

Next Steps in our Redevelopment Journey

In late 2024 Church Council prepared a Term Sheet (see attached) for prospective partners in our redevelopment plans. This document sets out our key conditions for partnership such as a 99-year land lease with a minimum annual payment to our church of \$100,000 escalating with inflation. This Term Sheet along with a project summary document prepared by Dora Construction was presented to not-for-profit associations in Nova Scotia that have experience in developing residential housing. It was not presented to for-profit developers because they told us that they must own the land to be developed.

Three not-for-profit residential developers expressed interest but one of them required land ownership so they were eliminated from consideration. Another one was very supportive but, unfortunately, they are currently fully committed on other projects and they did not have the capacity to undertake our project. The Affordable Housing Association of Nova Scotia (AHANS) is very keen to partner with us. They have considerable experience in developing and managing affordable housing projects in Nova Scotia. Their proposal is attached as a separate document.

Church Council has conducted due diligence regarding AHANS and they have passed with flying colours. Recently members from Church Council toured their True North townhouse project in Dartmouth where a recent expansion is nearing completion.

We are progressing with plans to add insulation to our sanctuary and to install heat pumps. This project is being funded by government grants and donations from our congregation.

We are also in the early stages of seeking a lawyer, who has experience in drafting land leases, to represent our church throughout the redevelopment process.

AHANS has prepared a draft Memorandum of Understanding (MOU) for our consideration. Council will provide its input as we move forward. The MOU is a non-binding document that sets out the intentions of both parties to work together. We expect to be in a position to present detailed development plans and costs to our congregation in about six months. If everything goes well, we would then seek approval to sign a Partnership Agreement with AHANS.

Lutheran Church of the Resurrection

Development Term Sheet for Potential Partners

Project:	Construction of new 7 storey apartment building (approx. 33,000 gross sq. ft.) at 6120 Allen Street adjacent to church at 2096 Windsor Street, Halifax.
Property Details:	<div>1. 2096 Windsor Street PID # 00140244 Parcel Size: 8,520 sq. ft. (to be reduced to less than 5,000 sq. ft.)</div> <div>2. 6120 Allan Street PID # 00140251 Parcel Size: 3,360 sq. ft. (to be increased to more than 6,900 sq. ft.)</div>
Zoning:	Corridor Designation (COR)
Maximum Height:	7 storeys (as of right).
Proposed Number of Residential Units:	Minimum of 39 units including one 3BR unit for Pastor's family. Assume 50% of units will be designated as affordable housing for 50 years.
Site Preparation:	Demolish church hall and Pastor's house.
Parking:	No on-site parking proposed.
Amenities:	Rooftop patio/garden; meeting rooms, washrooms and kitchen on main floor. Available to all residents plus shared community programming upon reservation.
Vertical Circulation:	Equipped with one elevator and two staircases.
Land Title:	To be retained by church. Proposed 99-year land lease to be negotiated. Minimum rent of \$100,000 per year escalating with inflation.
Equity Contribution From Partner:	Minimum of 5% of total construction costs to be contributed in cash.
Building Ownership:	Partner will have majority ownership. Balance of ownership to be negotiated.
Building Management:	Partner will manage the building.
Governance:	Member from Church Council to be involved in governance.
Proposed Financing:	<ul style="list-style-type: none">• CMHC 50-year fixed rate low interest loan;• Federal and provincial government grants and forgivable loans.



AFFORDABLE HOUSING
ASSOCIATION OF NOVA SCOTIA
403 – 3480 Joseph Howe Drive
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January 6th, 2025

Evangelical Lutheran Church of the Resurrection
2096 Windsor Street
Halifax, NS
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The Affordable Housing Association of Nova Scotia (AHANS) is grateful for the opportunity to submit a partnership proposal to the Evangelical Lutheran Church for the development and operations of their two properties located at the corner of Allan and Windsor Street (PID 00140251, 00140244).

AHANS has been active in the non-profit housing sector since the early 1990's. Our mission is to *promote access to decent affordable housing through its development and construction, retention and upgrading in all parts of the province*. Today, our organization owns and operates over 170 units with another 24 under construction.

Our portfolio provides a diverse mix of housing options to vulnerable and marginalized individuals in our community from supportive housing to deeply affordable and market units. AHANS' property arm oversees all tenancy and building aspect of owning and operating units. Our professional property management team has extensive experience in residential tenancies, tenant conflict management, building maintenance, and preventative maintenance schedules. Our tenants have a 24/7 phoneline they can reach staff in case of emergency and buildings over 20 units have a live-in resident manager. Our entire team does our best to interact with tenants on a personal level to meet individuals where they are and accommodate different needs so that they are successful in their housing.

Where tenants require additional support to stay housed, AHANS partners with agencies in community to provide wrap-around supports to tenants. We have four supportive housing projects where AHANS owns and operates the building, and a supportive housing agency provides 24/7 on-site supports to a designated population. Support partners in HRM include the North End Community Health Centre and Coverdale Justice Society. AHANS recently embarked on our first co-ownership partnership with Phoenix Youth Programs where we jointly own the building and developed a co-owning partnership model.

A primary goal for all housing projects is financial sustainability. AHANS does extensive due diligence internally and with government partners to ensure a project is financially viable both during construction and while operational. This includes stress testing each project, forecasting a realistic operational budget based on informed rents and proven expenses, and accounting for a responsible reserve fund contribution and a built-in vacancy/bad debt forecast. AHANS' finance department oversees all payments and invoicing throughout constructions and while operational. Our established processing systems can be adapted to new projects.

Developing and retrofitting energy efficient buildings that reduce GHG emissions has been a core value in each project we undertake. We believe in doing so, we are creating more comfortable spaces for our tenants, while doing our part in the fight against climate change. Making the buildings as efficient as possible also allows our organization to keep rents affordable by reducing operational costs.

AHANS has gained essential experience in developing housing, including accessing and aligning funding, acting as our own owner representative, and coordinating between all consultants and funders. We are confident in our ability to secure financing, oversee construction draws, and achieve occupancy. We believe we can draw on experience and lessons learned from previous project including:

- True North: \$15.5M 44-unit development (Net Zero Energy Ready), Dartmouth
- The Overlook: \$6M 63-unit acquisition and renovation, Dartmouth
- Shaw: \$8.7M 24-unit development (Net Zero Energy Ready), Yarmouth

AHANS's established partnerships are critical for each project's success. We have assembled a team of reliable and expert consultants who we work with regularly throughout the design and construction phase who share similar social and environmental values. We are excited to assemble a similar team for this project that draws on expertise from previous developments.

AHANS staff have reviewed the Phase 1 Summary Report prepared by Dora Construction. We believe a project of this size and scope is consistent with our experience and we have the capacity to begin pre-development as soon as possible.

Development next steps include:

- Partnership Vision — establish core partnership values and principles of each partner for the design process, development and operations of the new building. We envision this being an iterative process where each partner can learn from one another and tailor the project to their individual needs and vision for the community. This can include aspirations for housing specific demographics, levels of affordability, and energy targets.
- Letter of Intent (LOI) — develop a letter of intent with conditional next steps for development which will lead to a legally binding Co-Ownership Agreement and operating Memorandum of Understanding (MOU).
- Funding — with rights established from the LOI, AHANS will begin accessing funding to begin pre-development. Eligible funding streams include:
 - Community Housing Growth Fund
 - Federation of Canadian Municipalities
 - Low Carbon Communities (Spring application window)
 - HRM
- Design Team — once selected funding is approved, AHANS will begin to hire consultants to assemble the design team. As this project is as-of-right, the design team can begin working immediately on issued for construction drawings and elements required to apply for CMHC financing.

We appreciate the opportunity to submit this proposal to the Evangelical Lutheran Church and welcome any further questions the congregation may have. If interested, AHANS would be happy to take some members of the congregation on site visit of unoccupied units at the Ture North project in early January.

Sincerely,



Adriane Salah

Director, Planning and Development