



CO-OPERATIVE HOUSING DEVELOPMENT PROGRAM

**Case Study: Queens Neighbourhood
Co-operative Housing Ltd.**



Acknowledgments

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- CHF Canada staff

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<https://qnch.ca/>

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- Government of Nova Scotia
- Region of Queens Municipality
- Federation of Canadian Municipalities
- Efficiency Nova Scotia



Organization profile

Queens Neighbourhood Co-operative Housing Ltd. (QNCH) was established in February 2023 through the volunteer-led Queens Care Society (QCS), a Region of Queens Municipality, Nova Scotia non-profit.

Queens Care Society (QCS) was established in 2015 with a mandate to improve the lives of the elderly population living in the community. QCS works with the community to assess the priority needs of older adults, identify potential solutions, and advocate for system change or the development of new services or programs. QCS's 2021/22 Action Plan prioritized affordable housing. It developed a new housing committee, which has since transformed into a new non-profit housing co-operative, Queens Neighbourhood Co-operative Housing Ltd, by creating a robust governance structure and committees.

Summary: new co-op development project

Thirty new co-operative housing units will be located on Lawrence Street in the town of Liverpool in the Region of Queens Municipality, Nova Scotia. The development will consist of three two-storey buildings containing a mix of homes: 20 one-bedrooms, eight two-bedrooms, and two three-bedrooms.

All homes and communal areas are universally designed and two homes will be barrier-free. All homes will exceed the minimum CMHC accessibility and efficiency requirements, with at least a 100% reduction in energy consumption and greenhouse gas emissions. The project was designed using passive house design principles to be highly energy efficient and net zero with solar photovoltaic panels. The new co-op is expected to be completed in the Summer of 2026.

Mission

We believe that every resident of Queens County has the right to good quality, safe, and affordable housing – a place to call home.

We are working to bring mixed-income, affordable, accessible housing to Queens County with a spotlight on seniors.

We will strive to transform communities and improve the lives of residents, providing homes where they can live as independently as possible.

Vision

QNHC envisions a unified multi-neighbourhood co-operative housing model approach, which would see the development of multiple housing developments through different neighbourhoods in Queens County.



Funding overview

Amount	Year	Fund	Funder	Purpose of funding	Type of funding
\$25,000	2023	Community Housing Growth Fund	Government of Nova Scotia	Capacity building	Contribution
\$50,000	2023	Community Housing Growth Fund	Government of Nova Scotia	Planning and pre-development	Contribution
\$175,000	2023	Green Municipal Fund — Sustainable Affordable Housing stream	Federation of Canadian	Planning and pre-development	Contribution
\$203,200	2023	Non-designated fund	Region of Queens Municipality	Planning and pre-development	Contribution
\$343,034	2024	Sustainable Communities Challenge Fund	Government of Nova Scotia	Development and construction	Contribution
\$400,000	2025	Affordable Rental Construction Pilot	Efficiency Nova Scotia	Energy Efficiency	Rebate Contribution
\$4,950,000	2025	Department of Growth and Development — Affordable Housing Development Program	Government of Nova Scotia	Development and construction	Contribution
\$4,330,000	2025	Co-operative Housing Development Program	Government of Canada	Development and construction	Forgivable loan
\$2,632,258	2025	Co-operative Housing Development Program	Government of Canada	Development and construction	Repayable loan

Overcoming challenges

Getting to Class B

Capacity building and pre-development are essential parts of a project's viability. During the beginning stages, board members and volunteers found the amount of funds needed for pre-development to get to Class B costing daunting. QNCH's housing consultants sourced multiple funding sources to ensure the design process could be completed and that associated costs were not carried into capital submissions. QNCH and the design team took a focused approach, deciding not to get Class B costing until they had substantially prepared their design documents close to those needed for tender, to ensure that there would be limited design and costing changes from Class B costing to construction. Despite this cautious approach, they had to go for a second round of Class B costing after the design team added the fourplex to meet the 30-unit CHDP requirement.

Municipal, provincial, and federal alignment

Despite receiving funding from four diverse sources, there was uncertainty initially about the ability to stack funds from different levels of government. Aligning funding at times was a challenge due to the differing definitions of affordability between CMHC and the Nova Scotia Department of Growth and Development. Additionally, capital and operational costs are grouped differently in almost all funder's proformas, which requires extra work and time for the project team. Consistency in definitions and proforma categories could have streamlined the funding application process.

Project size

The project team had an already established a design plan and completed Class B costing for the 26-unit development before the launch of CHDP. The number of 26 units was determined based on the usable land size, proximity to

neighbours and ensuring the number of units could align with a water mitigation plan. However, the CHDP eligibility criteria meant that development in a region the size of Queens would have to be at least 30 units.

The design team quickly adapted their application to add a fourplex to the existing site. While they were back in the design phase, the team was able to make additional energy efficiency add ons: HVAC shutoffs and energy monitoring systems for each unit. The team then re-submitted the development application to the Region of Queens Municipality for approval. The addition of the fourplex to meet CHDP requirements created challenges in meeting parking requirements. The addition of the fourplex also slightly impacted the size of the outdoor community space. With the updated design, QNCH had to get an updated Class B costing.

Affordability requirements

All CHDP projects must be affordable for 20 years at or below an average of 110% of post-2000 Median Market Rent (MMR). The project team realized that there was no post-2000 MMR data for Queens County to reference when determining their housing charges for each unit. To fulfill the criteria, the project team worked with their CMHC representative and underwriters to determine the MMR to be used. MMR data from other small centres and rural communities was averaged to determine the MMR for the Region of Queens Municipality. While an agreement was eventually reached with CMHC, identifying MMR data from other communities to determine the MMR for Region of Queens Municipality was an additional step that required additional time.

Limited labour and contractor pool

The location of the project in a small, rural region limited QNCH in the number of contractors and trades that responded to their tender. It is a very tight industry for development related services, trades and general contractors. Due to



the location, limited pool of services and labour, and high construction costs, bids were coming in above tender. These increased costs required additional time to update the pro forma and engagement with CMHC to finalize the loan agreement.

Success factors

1. Governance structure, co-op model established before CHDP application

QNCH was born out of the Queens Care Society (QCS), a non-profit active in the community since 2015. The co-op's board includes 3 of the founding members of the QCS. Decisions are made by the six board directors and six volunteers. Five committees meet regularly (board, design, construction, stakeholder engagement, finance and fundraising). Consultants are also active participants in these committees, which allowed them to make timely decisions with the board's and

members' support and streamline community engagement processes.

2. Mission and vision driven

QNCH was born out of a mission-driven organization with a vision for improving the lives of the senior population through greater accessibility, affordability and sustainability. Having a specific vision and target population allowed the team to remain focused. Also, it allowed the group to access more funding opportunities (e.g., efficiency-related funding). The particular focus on seniors also aligned with CHDP's priority groups.

3. Evidence of community need

Coupled with a specific mission and vision for serving seniors, QNCH further demonstrated the need for affordable housing for seniors using census data and CMHC affordable housing data. Over 40% of the population in the Region of Queen's Municipality is over 60. Over half of the people on the waitlist for affordable housing are seniors.

4. Existing partnership with CHF Canada, local government and provincial government

The Queens Care Society began engaging with the regional municipality, province and CHF Canada a year before the formal incorporation of the co-op. Building relationships at the onset allowed them to develop and maintain support throughout the overall application process, including accessing funding from other sources. These established relationships helped them as they urgently updated their project design to meet eligibility criteria.

The Queens Care Society engaged with CHF Canada a year before the formal incorporation

of their co-op. CHF Canada provided initial guidance to the group, including information on becoming a member of regional/national federations, providing advice on the groups early planning processes, and fielding the co-op's questions.

CHF Canada assisted in the incorporation and in their strategic planning to solidify their growth goals. CHF Canada staff assisted in the review of the CHDP application prior to submission to CMHC.

5. Land

QNCH secured land from the municipality well before CHDP was launched, allowing them to



get re-zoning approved and begin development design shortly after.

The geotechnical report confirms the site's high quality and alignment with QNCH's development proposal. With bedrock at 1.5 to 2 metres deep, the design development excluded basements to reduce capital costs and enhance early affordability.

6. Funding from multiple sources

QNCH applied for and secured funding from the Region of Queens Municipality, multiple sources through the Government of Nova Scotia (Community Housing Growth Fund-CHTC and Sustainable Communities Challenge Fund), the Federation of Canadian Municipalities, and a local foundation before applying for CHDP.

Having existing financing for various activities (capacity building, pre-development, planning, construction) reduced the reliance on CHDP and thus made the application more viable.

7. Mortgage security

QNCH's ability to obtain a freehold piece of land from the municipality for a nominal cost of one dollar, combined with the strategic limitation of mortgage lending to only half of the total capital stack, allowed the organization to effectively leverage the land's value as security for the mortgage loan as a newly formed entity. This approach reduced financial risk while enhancing lender confidence by ensuring that a substantial portion of the capital structure was secured through other funding sources.



Key milestones

2021

- **February 2021:** Queens Care Society-Housing Committee formed

2022

- **February – May 2022:** Initial engagements with elected officials, public office holders at municipal, provincial and federal levels of government, engagement with CHF Canada

2023

- **February 2023:** Queens Neighbourhood Co-operative Housing Ltd incorporated
- **March – April 2023:** Pre-development funding secured from Community Housing Transformation Centre – Nova Scotia Community Housing Growth Fund and the Region of Queens Municipality.
- **May 2023:** Preliminary design begins with design team Passive Design Solutions.
- **September 2023:** Land purchase, transfer and re-zoning from Regional Municipality to QNCH.
- **November 2023:** Initial site clearing completed to start Geotech and civil work, and detailed project design is underway.
- **December 2023:** Request for Information goes out to general contractors.

2024

- **January 2024:** QNCH receives funding Study-New Construction Sustainable Affordable Housing from the Federation of Canadian Municipalities Green Municipal Fund.
- **April 2024:** Full project design and costing are completed on the initial plan of 26 units.
- **April – June 2024:** QNCH working on capital submission CMHC Affordable Housing Program.
- **June 2024:** Development and building permits submitted to the Region of Queens Municipality.
- **July 2024:** The Co-operative Housing Development Program (CHDP) is launched. The current project of 26 units will not meet the eligibility requirements for CHDP. The design team adds a fourplex of one-bedroom units to meet eligibility requirements for CHDP.
- **July/August 2024:** Site plan and building permit approvals on revised plan approved.
- **July 2024:** QNCH is approved for funding the Nova Scotia Sustainable Communities Challenge Fund to support energy improvement upgrades in the project.
- **September 2024:** Application submitted to CMHC for CHDP.
- **November 2024:** Conditional approval from CMHC for CHDP funding.
- **December 2024:** Fixed price construction tender issued.

2025

- **January 2025:** Received Conditional Funding Approval from Nova Scotia Department of Growth and Development
- **February 2025:** Tender closes
- **March 2025:** Tender comes in above Class B for a variety of current market factors, tender negotiations and renegotiation of CMHC-CHDP forgivable and repayable loan amounts.
- **March – April 2025:** Expected loan approval from CMHC for CHDP funding
- **July 2025:** Construction begins; estimated completion November 2026