\$ 1,894,640
Main Floor		4,835	\$ 2,153	\$ 10,409,037
Hospice				
Total	165	19,339		\$ 41,636,149

* Soft costs include architectural, engineering, financing, and legal fees, and other pre- and post-construction expenses

Revenue:

	# Units	Monthly	Annual
One-bedroom suite (Lodge)	110	\$ 1,390	\$ 1,834,800
One-bedroom market suite (Lodge)	23	\$ 2,107	\$ 581,532
One bedroom Affordable apartment	14	\$ 731	\$ 122,808
One bedroom market apartment	10	\$ 1,200	\$ 144,000
Two bedroom affordable apartment	2	\$ 810	\$ 19,440
Two bedroom market apartment	6	\$ 1,400	\$ 100,800
Hospice			
Resident Services		\$ 45	\$ 89,100
Non-Resident Services		\$ 4	\$ 7,920
LAP Grant/PerDiem		\$ 210	\$ 335,160
Municipal Requisition		\$ 395	\$ 630,420
Other Revenue:		\$ 9	\$ 17,820
Sub-Total	165		\$ 3,883,800
Less:			
Vacancy		3.0%	\$ 116,514
Total Revenue			\$ 3,767,286

Expenses:

	Lodge	Apartment	Annual
Human Resources	\$ 16,030	\$ 3,794	\$ 2,253,398
Operating Maintenance	\$ 1,326	\$ 1,877	\$ 236,422
Operating	\$ 4,372	\$ 491	\$ 597,188
Taxes			
Utilities	\$ 2,564	\$ 2,198	\$ 411,348
Administration	\$ 541	\$ 248	\$ 79,889
Interest on \$5 Million Loan			\$ 95,004
Total Expenses:			\$ 3,673,249

Operating Surplus/Deficit	\$ 94,037
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Mortgage Payments and Reserves:

		Annual
Maintenance Reserve	5.00%	\$ 140,169
Interest Rate	1.90%	
Mortgage Payments		\$ 2,166,564
	Total	\$ 2,306,733

Annual Net Cashflow	-\$ 2,212,696
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20-Year Cash Flow Projection

Income Adjuster: **3.00%** Expense Adjuster: **2.00%**

Revenue:	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Net Revenue	\$ 3,767,286	\$ 3,880,305	\$ 3,996,714	\$ 4,116,615	\$ 4,240,113	\$ 4,367,316	\$ 4,498,335	\$ 4,633,285	\$ 4,772,284	\$ 4,915,453

Expenses:

Administrative	\$ 2,253,398	\$ 2,298,466	\$ 2,344,435	\$ 2,391,324	\$ 2,439,150	\$ 2,487,933	\$ 2,537,692	\$ 2,588,446	\$ 2,640,215	\$ 2,693,019
Human Resources	\$ 236,422	\$ 241,150	\$ 245,973	\$ 250,892	\$ 255,910	\$ 261,028	\$ 266,249	\$ 271,574	\$ 277,005	\$ 282,545
Maintenance	\$ 597,188	\$ 609,132	\$ 621,315	\$ 633,741	\$ 646,416	\$ 659,344	\$ 672,531	\$ 685,982	\$ 699,702	\$ 713,696
Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 411,348	\$ 419,575	\$ 427,967	\$ 436,526	\$ 445,257	\$ 454,162	\$ 463,245	\$ 472,510	\$ 481,960	\$ 491,599
Taxes	\$ 79,889	\$ 81,487	\$ 83,117	\$ 84,779	\$ 86,475	\$ 88,205	\$ 89,969	\$ 91,768	\$ 93,603	\$ 95,475
Loan Payment	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004	\$ 95,004
Total Expense:	\$ 3,673,249	\$ 3,744,814	\$ 3,817,811	\$ 3,892,266	\$ 3,968,212	\$ 4,045,676	\$ 4,124,690	\$ 4,205,284	\$ 4,192,485	\$ 4,276,334

Net	\$ 94,037	\$ 135,491	\$ 178,903	\$ 224,349	\$ 271,901	\$ 321,640	\$ 373,645	\$ 428,001	\$ 579,799	\$ 639,119
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Maintenance Reserves	\$ 140,169	\$ 144,374	\$ 148,705	\$ 153,166	\$ 157,761	\$ 162,494	\$ 167,369	\$ 172,390	\$ 177,562	\$ 182,889
Mortgage Payments	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564

Net Cashflow	\$ (2,212,696)	\$ (2,175,447)	\$ (2,136,366)	\$ (2,095,381)	\$ (2,052,424)	\$ (2,007,418)	\$ (1,960,288)	\$ (1,910,953)	\$ (1,764,327)	\$ (1,710,334)
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Revenue:	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Net Revenue	\$ 5,062,917	\$ 5,214,805	\$ 5,371,249	\$ 5,532,386	\$ 5,698,358	\$ 5,869,309	\$ 6,045,388	\$ 6,226,750	\$ 6,413,553	\$ 6,605,960

Expenses:

Administrative	\$ 2,746,879	\$ 2,801,817	\$ 2,857,853	\$ 2,915,010	\$ 2,973,310	\$ 3,032,776	\$ 3,093,432	\$ 3,155,301	\$ 3,218,407	\$ 3,282,775
Human Resources	\$ 288,196	\$ 293,960	\$ 299,839	\$ 305,836	\$ 311,953	\$ 318,192	\$ 324,556	\$ 331,047	\$ 337,668	\$ 344,421
Maintenance	\$ 727,970	\$ 742,529	\$ 757,380	\$ 772,528	\$ 787,979	\$ 803,739	\$ 819,814	\$ 836,210	\$ 852,934	\$ 869,993
Operating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 501,431	\$ 511,460	\$ 521,689	\$ 532,123	\$ 542,765	\$ 553,620	\$ 564,692	\$ 575,986	\$ 587,506	\$ 599,256
Taxes & Insurance	\$ 97,385	\$ 99,333	\$ 101,320	\$ 103,346	\$ 105,413	\$ 107,521	\$ 109,671	\$ 111,864	\$ 114,101	\$ 116,383
Loan Payment										
Total Expense:	\$ 4,361,861	\$ 4,449,099	\$ 4,538,081	\$ 4,628,843	\$ 4,721,420	\$ 4,815,848	\$ 4,912,165	\$ 5,010,408	\$ 5,110,616	\$ 5,212,828

Net	\$ 701,056	\$ 765,706	\$ 833,168	\$ 903,543	\$ 976,938	\$ 1,053,461	\$ 1,133,223	\$ 1,216,342	\$ 1,302,937	\$ 1,393,132
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Maintenance Reserves	\$ 188,376	\$ 194,027	\$ 199,848	\$ 205,843	\$ 212,018	\$ 218,379	\$ 224,930	\$ 231,678	\$ 238,628	\$ 245,787
Mortgage Payments	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564	\$ 2,166,564

Net Cashflow	\$ (1,653,884)	\$ (1,594,885)	\$ (1,533,244)	\$ (1,468,864)	\$ (1,401,644)	\$ (1,331,482)	\$ (1,258,271)	\$ (1,181,900)	\$ (1,102,255)	\$ (1,019,219)
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Appendix Five: Reference Materials

Alberta Health Services website, <http://www.albertahealthservices.ca/>

Alberta Health Services, Briefing Note

Alberta Health Services, 2014 Continuing Care Needs Assessment Summary

Alberta Infrastructure, Business Case Template,

[https:// http:// http://www.infrastructure.alberta.ca/3782.htm](https://http://http://www.infrastructure.alberta.ca/3782.htm)

Alberta Rental Apartment Survey, 2013-17

Project Revenue and Expenses, Wheatland Housing Management Body

Statistics Canada, Canada Census: Community Profiles for the Town of Strathmore and Wheatland County, 2001, 2006, 2011 and 2016

Town of Strathmore, <https://strathmore.ca/en/index.aspx>

Stakeholder Engagement sessions held on June 5, 2019

Wheatland Housing Management Body, <http://www.wheatlandhousing.ca/>

Wheatland & Area Hospice Society (WAHS), <https://www.wheatlandhospice.ca/>

Wheatland County, <https://www.wheatlandcounty.ca/>