



Community Organizations on a Journey of Affordable Housing Development



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CASE STUDY PART 1

Project Definition & Capacity Building Elements

Introduction

This is Part 1 of a two part Case Study sharing the journey of an affordable housing development project spearheaded by two community organizations and a community-minded architect. Specifically, the project is designed to develop a Class C Estimate for the proposed redevelopment of the property located at 276 Windmill Road in Dartmouth Nova Scotia, which is owned by the community and stewarded by the Farrell Benevolent Society.

Case Study Part 1 outlines the project and capacity building elements, describing the strategies used for building and strengthening nonprofit capacity to meaningfully engage in and maintain control over an affordable housing development.

Case Study Part 2 focuses on the pre planning and development elements, or the more technical journey of developing a Class C Estimate.

Timeframe: March 2023 - Feb 2024

Location: Dartmouth, Nova Scotia, Canada

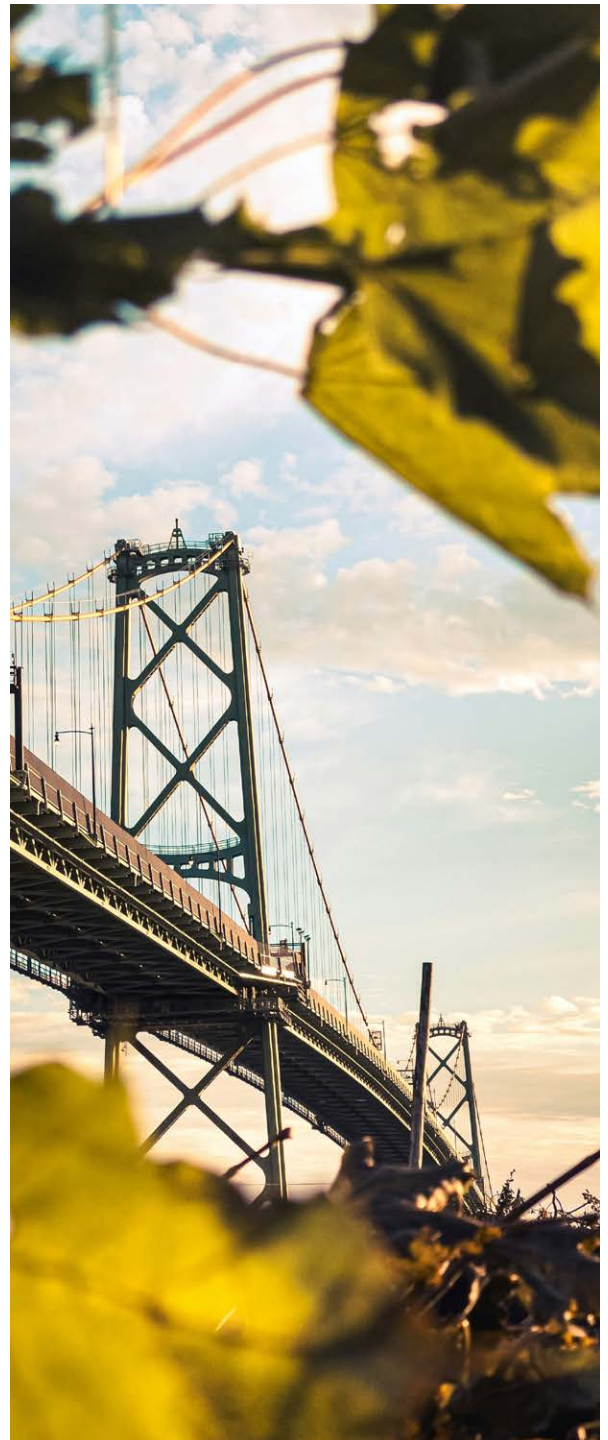
Nonprofit organizations: [The Farrell Benevolent Society](#) and [The Public Good Society of Dartmouth](#).

Funding: [The Community Housing Transformation Centre](#), Nova Scotia's Community Housing Growth Fund (CHGF)

Purpose of this document

To support community organizations who wish to develop affordable housing by sharing specific information like structures, processes and learnings that could allow for replication of parts of this project in other contexts.

This Case Study is written from the perspective of community organizations and their experience traversing a journey of affordable housing development. The content is based on conversations with ten individuals involved in the project (from both community nonprofits and private sector firms) and what they thought was important to share and record. The hope is that this offers a few guide posts along the way and some possible methods to replicate.



CONTEXT: BACKGROUND & PRECONDITIONS

Background: How did we get here?

This is a short story version of how two community organizations with broad service missions turned their attention to the affordable housing crisis.

The Farrell Benevolent Society (FBS)

In the late 1950s Tufts Cove Incorporated donated a piece of property to the community of Dartmouth North. The community raised \$50,000 to build Farrell Hall, the building that still stands on the property (at the time of writing). The Board of Directors, who are elected by community members, steward the organization. The actions of FBS have always been rooted in benevolence and support of the community. For example, the very first BINGO started to raise money for a piano for Harbour View Elementary School. After the initial fundraising event, benevolence continued within the community in various ways such as providing a \$500 Walmart gift card if there was a fire in the community to the family. In addition, each year, there would be a Christmas Social hosted at Farrell Hall open to all in the community with food, gifts under the tree, gift cards and activities for the kids with 75 to 125 people.

As time went on, the building aged and FBS was unable to keep up with building maintenance. A major catalyst was COVID-19 which shut down BINGO, the main source of revenue. No longer financially sustainable, FBS had to explore possible futures. In March 2020, with the support of a volunteer consultant, they delved into questions like: How does FBS survive in order to continue the mission of benevolence in the community? What can happen with the land? Through this process the Board of Directors decided to explore the possibility of redeveloping the property for affordable housing. With support from the Public Good Society and a community-minded architect, FBS began taking steps towards this vision.

The Board connected with the surrounding community through the process (as per their mandate), including two significant AGMs where community members approved the following motions:

(1) March 19 2021: “The Board of Directors does research, and has conversations and meetings about redeveloping the property at 276 Windmill Road for the positive social impact in Dartmouth North, including affordable housing.”

(2) June 28, 2022: “Farrell Benevolent Society take the necessary next steps to redevelop the property located at 275 Windmill Road for positive social impact in Dartmouth North including Affordable Housing.”

The Public Good Society of Dartmouth (PGSD)

Formed in 2004, the Public Good Society is a nonprofit, charitable organization made up of volunteers that have been serving the community with a mission “to work with partner agencies serving Dartmouth and to share our resources and knowledge to

better understand and address complex social issues facing our community members.” As a group, they keep their eyes and ears open to see where it is that they can provide support for people: Where are the gaps in services for the community? Whether that’s free laptops for kids during COVID-19 school closures, employment advice, or housing support.

Around 2018 PGSD had a strategic gathering and landed on affordable housing as a priority issue for the community. Already working in that space, with a structured partnership with Welcome Housing, they looked at what else they could do. Soon after, some members of the Board were involved with the Social Innovation Lab on Affordable Housing with Between the Bridges, a collective impact initiative. As a result of this, funding was found for a pilot project to support community organizations exploring the question: How can we increase available affordable housing when we don’t have the expertise or capacity to do it? This pilot, the Affordable Housing Development Navigator Project, brought a group of community organizations, including FBS, together with industry professionals to learn about housing development and to explore possible projects.

From this Housing Development Navigator Project, the FBS development project emerged, which led to grants being secured for this project.

Preconditions

As demonstrated above, this project is built upon and exists because of a long journey of relationship building, capacity building and careful crafting of an affordable housing vision. To learn more refer to:

1. [The Between the Bridges Social Innovation Lab on Affordable Housing \(2018-2019\)](#). In this process a variety of groups, including those with lived experience, convened to explore the housing challenges and converge on some pilot project opportunities - one of which became
2. [The Affordable Housing Development Navigator Project \(2021-2022\)](#). In this project nonprofits learned about the development process from industry professionals and went through steps to define and explore their projects with the goal of progressing viable options for affordable housing in Dartmouth.

The Problem Statement

The key outcome from the Social Innovation Lab was the clarity that housing funders say “bring us a project and we will take a look for funding”, and yet the amount of preplanning, business and development work that is needed to be done, for a funder to look at it, is completely prohibitive for nonprofit and community sector organizations who do not have the financial resources to retain the necessary professionals. This Case Study is telling the story of naming and bridging this gap.

WHY IS THIS STORY IMPORTANT IN THE AFFORDABLE HOUSING SECTOR AT THIS TIME?

There is urgent need for affordable housing. **We see value in creating affordable housing that is for and by community.** The importance of having community organizations involved is that they are directly connected to lived and living experience and respond to community needs. They have the unique position to embed and maintain community/people-focused values in the design and development of housing. This project is our attempt to find strategies to overcome the reality that it is very difficult for a community organization to have leadership and meaningful participation in housing development.

Two key barriers for community organizations are the subject-specific knowledge of the complex development process, and access to financial resources for staff and professional services required for pre-development. Specifically, accessing grants to pay staff to project manage and industry professionals to create detailed architectural, engineering, costing, fundraising and business plans. **There is a resource/funding gap for pre-development.**

Our working hypothesis is that community organizations create different kinds of housing than government or private sector-led projects, and there are strengths to that.

WHAT'S UNIQUE ABOUT THIS STORY?

The unique nature of this project is about a combination of factors:

- 1. The property is community-owned**
 - The Farrell Benevolent Society has a unique creation story in that a piece of land was deeded to the community from Tufts Cove in the late 1950s. The FBS are the stewards of the land for the good of the community of Dartmouth North.
 - This means that community consent is necessary for any property development decisions. Community input has to be ongoing and centred in the project.
- 2. The relationship between two community organizations**
 - Two nonprofits who function on dedicated volunteers: one is a registered charity with a part time contracted community navigator (PGSD) and the other is a nonprofit society, with part-time staff to support BINGO (FBS).
 - There is a unique structure and relationship. The project is for FBS, however PGSD is a fiscal agent, to get and manage grants, coordinating the project and staff capacity.
 - Neither are housing organizations. Both of their visions allow for evolutionary work in response to community need.
- 3. Investment of community-minded and values-driven industry professionals**
 - Committed for the long haul to a community-led process and donating significant time and resources.
- 4. Community organizations maintaining control**
 - Often at this point in the development process the project would need to be led by developers because community organizations have little or no access to resources.
 - Intentional processes to ensure the continued majority ownership of the redevelopment as partnerships with private developers are being explored.

The Farrell Benevolent Society Redevelopment Project

This section outlines specifics of the Farrell Benevolent Society Redevelopment Project. The goal is to give context and to provide information that other groups can learn from or replicate.

ACTIVITIES & OUTPUTS

The main project activities aligned to 4 separate grants from the same funder and included:

- Working on the required elements for a Class C Estimate, including design of the new building by the architectural team (and other professionals as needed), with parameters defined by the FBS Redevelopment Committee and costing of the building design and construction.
- Drafting a Feasibility Study created as a core document for fundraising and communications.
- Evaluation including ongoing documentation, interviews conducted with all project participants to create this Case Study and findings for reporting to the funder and internal team learning.

THE TEAM & STRUCTURES

Role	Organization	Skills/responsibilities
Project Lead (volunteer Board member)	Public Good Society of Dartmouth (PGSD) www.publicgoodsociety.ca	Accountability, project directions, relationships, partnership development, fundraising
Community Navigator	Farrell Benevolent Society (FBS) www.facebook.com/farellhallns	Bringing subject matter expertise about the local community, the organization, the end users of the redevelopment work while working in partnership with the Technical Navigator to be part of the “bridge” with the Architects, the community and the FBS Board of Directors.
Architectural Team: Principal Architect & Intern Architect/ Planning Specialist	Nycum & Associates nycum.com	Architectural design and project skills in working towards architecturally defining the building in order to have sufficient detail and information for the development of a Class C Level Cost Estimate. Providing significant contributions of time and support over contracted time.
Technical Navigator	Grey Cardinal Management Inc. Project Management Services greycardinal.ca	Cost estimation and budgeting. Project management including supporting the creation of the feasibility study, schedule projections, outlining operations and maintenance costing, initiating funding applications, reviewing invoices all while working in partnership with the Community Navigator. Providing significant contributions of time and support over contracted time.
Backbone Coach & Facilitator	Consultant Bette Watson-Borg maplekeycoaching.ca	Facilitating and animating the process including: scheduling, setting agendas, facilitation, bringing key resources to support the process (e.g., ToR template, interview guide), relationship building, and networking. Providing capacity building coaching for the Community Navigator and facilitates learning opportunities by the Technical Navigator with FBS and PGSD.
Developmental Evaluation	Consultant Miranda Cobb mirandacobbcreative@gmail.com	Documentation, processes to support ongoing reflection and learning, rapid feedback cycles for informed decision-making, case study and report writing.

Other industry professionals connected to the Architectural Firm that contributed additional time and expertise.

- Team of architects, technologists, a planning specialist
- Landscape architect
- Engineers (structural, mechanical and electrical)

FBS Redevelopment Committee

- Subcommittee of the FBS Board of Directors dedicated to overseeing the redevelopment plans.
- Meeting bi-weekly with the Principal Architect, Intern Architect/Planning Specialist, Project Lead, Backbone Coach and Facilitator, Community Navigator, Technical Navigator and Board members.
- This is where the Architectural Team brought design iterations for discussion and decision-making and the Technical Navigator provided updates on costing progress.
- Board members reported on discussions or decisions and any interactions with the community.

Oversight Committee

- Project management committee to bring oversight and accountability to achieve the deliverables of the project's four grants.
- Comprised of the Project Lead, Community Navigator, Technical Navigator, Principal Architect, Intern Architect/Planning Specialist, Backbone Coach and Facilitator, Developmental Evaluator, one member of the FBS Redevelopment Committee and two members of the PGSD Board.
- Meeting monthly (biweekly for the first month to support launch)
- See the Terms of Reference for more information ([Appendix I](#))

Community Navigator & Technical Navigator meetings

- Meeting weekly
- Often the Backbone Coach and Facilitator was involved to support work on the Feasibility Study

Other meetings and groupings as needed

- Depending on what was needed at each stage of the project different groupings of team members would meet in order to support the project's success in a variety of ways.
- There was a lot of thought partnership and working things through between the leads of FBS and PGSD supported by the Backbone Coach and Facilitator and often included the Principal Architect.
- There were meetings between the leads of FBS and PGSD as well as the Technical Navigator and occasionally the Principal Architect with decision makers of funding sources such as the Canada Mortgage and Housing Corporation (CMHC) and provincial funding sources.

Capacity Building

This section outlines (1) the capacity building elements that were built into this project as well as some that emerged along the way, (2) learnings about the working relationship between community organizations and industry professionals, (3) elements that contributed to success of the project, and (4) challenges that present risk when working towards a Class C Estimate for housing development.

CAPACITY BUILDING ELEMENTS

The ways that this project set out to build capacity and what that looked like:

Community Navigator

- In this case the Community Navigator was the lead for FBS.
- The design was for the Community and Technical Navigators to work in partnership to be part of the “bridge” with the Architects, the community and the FBS Board of Directors. In this way the Community Navigator acted as a translator with industry for the community interests. They also acted as a protector to make sure that the decisions that are made are imbued with the authentic community values.
- Another part of what this role offered was capacity building for the other FBS Board members. For example the Community Navigator would spend another 30 mins after Redevelopment Committee design meetings to walk the other Board Members through what was just talked about; to clarify any terms and concepts.

Technical Navigator

- In this case the Technical Navigator was a consultant from a project management and costing firm.
- The design was for the Community and Technical Navigators to work in partnership to be part of the “bridge” with the Architects, the community and the FBS Board of Directors. In this way the Technical Navigator acted as a translator to the community organization for the industry processes, steps and expertise needed for development that the group were unaware of or did not have experience with.
- In this case the Technical Navigator not only led the cost estimate process, but brought in other project management skills and worked with the Community Navigator to understand and fill gaps in the process. One key example is the development of the Feasibility Study, which the Technical Navigator coached the team through.

Coaching and thought partnership for the Community Navigator

- The Backbone Coach and Facilitator, as a certified leadership coach and nonprofit consultant, meeting weekly for 60 minutes with the Community Navigator to identify key topics they would like/need coaching including working with the coach to identify next priority steps for the Community Navigator to be working on.
- This offered a safe place to talk through aspects of the project and leave with some actionable next steps.
- This relationship and support had been ongoing from previous stages of the development process.

FBS Board of Directors capacity building

- This emerged as a capacity building need during the project. In response the Backbone Coach and Facilitator, with expertise in nonprofit governance provided a series of capacity building sessions with the FBS Board. One main focus was to determine what skillsets and expertise would be needed on the Board to successfully develop housing and a plan for recruitment.

Strengthening and clarifying the organizational relationships

- This emerged throughout the project as contracts were negotiated and relationships between the organizations had to be clarified and lines of accountability determined.
- The leads from each organization plus the Backbone Coach and Facilitator spent time together in extra meetings to determine how to move forward together as the partnership grew. Specifically the PGSD sponsored FBS in terms of holding grant money and accountability. Looking to the next steps in development, together the organizations need the capacity to hold and manage millions of dollars.

RELATIONSHIPS BETWEEN NONPROFITS & INDUSTRY PROFESSIONALS

One of the main areas of capacity building for all involved was the cross-sectoral relationships between the community organizations and the private sector industry professionals. At first glance it might be easy to imagine that a community-oriented group and a profit-driven group will clash. This experience brings out the nuances and insights illuminated and learned along the way.

From the perspective of community organizations thinking about which industry professionals would be a good fit and how to best work together:

“I couldn’t be more impressed by the people from the private sector involved in this project. It’s been refreshing, it’s been inspiring, it’s been rewarding. I’ve so appreciated their patience and commitment to the process.”

“It’s helpful that they have worked with community before and they have the patience to work with us and also being open to learn about the nonprofits.”

- 1. Alignment of values is most important:** Partner with firms that are connected to and attracted by the values of the project and the organizations. Alignment of intentions and purpose so that they are showing up in partnership rather than limited product delivery (e.g., hiring an architect to give some drawings vs. an architect who will engage with the project more fully). Difference between private sector support that is one-off pro-bono work and this type of longer-term investment.
- 2. Worked with nonprofits before:** Get to know what other kinds of work industry professionals have done. What is their understanding of working with the realities and context of the nonprofit sector, including scarcity of resources?
- 3. Willingness to go slow:** Ensure the potential partners are willing to go slow and have patience as you are learning. Willingness to take the time that’s needed to understand.
- 4. Nonprofits resource themselves with enough knowledge to be included:** There will always be an intense learning curve, however as the community organization you need to build your capacity and understanding to meet the professionals. For example, go through the information of the Navigation Project, a series of workshops designed to inform community organizations on the development process.

5. Willingness to learn in both directions: For the nonprofits to learn things about the development industry and for the private sector to learn about nonprofits and community processes. Sometimes the nonprofits need to teach the professionals about how to work in community and sometimes the industry needs to teach community how to engage.

6. Building relationships of respect and trust: Take the time to do this so that you can be open, honest and transparent with each other. For example, being willing and safe enough to say “I don’t know what you’re talking about” and on the other side to being open to explain the terminology or process.

7. Stay aware of the dynamics and tensions between sectors: For example, community organizations can be intimidated and therefore get defensive or aggressive. There can be a view of the private sector as only out for themselves. Consider what a community organization has to do to prepare to engage with the private sector (e.g., working through a conversation of ‘What do we think about working with the private sector?’).

From the perspective of industry professionals thinking about which community project would be a good fit and how to best work together:

“It’s a feel good project. A project that you like to be a part of and proud to be a part of.”

“It’s so rewarding to put effort into something that you see is meaningful and going to make a difference.”

“There has to be a passionate person that is really committed.”

- 1. Desire to be involved in community and make a positive impact in the world:** It feels good to be involved with organizations trying to do something for the betterment of the community and the world as a whole. If a firm is in a financial position to be able to take on community work, it’s nice to be involved in something like that. For example some attractive aspects of this project were (1) addressing a need for very vulnerable populations; (2) the project was in the same neighbourhood so it was local and close to home; (3) and therefore they can actually see the results and the project come to life down the street.
- 2. A reasonable chance of succeeding:** The project has to have a reasonable path to success, which means there are high value assets (in this case the community-owned property, but can be money or political will) combined with a group that is uber-committed and the ability to get grants and funding. There is an allure of a project actually coming to fruition, at least a 30% chance, it’s so rewarding

to put effort into something that you see is meaningful and going to make a difference.

3. Integrity and passion: An organization that has passion, a clear mission, a strong reputation built on integrity and can put in the effort and perseverance.

4. Sense of respect and appreciation for time: Respectful relationships including an awareness from the community organizations of the cost of time for the firms. If a firm is in a financial situation to give of their time and chooses to, it does not mean their time isn't still within the monetized structure of the private sector. Therefore working with teams who are organized and have good time management is important.

ELEMENTS OF SUCCESS

These are elements of the project that were named as contributing to success.

Discussions were had within the team involved in this Case Study project about what makes for a successful development project. The main theme that emerged time and time again was that it is far more than technically sound architectural designs (though these are necessary!). The success of a project comes down to the people, the quality of connections between those people, and the structures and systems that bind them together through the process.

“Belief that we can make something happen together.”

“Have to have a strong why: Why am I doing this?”

“This is a group of people who are putting their heart and souls into it.”

“The structure is so important. The structure allows for all the communication and good workings.”

Relationships of trust and respect

- Taking the time to build the relationship first as a foundation of trust. This project is built upon years of relationship building. Within the meetings there is time built in for more informal check-ins with the group to support people getting to know each other in an ongoing way.
- There is a view embedded in the team culture that everyone has something to offer from their unique life experience, knowledge base and diverse skill set.
- There is an ability to have difficult conversations and come to a decision. Multiple team members mentioned how important it is to be able to work through challenges together in such a long and complex process as development.

- One example given from this Case Study was that sometimes quick and impactful decisions need to be made and there was trust in the industry professionals on the team to make those decisions on behalf of the group and the collective values.

Effective structures and processes - Role clarity

- “Good parts that are being held together well” was a theme highlighted by team members. The success of this Case Study was connected to the strong set of structures (e.g., Oversight Committee) with clarified roles and purpose, that were held together well by the Backbone Coach and Facilitator.
- Also necessary are clear decision-making processes with clarity about who makes what decisions and where the accountability lies (see [Appendix II](#) for an example of a consensus-based decision-making model that was used during this project).

Values alignment

- The team is connected by similar values. In this case the values are about the community-based nature of the project. There is a shared understanding of the importance of going at the pace of the community organizations and bringing the community meaningfully alongside.
- For most people involved in this project there is a personal connection to the community. For example, the neighbourhood where someone grew up or currently lives or works.

Strong vision - Strong WHY

- The project has a clear and strong vision: for example a vision of affordable housing for the community to live with community space.

Quality Team - Networks

- Quality people involved. For team members this meant a variety of things such as: having a diversity of skill sets; being very committed champions and sponsors; as well as being connected to diverse networks where resources can be sought out or leveraged.
- A unique and important characteristic is having systems navigators on the team who are able to move between sectors; to weave through the system; to see beyond the barriers and work towards solutions.

Partnerships

- Building partnerships that benefit the growth of the project, for example making strategic connections with funders, politicians, and all levels of government.
- Promising partnerships bolster a project, feed into its feasibility, make it more inviting and create energy.

Stamina - Dedication - Keep showing up

- It's a longhaul process. A key factor of success is a team that shows up consistently, especially with time-sensitive aspects that crop up along the way.

Continuous communication

- Ongoing communication amongst the groups, such as through regular facilitated meetings, to ensure that everybody knows what's going on. Also important is that everyone feels comfortable to reach out to each other to ask questions. For example, it was stated as important in this case that nonprofit staff felt comfortable contacting the industry professionals.

Learning and evaluation

- Embracing the learning curve and doing a lot of research was mentioned as a key factor of success for the nonprofit teams involved.
- Creating a culture of learning and evaluation that supports course-correction in an ongoing way strengthened the team and the processes leading to more successful outcomes.
- Creating systems and processes for documentation that support report writing and proposal writing.

Flexibility and adaptability

- Embrace flexibility and adaptability within the project: for example, the group can start off with one idea and put a lot of time/resources into it and then it suddenly changes based on a promising new partnership or funding stream. There was a practice of non-attachment that helped the group move into partnership possibilities to explore them fully and then release them if they were not aligned.

Connection to community

- For this group, there is a strong value of creating housing for and by the community. Therefore a factor of success is to always involve and speak to the people that the project is for, and for the community/community organization to maintain 51% control of the project.

Funding

- Last, but certainly not least is the ability to bring in the necessary capacity for the project to be developed. Some actions the team took to ensure this success were ongoing communication with current funders and building relationships with the next phase funders. Holding the view that any funder is an important partner in the process.

CHALLENGES & RISK AREAS

These are aspects of the project that were named as challenges or risk areas to mitigate.

“Part of the risk of community being involved with private sector is that you can lose control because you don't have as much expertise or money.”

“Keeping the [nonprofit] Boards connected to the work... keeping them along the journey, the learning and the magnitude of it.”

“We put budgets together and there's always a financial risk of inflation... if funding doesn't come through until a year and a half later it could make some issues.”

Funding - Money

- Lack of access to funding or grant money:
 - For the pre-planning process, there is a gap in support for nonprofits wanting to lead affordable housing developments.
 - For the development itself, each grant has different stipulations and some would require a full redesign of the plans.
 - This project was completed because of significant contributions of time over contracted amounts, detailed in Part 2.
- There is a risk of running out of money part way into the process.
- There is a risk of needing to partner with a developer to complete the build, who may not be aligned in values and vision.

Maintaining control

- There is a risk to the community organizations and the community of losing control of the project. In this case, FBS has stated that they will not do the project if there isn't 51% control. This incurs the risk of missed opportunities for the build which would result in giving up more than 51% control.

Nonprofit capacity

- There is very limited knowledge, expertise, capacity and resources for housing development within the nonprofit and voluntary sector organizations involved, including the Board of Directors.
- A large risk area is the capacity of the Board, including their ability to keep up with the learning journey and the magnitude of a housing development project.
- Capacity to hold and manage a multi-million dollar, multi-year project.

Creating a feasible financial model for running/maintaining the building

- One main risk in designing an affordable housing development based on a strong vision is not prioritizing (or including due to capacity and knowledge limitations) a strong business model. For example, the designs for this project were driven by a strong vision for affordable housing and community space, however they were not as driven by a business case, i.e., What is the estimated income for the number of units planned? What are the estimates for maintaining the building? Are the realities of successfully running a building being baked into the design and planning?

Project delays

- Project delays waiting for funding: Funding flow. Might not get funding right away in the first year. Might then lose some of the people/organizations/firms involved and have a whole new group around the table.
- Project delays impacting budgets: Cost estimates and budgets are created and there's always a financial risk of inflation over time, if funding doesn't come through until a year and a half later.
- Project delays impacting schedule: Construction companies can pick and choose which projects they work on in the current market. Construction costs can increase if there is a tight schedule to maintain or an unknown schedule that brings into question when trades would start work on site.

Unique to this project - Community consent

Because FBS is a community owned property, decisions about what happens with the development need approval by a certain number of community members. This needs thoughtful and careful steps and actions and can pose various risks and challenges. For example, going so far down a path of design and partnership and funding to be met with road blocks by the community

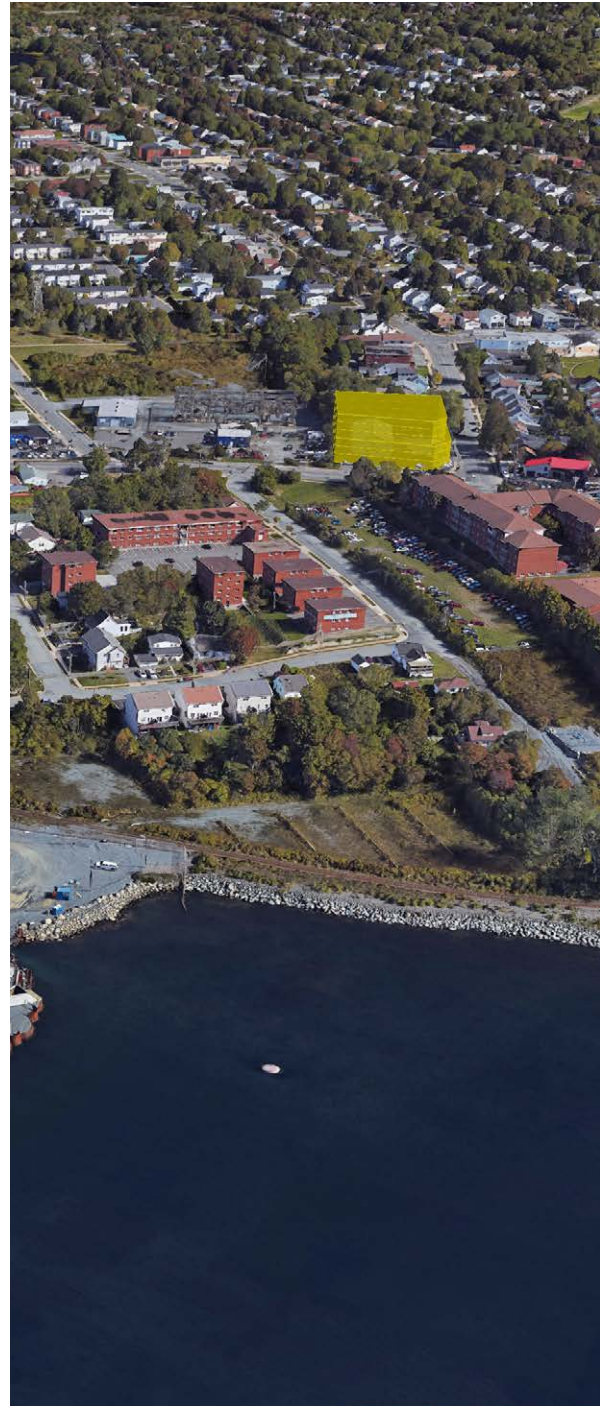
CASE STUDY PART 2

PRE PLANNING & DEVELOPMENT

Introduction

This is the second part of the Case Study sharing the journey of an affordable housing development project spearheaded by two community organizations and a community-minded architect. Part 2 focuses on the pre planning and development elements, or compiling the information needed to develop a Class C Estimate.

DISCLAIMER: The authors of this Case Study, community nonprofits, are not technical experts in housing or building development. It is possible that some of the descriptions of the more technical aspects are not correct in part, so please consult more sources.



Developing a Class C Estimate

DESIGN & CONSTRUCTION PROJECT PROCESS SEQUENCE

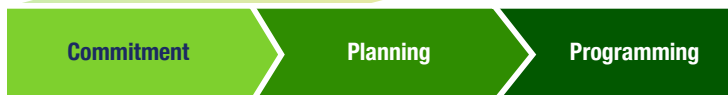
Starting with the big picture, below is a graphic representing the journey of housing development from the idea to people moving in or occupancy. For the development of the Class C Estimate the team iterated within the Planning and Designing stages, culminating in the Schematic Design phase with schematic architectural drawings and early cost estimates. What the group learned in the process is that the journey of development is iterative, involving loops of moving forward a bit, and then back again. One step forward, two steps back or three steps forward, one step back, depending. For example, when working on the architectural designs there may be deeper questions about different use spaces. So the team may go back to the earlier Programming conversation a few times to explore and more clearly define different options of the uses - how much is residential? Commercial? Community space? Other?

In this project the group decided to work with a few different scenarios of schematic designs that could open up possibilities for different partnerships and funding. This demonstrated to the group the fluidity of the process up to the point of construction.

Idea



Planning



Designing



Building



Occupying

To learn more about the stages of development and the sequence above, refer to the workshops and resources from the [Affordable Development Navigator Project](#) and [Phases of the Design Project](#) through [The Canadian Handbook of Practice for Architects](#).

WHAT IS A CLASS C ESTIMATE?

So what is a Class C Estimate and why is it important?

We learned there are a series of ‘classes’ that are about increasing the level of detail as you progress through the development planning process:

Preliminary design stage	Refining detail
1st step: Class D Estimate	3rd step: Class B Estimate
2nd step: Class C Estimate	4th step: Class A Estimate

Why is a Class C Estimate important? Why was it the milestone and main goal of this project? In this case, the level of detail in a **Class C Estimate is what was needed to approach funders for affordable housing.** This included detailed architectural plans and costing of the building (including, for example, a detailed accounting of all the building materials). This Class C Estimate is a demonstration of feasibility, and not in fact what the final design will be.

In this Case Study the development project moved through the Class D Estimate phase into the completion of a Class C Estimate. The level of detail in a Class C Estimate is what is needed to approach funders for affordable housing. This included schematic architectural plans and costing of the building (including, for example, a general accounting of all the building materials). As outlined in ‘The Technical Definitions’ below, by the time the project reaches a Class A Estimate, there is a final design with detailed construction drawings and the cost is expected to be within 5% - 10% of the actual contract awarded.

The design represented in a Class C Estimate, based on the experience of this Case Study, can change as it moves into the Class B refinement based on a number of factors. In this case, the funders and funding sources each have stipulations like the percentage of the building dedicated to affordable residential units. Another factor is partnership, as each partner will come with different visions and needs. Therefore at the end of the Class C Estimate phase, the project from this Case Study looked like a core design and vision with a number of possible scenarios for design with a range of residential units, commercial or other use spaces able to swap in and out.

ESTIMATES AS PARTY PLANNING

This analogy likens the estimate sequence to the steps needed to create a great party.

Class D Estimate

What kind of party will it be... A dinner party, a barbeque or a wedding?

Roughly how many people might attend? 10? 50? 100?

What are some costs from similar parties that were done recently in our area?

Class C Estimate

What food will we serve? Will it be stand up or sit down? Will we have entertainment? What time will it be? Where will it be? How many invitations are we sending out?

Class B Estimate

What will the ingredients be for the food? Where will we buy the food? What will the table settings include? How many hours will the entertainers perform? What are we spending on decorations? How many people have RSVPd?

Class A Estimate

We have the recipe for the food. We know the price of each ingredient. We know the cost of the table settings and decorations. We have finalized the guest list and it is exactly X people.

THE TECHNICAL DEFINITIONS

“Class ‘D’ (Indicative) Estimate: to be in unit cost analysis format (such as cost per m² or other measurement unit) based upon a comprehensive list of project requirements (i.e. scope) and assumptions; the Class D estimate is evolved throughout the phases of the project identification stage, finally being incorporated into the cash flows in the Analysis Phase; for more complex projects such as laboratories, elemental cost analysis and the input of specific disciplines may be required; the Class D Indicative estimates developed during the National Project Management System (NPMS) Feasibility Phase shall be revisited with cost planners in the Analysis Phase before finalizing.

Class ‘C’ Estimate: to be in elemental cost analysis format latest edition issued by the Canadian Institute of Quantity Surveyors and based on a comprehensive list of requirements and assumptions, including a full description of the preferred schematic design option, construction/design experience, and market conditions; Class C estimates are developed during the NPMS Design Phase

Class ‘B’ (Substantive) Estimate: to be in elemental cost analysis format latest edition issued by the Canadian Institute of Quantity Surveyors and based on design development drawings and outline specifications, which include the design of all major systems and subsystems, as well as the results of all site/installation investigations; Class B estimates are developed during the NPMS Design Phase;

Class ‘A’ (Pre-Tender) Estimate: to be in both elemental cost analysis format as well as trade divisional format latest edition issued by the Canadian Institute of Quantity Surveyors and based on completed construction drawings and specifications prepared prior to calling competitive tenders. The Class ‘A’ Estimate is generally expected to be within 5% to 10% of the actual contract award price for new construction. Tendering risks should be included in the project risk plan and costed accordingly. The accuracy of Class ‘A’ estimates can be influenced by many factors, including complexity of project, volatile market, remote locations, tight schedules, and unclear contract documents; Class ‘A’ estimates are prepared during the NPMS Implementation Phase and can be a more accurate Substantive Estimate, depending on the complexity of the project;”

SOURCE: [Public Services and Procurement Canada - Cost Estimate Definitions - Jan 2024](#)

WHAT ELEMENTS ARE NEEDED TO SUCCESSFULLY REACH A CLASS C ESTIMATE (& BUILD THE CONDITIONS TO PROGRESS TO THE NEXT STAGES)?

Discussions were had within the team involved in this Case Study project about what makes for a successful development project at this stage of design, keeping in mind setting up for the next phases towards a completed project. The main theme that emerged time and time again was that it is far more than a set of technically sound architectural designs. Many of the elements of success for this project are explored in Part 1 on Capacity Building (e.g., relationships of trust, shared values and supportive structures). Here we explore some of the more pragmatic elements that are needed.

- (1) **Architect(s)** that can navigate their way through your needs and wants and get the designs on paper. Lead design meetings and get plans together that are of sufficient quality that a Class C estimate can be done.
- (2) **Costing estimates** with quantities and cost data.
- (3) **Project management** to help guide the overall process with experience and expertise in development. To keep things moving and support the whole picture.
- (4) **Feasibility Study:** A detailed analysis that considers all of the critical aspects of a proposed project in order to determine the likelihood of it succeeding. In this case a feasibility study is needed to confirm all the needed sources of revenues and all expenses for construction of the project as well as an evidence based and detailed operating plan, for at least 5 years to understand if the operating management model is viable and sustainable.
- (5) **Dedicated and engaged nonprofits/project team:** Engagement from project owner on design vision and direction.
- (6) **Fundraising champion:** Someone dedicated to the fundraising. For example, someone who will track funding opportunities, complete and submit funding applications, and spearhead relationship building with funders.
- (7) **Resource management and oversight:** Someone to manage the resource flow, do the monthly projections, manage the bank account, and pay the invoices.

EXAMPLE OF EXPERTISE & RESOURCES REQUIRED FOR A CLASS C ESTIMATE

The following provides an example from this Case Study of the professional industry roles and services that were required for a Class C Estimate. This project reflected on the strength of the team and firms involved that not only offered significant in-kind services, but drew on their networks to leverage further expertise.

Firm type/area of expertise	Payment (rounded)	Estimated additional contributions of time
Architectural Firm & associates Including staff time and expertise such as: <ul style="list-style-type: none"> • Principal Architect • Planning Specialist • 2 * Senior Architect • 3 * Intern Architect • Senior Technologist • Intermediate Technologist • Junior Staff • Senior Engineer - Mechanical • Senior Engineer - Structural • Senior Engineer - Electrical • Landscape Architect 	<ul style="list-style-type: none"> • \$50,000 	<ul style="list-style-type: none"> • \$450,000
Cost-estimation and project management firm	<ul style="list-style-type: none"> • \$15,000 	<ul style="list-style-type: none"> • \$20,000

EXAMPLE OF DESIGN TOPICS & DECISIONS NEEDED FOR A CLASS C ESTIMATE

The following is the actual progression of topics and discussion items brought by the Architectural Firm to The Farrell Benevolent Society Redevelopment Committee over 10 months. This is shared to give some concrete understanding of aspects to the development of a Class C Estimate and the types of decisions an organization must make on the road to development. It demonstrates the iterative nature of the design process.

MEETING 1

- **Site Constraints**
 - What desires and restrictions exist on the property?
 - Bylaws, program areas, access
- **Initial Massing**
 - What building shape satisfies these dreams and limits?
 - Sunlight: how does the sun interact with the property
 - Small or large building option: what would it look like to build the biggest building allowed vs. smaller options
- **Program Massing**
 - How do we fill the building shape?
 - How much is commercial and how much residential & circulation

MEETING 2

- **Desire Lines**
 - How do folks want to interact with the site and building?
 - Engaging public space & clear building entries
- **Articulation**
 - How does the building engage folks passing by?
 - Variation in street wall, and looking at local examples in Halifax and Dartmouth
- **Residential Units**
 - What do these areas mean?
 - Sample residential layouts from other developments in the area

MEETING 3

- **Topography**
 - How to place the building on the sloped site?
 - Split ground floor to allow access from parking lot and Windmill Road
- **Design Update**
 - What's new?
 - Lift street wall, increase front yard, double height lobby
- **Rooftop**
 - How do we want to use this space?
 - Impact on sun of mechanical space placement, potential uses

MEETING 4

- **Design Update**
 - What's new?
 - Reduce floor count, separate public and residential, bump out Farrell Hall

MEETING 5

- **Design Update**
 - What's new?
 - Consolidate elevators, move FBS Admin to Farrell Hall, increase residential unit count

MEETING 6

- **Design Update**
 - What's new?
 - Add underground parking ramp
- **Adding Detail**
 - What will it look like? What will it cost?
 - Increase level of detail, heavy podium with light setback that fades into sky
- **Residential Layouts**
 - How will folks live here?
 - Studio vs 1-bed

MEETING 7

- **Realign Core**
 - Should the core face Windmill Road or Albro Lake Road ?
 - Awkward spaces are created by the angles of facing Windmill Road vs. efficiencies of facing Albro Lake giving right angles for rooms and spaces
- **Residential Layouts**
 - How will folks live here?
 - Standard kitchen and bathroom, jogging hallway walls to make alcoves, jogging unit walls to create non-rectangular units that break up sight lines

MEETING 8

- **Landscape Plan**
 - Update on draft plan
- **Mechanical Engineering Review**
 - How much space does the mechanical system require?
 - Added vertical shafts for distribution, determined penthouse size (bylaw) and location (structure)
 - Impact of distribution pipes on floor heights, necessitating change in front entry location and elevation after exploring options
- **Structural Engineering Review**
 - Where do we set the grid?
 - Threading structure into a massing that had been optimized for residential access to light, fitting within the zoning envelope
 - Ability to have two parking spaces between columns, and wider circulation, led to massing being iterated

MEETING 9

- **Updated Plans**
 - Higher level of detail
 - Plans have been moved from massing and program diagrams into BIM software, proving real wall thicknesses, door dimensions, windows, etc.
- **Façade Studies**
 - What could the building look like?
 - Exploring options for the façade – colours available in non-combustible façade materials, patterning, breaking up into bylaw-compliant sections, how colourful can we make it?

KEY LESSONS LEARNED IN DEVELOPING THE CLASS C ESTIMATE

These are the top lessons learned through this project's journey of developing a Class C Estimate:

1. Financial feasibility outlined & explored earlier in the process and in conjunction with the building design

“Having the understanding of revenue vs. expenses: understand how much it will take to build vs. how much it will cost to run. Having a dollar and cents operational plan can help to inform the design of it. For example: A developer would approach it like ‘We need x units to make this work.’”

A top learning and risk area named in this Case Study project was not having a pro forma at the very outset that lays out: (1) the funding sources for the capital construction and (2) the revenue streams after the construction. A comparison to developers was made in that in the private sector they start with a vision and right next to that is the dollars and cents that make it feasible; a feasibility study that would start the process.

In this Case Study it was noted that operational costing is a very tight area of expertise that can be difficult to bring onto a team outside of the private sector developers. It's something that needs a certain level of expertise and experience to create success. For example that would look like having the expertise of: “You need at least 45 residential units at x payment rate” to create a financially functioning building.

Pro forma, Latin for “as a matter of form” or “for the sake of form”, is a method of calculating financial results using certain projections or presumptions.

Pro forma financial statements are projections of future expenses and revenues.

- Investopedia

2. Funding champion & capital campaign group

“Assign someone that can be dedicated to funding sources to keep the project moving from a financial standpoint.”

Another top learning and risk area named in this Case Study project was the need for stronger fundraising power in terms of a dedicated team member who is a champion for funding. For example, someone who is keeping track of all funding sources as they evolve and working in an ongoing way to cultivate various applications, such as those within CMHC, or government levels (Municipal, Provincial, or Federal). Funding applications require a lot of heavy lifting in terms of the information needed and time required to properly fill them out. Part of the advice here was to have more conversations sooner in the process about where the money for development is going to come from.

Another suggestion was the need for a capital campaign group, who is separate from the project team, including people with power and influence or a ‘heavy hitters league’ who can be opportunistic when it comes to drawing in funding.

3. Communications strategy

“Coordinating the message... shows we're all on the same page and figuring out who and when.”

Very connected to the funding champion conversation above is a suggestion for a communications plan and strategy to get clear on the messaging and ensure all members of the project team are giving the same messages. For example, in conversations with a senior government official about funding. In this Case Study it was shared that the team is a fairly tight-knit group where messaging is low risk, however as the project continues to grow there is a goal of creating a strong foundation for the next phase of the project.

APPENDIX I

Oversight Committee Terms of Reference

OVERSIGHT COMMITTEE FOR THE NOVA SCOTIA HOUSING GROWTH FUND PROJECT (NS HGFP)

1. Background

The Public Good Society of Dartmouth (PGSD), a registered charity and nonprofit organization that has been active for over 16 years, successfully applied for funding from the Housing Transformation Centre to develop and deliver a capacity building project that focused on designing and hosting Affordable Housing Development Navigation Workshops for nonprofit organizations in Dartmouth North. The project has wrapped up, having achieved (and exceeded from our perspectives) the stated goals. One of the participating non profit organizations was the Farrell Benevolent Society (FBS), who was also actively engaged in the Between the Bridges Social Innovation Lab on Housing (2018-2020) which was the catalyst for the recent Navigation Workshops. The FBS is primarily a voluntary organization that has served the community for over 60 years, with part-time staff currently funded by revenues that are generated from Bingo, which was recently started again after over 2 years of not operating due to public health policies.

The FBS owns prime land in Dartmouth North, located at 276 Wyse Rd. The FBS Board of Directors have worked tirelessly over the past two years to engage with the community, to now have an approved motion to proceed with redeveloping this property for “public good”. One of the foundations of what “public good” means in this context is increasing affordable housing units as an integrated element of this redevelopment.

There now exists an unprecedented opportunity to carry forward the learnings, network building and capacity developed to date from the recent Navigation Workshops to a next phase to actually re-purposing land, at a pivotal location, that is owned by a well respected and mission driven non profit organization and build new units.

The Board of Directors of the Public Good Society and the Farrell Benevolent Society worked together to develop a collaborative approach to access additional funding and subsequently signed a Letter of Shared Understanding.

In January 2023, the PGSD was notified of the successful approval of 4 applications to the Nova Scotia Community Housing Growth Fund, each one contributing to the overall goal of supporting the FBS in moving forward in the redevelopment of the Wyse Rd. property. The applications are summarized as follows:

Pre Planning and Development	\$50,000
Research & Innovation (Developmental Evaluation)	\$10,000
Capacity Building	\$50,000
Research & Innovation for Pre Planning & Development	\$10,000

Due to the complex nature of the overall project, including the unique nature of the collaborative relationships between two non profits that are primarily voluntary, as well as the positioning of the project as a “Case Study” for learning along the way, an Oversight Committee will be formed as further outlined.

2. Group Name

This group is called the Oversight Committee for the Nova Scotia Housing Growth Fund Project (NS-HGF)

3. Type

This committee is an Ad Hoc committee of the Public Good Society of Dartmouth Board of Directors and is comprised of both volunteers and paid personnel (staff and consultants).

4. Purpose

The primary purpose of this committee is to provide oversight and monitoring of this project in its entirety as well as each of the 4 approved projects contained within.

5. Roles & Authority

The Oversight Committee will be responsible for the following:

- a. To review and ratify each of the paid positions for this project, including start and end date of contract, key roles and responsibilities and total amount of contract.
- b. To monitor progress in accordance with the approved deliverables of the project, and provide guidance, advice and as needed direction to the paid personnel for the project.
- c. To identify and respond to topics, as they arise, requiring intentional conversation/action/decision making of both PGS and FBS.
- d. To comply in a timely manner, with all reporting requirements of the funder and respond.
- e. To receive and disburse funds according to the contract parameters, including keeping accurate financial records of the project funding.
- f. To liaison with community partners as needed.
- g. Other duties that emerge.

6. Liaison to the Public Good Society

As an ad hoc committee of the PGS Board of Directors, the Oversight Committee Chair will provide a monthly progress report of the Oversight Committee to the PGS Board of Directors.

This ratified report will then be provided to the FBS Board of Directors as an information item.

7. Membership

A minimum of 6 and maximum of 9 members to be recruited by the Chair of this Project. The term to be for the 12 months duration of the project currently funded. The Membership of the Oversight Committee includes:

- a. A minimum of 3 representatives (minimum 1 Board member) from the Public Good Society
- b. A minimum of 2 representatives (minimum 1 Board member) from the Farrell Benevolent Society
- c. All paid personnel (staff and consultants) engaged in this project.
- d. Other members as the Oversight Committee feels might be needed as the project evolves.

8. Meeting Arrangements

The following structure will be initiated and adapted along the way as needed:

- a. Initially meeting virtually biweekly for the first 3 months, and then a minimum of monthly for the balance of the project. Dates and times to be scheduled to accommodate as many of the Committee members as possible.

9. Decision Making

- a. The Board of Directors of the Public Good Society has delegated to the Oversight Committee all decisions that adheres to the principles/objectives of the Nova Scotia Affordable Housing Growth Fund project funding agreements including financials.
- b. The Oversight Committee will use consensus decision making process for making recommendations to move the project forward, as needed. Also, will elevate critical decisions about the fulfillment of the grant to the appropriate organizations based on the decisions that are needing to be made.

APPENDIX II

Consensus Decision Making Model

Before the decision making process begins, members shall consider the number and diversity of people in the room. If the group decides there are not enough people, or key perspectives are missing, the decision may be made on a tentative basis or postponed.

STEP 1: IDENTIFY THE DECISION BEING MADE (BE BRIEF AND CLEAR)

- If there are only two options (yes or no / choice A or choice B), the group can move directly to Step 2.
- If there are more than two options to consider, group members discuss the various options until they are ready to put one particular option on the table for consideration.

STEP 2: DISCUSS AND DECIDE

The decision being considered is discussed and negotiated until everyone understands what is being considered and has had the opportunity to be heard. If a group member is not at the meeting but has provided written input, it may be read aloud at this time.

When the group is ready to make a decision, each member is asked how they feel about the proposed decision by selecting one of the following responses:

- 1** - Absolutely “yes”, this is the best decision.
- 2** - It’s a good choice which I find acceptable.
- 3** - I’m not enthusiastic about it, but I can live with it.
- 4 (no)** - I do not agree with the decision, and I feel we should explore other options.

If all the responses from members are **1, 2, or 3**, you have a consensus and a decision has been made. If one or more group members responds with a **4 (no)**, consensus has not been reached and the group moves on to Step 3.

STEP 3: NEGOTIATE, CONSIDER ANOTHER OPTION, OR POSTPONE DECISION

If consensus has not been reached, the group may:

Choose to focus on the concerns of the people who responded with No to see if there is a way to lessen or eliminate their concerns.

If they do, and if it appears those concerns have been addressed, the group may choose to try to achieve consensus again. If not, the group may:

- Go back to Step 1 to identify a different option to put on the table for consideration; or
- Postpone the decision to the next meeting.