

Business Plan

2020-2022

Lacombe Foundation



EXECUTIVE SUMMARY

The top priorities of the Lacombe Foundation are:

1. Securing Capital Funding for the replacement of the Lacombe Seniors Lodge and connected Parkview Manor seniors self-contained apartment
2. Improvement to the Home Care Delivery model at the Eckville Manor Lodge

ACCOUNTABILITY STATEMENT

This Business Plan was prepared under the direction of the Board of Directors of the Lacombe Foundation in accordance with legislation and associated ministerial guidelines, and in consideration of all policy decisions and material, economic or fiscal implications of which the Board is aware. This business plan was approved by the Board of Directors on June 24, 2019 .

LACOMBE FOUNDATION PROFILE

The Lacombe Foundation operates pursuant to the Alberta Housing Act under the purpose to enable the efficient provision of a basic level of housing accommodations for persons, who because of financial, social or other circumstances require assistance to obtain or maintain housing accommodation.

- Member Municipalities are Lacombe County, City of Lacombe, Town of Blackfalds, Town of Eckville, Town of Bentley, Village of Clive, and the Village of Alix.
- Housing Accommodations under operation are:
 - a. 97-unit Seniors Lodge in the City of Lacombe, which is owned by the Lacombe Foundation. This lodge is linked to 40 units of provincially owned seniors self-contained Apartments operated by The Bethany Group.
 - b. 50 unit combined (35 Lodge and 15 DSL 3) Seniors Lodge and Designated Supportive Living Facility in the Town of Eckville, which is owned by the Province of Alberta through the Alberta Social Housing Corporation. The Eckville Lodge is linked to the Community Health Center, and there are eight units of provincially owned seniors self-contained apartments on the site that are operated by The Bethany Group.
 - c. Affordable housing owned and operated by the Lacombe Foundation consisting of 28 units in the City of Lacombe and 20 units in the Town of Blackfalds.
- Resident Profile and Waiting Lists - Current Average Age of 86 at the Lacombe Lodge and 81 at Eckville Lodge. Average stay is 4 years in Lacombe and 3 years in Eckville. The Lacombe Lodge has a wait list of 22, however has been operating with vacancies due to the condition, lack of exterior window and size of units in the old portion of the lodge. The Eckville Lodge operates at 90% capacity with 5 units vacant and currently no waitlist. The Affordable Housing currently operate at over 90% capacity, has an average family unit size of 2.5 persons and average stays of 3 years.
- Staffing Profile and Organizational Structure - Staffing for the Lodge and Affordable Housing operations are directly through the Lacombe Foundation including 10 full time, 47 part time and 19 casual staff totaling 42.68 FTE working in Management, Life Enrichment, Food Service, Housekeeping, Maintenance, Administration and Health Care Aides for the DSL 3 program in Eckville. The Bethany Group acts as the

Chief Executive Officer per the Ministerial Order, providing support to maintenance services, financial services, Human Resources and Payroll, Education, Policy, Senior Leadership and Board Support.

- Financial Profile and Budgets - The annual consolidated revenue is approximately \$4.5 million consisting of \$3.0 million in rents, accommodation and other recoveries, Lodge Operations assistance from the Provincial Government of \$510,000, Designated Supportive Living contract funding from Alberta Health Services of \$350,000 and Municipal contributions to the Lodge operations from member municipalities through requisition totaling \$624,000. Total expenses of \$4.245 million include debt obligations on the Affordable Housing Projects and allocating funds to the Reserve to support financing of the Lacombe Lodge redevelopment. As of March 2019, the total restricted reserve fund to support the Lacombe Lodge redevelopment is \$2.5 million. Local annual payroll is \$2.6 million.

INSTITUTIONAL CONTEXT

The Lacombe Foundation enjoys a positive relationship with the Bethany Group and the other Housing Management Bodies that use the Bethany Group as CEO. Lacombe Foundation is participating in local FCSS sponsored interagency meetings in both Lacombe and Blackfalds in order to build relationships and identify opportunities with community-based organizations in the catchment area.

PLAN DEVELOPMENT

Activities undertaken by the Board in the development of this plan

- > Board Business Planning session May 13, 2019
- > Lacombe Lodge Redevelopment steering committee with HFSK Architects including a public survey, two public meetings and a consultation with the City of Lacombe Planning and Development team
- > Blackfalds 55+ project Steering committee including four community consultation open houses

Member communities provide the following documents and plans in support of local affordable housing initiatives

- > City of Lacombe Affordable Housing Strategy June 2015 (updating process underway Spring 2019)
- > City of Lacombe Strategic Plan 2018
- > City of Lacombe Housing Steering committee
- > Town of Blackfalds Social Needs Assessment November 2016
- > Town of Blackfalds 55+ Housing Survey April 2018

ENVIRONMENTAL SCAN AND STRATEGIC CONTEXT

The primary impacts on our strategic environment are:

- > Election 2019 and change in Provincial Government
- > Stagnant Provincial Economy
- > Provincial Fiscal challenges
- > 2017 Provincial Housing Strategy
- > 2017 Federal Housing Strategy
- > Aging population and home care shift

- > Local Demographic Information
- > Household Income and Housing Affordability
- > Market Housing Conditions

STRATEGIC RISKS AND STRATEGIC OPPORTUNITIES

The primary impacts on the strategic environment for the Lacombe Foundation are:

- > Lacombe Lodge/Parkview Manor Redevelopment Feasibility Study completed June 2019
- > The age, condition and functionality of the Lacombe Lodge and the attached Parkview Manor senior's apartment does not meet the needs of current and future clients, including increasing capacity needs. Rooms do not meet standards for room sizes and accessibility
- > Age and condition of Lacombe Lodge including rooms with no exterior facing window affecting rentability, demonstrated by having both a waitlist and vacancies.
- > Age and condition of Lacombe Lodge impacting utility usage and efficiency
- > Growing demand for mixed market housing, demonstrated by the reduction of Lodge Assistance Program eligible tenants in the last three years. Seniors whose incomes are moderately higher than the current low-income thresholds have limited alternatives in the community
- > Impacts on Lodge operations due to increases in Home Care assistance for seniors to remain in their homes. Individuals are delaying entry into the lodge environment resulting in residents of more advanced age and higher degrees of frailty
- > Growing demand for services that support Age in Place philosophies demonstrated by the high number of Lodge residents receiving home care
- > Growing demand to meet the needs of couples, including those with different care and support needs
- > Aging population and above average population growth in the Lacombe Foundation catchment area, putting pressure on existing facilities (*attachment*)
- > Current restricted reserves of \$2.5 million for Capital funding of the Lacombe Lodge replacement
- > Active community and town council involvement in the Blackfalds 55+ project proposal
- > Improving occupancy rates with shorter unit turn around in the Affordable Housing units
- > Eckville Manor House occupancy and rental rates in DSL 3

STRATEGIC PRIORITIES

The Lacombe Foundation has identified the Strategic Priorities outlined in the Provincial Housing Strategy to guide operations through the next 3 to 5 years:

1. Investing Now and For the Future
2. Integrated Housing and Supports
3. Successful Transitions and Aging in Community
4. Fair and Flexible
5. A Sustainable System

This business plan has been developed in keeping within the Purpose of the Alberta Housing Act and the obligations of the Board of Directors of the Lacombe Foundation pursuant to the Management Body Operations and Administration Regulation.

OUTCOMES, KEY STRATEGIES AND PERFORMANCE MEASURES

Outcome One: INVESTING NOW AND IN THE FUTURE

Housing Accommodations operated by the Lacombe Foundation will meet or exceed minimum housing standards and options to meet demands for new housing supply will be explored.

Key Strategies:

- 1.1 Increase the Supply of Affordable Housing
- 1.2 Improve and Maintain the condition of existing affordable housing

Performance Measures

- Lacombe Foundation receives overall support on the four-phase site redevelopment plan of the Lacombe Seniors Lodge site
- Lacombe Foundation receives capital funding from the Province of Alberta to proceed with Phase 1: replacement of Parkview Manor with construction start in 2020.
- Lacombe Foundation receives capital funding from the Province of Alberta to proceed with Phase 2: Lacombe Lodge replacement upon the completion of Phase 1.
- The Lacombe Foundation, working with the Town of Blackfalds and The Bethany Group will have designs and funding strategy in place to build and operate additional Seniors Housing in that community. This partnership will approach both the Ministry of Seniors and Housing and the Canadian Mortgage and Housing Corporation for capital support in accordance with their current program offerings.
- The Provincial Government provide financial assistance to support the items requested under the 5 Year Capital Maintenance and Renewal List , submitted to the Ministry of Seniors and Housing
- All capital projects are completed in accordance with; approved standards, scope and specifications; on time; and on budget.
- The Lacombe Foundation will work with member communities to identify additional opportunities to add additional units of seniors housing, in particular Bentley and Clive
- The Affordable Housing units will maintain an average turnaround time of 30 days between unit vacancy and rent readiness
- A capital maintenance and funding plan will be developed for the Affordable Housing units by December 2019

Outcome Two: INTEGRATED HOUSING AND SUPPORTS

Residents of Housing Accommodations and services offered by the Lacombe Foundation have the tools they need to enable successful occupancies and to live independently with or without community-based services.

Key Strategies:

- 2.1 Enhance Integration with Community Support Services

Performance Measures

- Connecting with Community Administration and FCSS, a gap analysis will be completed to develop a service package plan for individuals in the communities.
- The Lacombe Foundation participates in social services/FCSS based interagency meetings and activities within the service area including the Lacombe Seniors Coalition

Outcome Three: SUCCESSFUL TRANSITIONS AND AGING IN COMMUNITY

The operations of the housing accommodations and support programs offered by the Lacombe Foundation residents to easily access services that enable them to be affordably and safely housed, as well as successfully transition out of the system when necessary or able.

Key Strategies:

- 3.1 Enable transitions through the continuum of housing and supports
- 3.2 Support the desire of Albertans to age in their community

Performance Measures

- Lacombe Foundation to explore options with Alberta Health Services to integrate Home Care and /or Designative Supportive Living spaces into the planning for the Lacombe Lodge redevelopment strategy.
- Lacombe Foundation to explore options with Alberta Health Services to embed Home Care services in both Lodges under direct contract.

Outcome Four: FAIR AND FLEXIBLE

The operations of the housing accommodations and support service programs offered by the Lacombe Foundation are flexible and responsive to meet resident needs.

Key Strategies:

- 4.1 Modernize the regulatory framework to support equitable treatment and housing stability
- 4.2 Improve System access and navigation
- 4.3 Promote enhanced understanding of and coordinated response to rural and urban needs

Performance Measures

- Implement the regulatory changes to the Alberta Housing Act pursuant to the Provincial Housing Strategy and the Lodge Program Renewal Committee for the operations of the Lacombe Lodge and the Eckville Lodge upon direction received by the Province of Alberta on implementation.

Outcome Five: A Sustainable System

The financial operations of the Lacombe Foundation are sustainable based on new funding models, including allowing market rental options within the portfolio.

Key Strategies:

- 5.1 Support operational and environmental sustainability of affordable housing projects
- 5.2 Partner with other governments to support a sustainable system and meet the housing and support needs of Albertans
- 5.3 Improve the knowledge of the housing and support needs of Albertans

Performance Measures

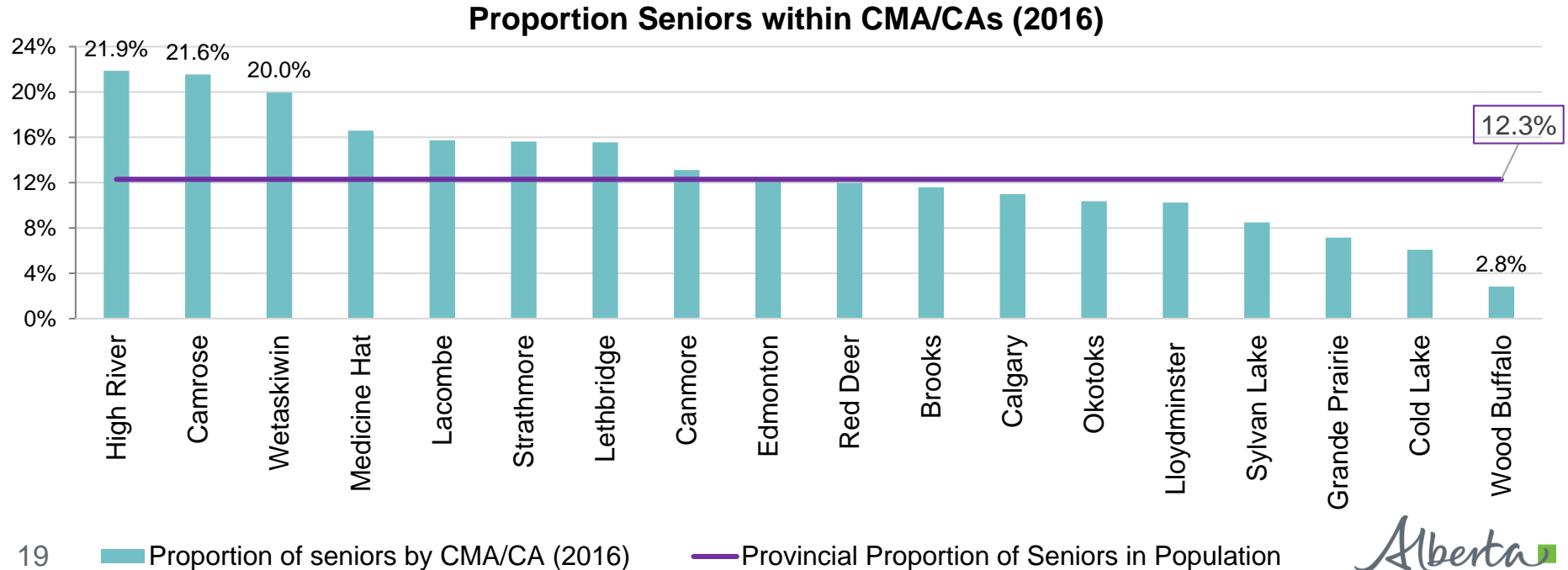
- Receive approval from the Ministry of Seniors and Housing to allow the plan for the redevelopment of the Lacombe main site, to include up to 10 percent of the lodge and independent living units to be at market rates for those in the community that can afford it.
- Seniors and Affordable Housing will be identified in the Lacombe Foundation members Intermunicipal Collaboration Frameworks.
- Support Member Municipalities and The Bethany Group on the completion of updated Housing Needs Assessments and Housing Plans for the communities served within the geographic area of the Lacombe Foundation.
- Administrative costs for Lacombe Foundation will be at or below provincial benchmarks
- Review rental rates of DSL3 Eckville Manor House

APPENDICES

- **Appendix A - Housing Management Body Corporate Profile**
- **Appendix B - Portfolio Profile**
- **Appendix C - Financial Budget and Forecasts**
- **Appendix D - Capital Maintenance and Renewal Program**
- **Appendix E - Capital Priorities**
- **Attachment - Lacombe Lodge/Parkview Manor Feasibility Study report**
- **Attachment - Percentage of Seniors by Community Comparison**

Proportion of Seniors in Urban Areas (2016)

- The proportion of seniors across Alberta is not evenly distributed.



Appendix A – Housing Management Body Corporate Profile

Organization details

Housing Management Body Name	Lacombe Foundation			
Incorporation type	<input checked="" type="checkbox"/> Alberta Housing Act			
	<input type="checkbox"/> Societies Act			
	<input type="checkbox"/> Part 9, Alberta Companies Act			
	<input type="checkbox"/> Other (please specify)			
Board of Directors	Name	Position	Phone Number	Email Address
	Helen Posti	CHAIR - Town of Eckville	403.746.3245	helen@eckville.com
	Barb Gilliat	Village of Alix	403.747.2495	bgilliat@platinum.ca
	Paula Law	VICE - Lacombe County	403.358.9400	plaw@lacombecounty.com
	Tracey Hallman	Village of Clive	403.784.3366	tracey.hallman@outlook.com
	Cora Hoekstra	City of Lacombe	403.877.0891	choekstra@lacombe.ca
	Cora Knutson	Town of Bentley	403.506.2696	cknutson@bentleycouncil.ca
	Jamie Hoover	Town of Blackfalds	403.885.4677	jhoover@blackfalds.com
Senior management team	Name	Position	Phone Number	Email Address
	Mike Leathwood	CEO The Bethany Group	780.679.2010	mike.leathwood@bethanygrp.ca
	Melodie Stol	Stakeholder Relations The Bethany Group	403.786.2426	melodie.stol@bethanygrp.ca
	Outi Kite	Director of Housing, South The Bethany Group	403.786.2428	outi.kite@bethanygrp.ca
Governance structure (including any other organizations associated with the HMB)	The Board operates as a Board of Governance and is responsible for the overall direction and oversight of the Organization. The Bethany Group operates and manages the lodges on behalf of the Board and is responsible to the Board for all administration and CAO			
List of contracts to provide services on behalf of other organizations / contracts to have services provided by another organization (e.g. with AHS or other HMBs).	Alberta Health Services - Lacombe Foundation delivers DSL3 services to 15 units in the Eckville Manor House Lodge			

Appendix A – Housing Management Body Corporate Profile

Organization details

Number of full time employees	10
Number of part time employees	47
Number of employees earning minimum wage. N.B. PLEASE DO NOT DISCLOSE IF THIS NUMBER IS 5 OR LOWER	
Categories of staff (e.g. management, maintenance, administration, housekeeping, catering, resident services etc.).	Management, Administration, Lodge Attendant, Activities Coordinator, Housekeeping, Food Services, Maintenance
2018 Annual Employee Turnover (average monthly employment / number of separations * 100)	8 (10%)
Are staff unionized?	Yes - CLAC

Organizational chart

Insert a high level organizational chart for the HMB (can be attached seperately if required)

Financial Operating Summary - Lodges (If Applicable)

Organization: **The Bethany Group** Please do not adjust the structure of this sheet (rows/columns)

REVENUE				Forecasted	Projected		
		2018 Actuals	2019 Budget	2019	2020	2021	2022
400000	Rent	2,434,758.00	2,464,260.00	2,450,200.00	2,487,000.00	2,524,300.00	2,562,200.00
410000	Resident Services	127,223.00	77,000.00	110,000.00	100,000.00	90,000.00	80,000.00
420000	Non-Resident Services	62,060.00	41,600.00	59,000.00	60,000.00	60,900.00	61,800.00
	Other Revenue	373,608.00	353,677.00	348,450.00	353,000.00	358,300.00	363,600.00
430050	ASHC - LAP grant (Lodge Only)	530,747.00	507,950.00	511,800.00	511,800.00	511,800.00	511,800.00
460010	Municipal Requisition (Lodge Only)	624,598.00	624,600.00	624,600.00	624,600.00	624,600.00	624,600.00
	Total Revenue	4,152,994.00	4,069,087.00	4,104,050.00	4,136,400.00	4,169,900.00	4,204,000.00

EXPENSES							
500000	Taxes and Land Leases	2,192.00		2,300.00	-	-	-
510000	Utilities	290,694.00	380,000.00	380,000.00	385,000.00	390,800.00	396,700.00
520000	Operating	104,056.00	117,400.00	115,000.00	116,700.00	118,500.00	120,300.00
520000	Food (Lodge Only)	423,395.00	408,000.00	408,000.00	414,100.00	420,300.00	426,600.00
530000	Operating Maintenance	101,972.00	155,000.00	155,000.00	157,300.00	159,700.00	162,100.00
540000	Charitable Costs						
550000	Human Resources	2,423,835.00	2,569,200.00	2,626,500.00	2,679,000.00	2,732,600.00	2,787,300.00
560000	Administration	264,493.00	213,900.00	213,900.00	217,100.00	220,400.00	223,700.00
	Total Expenses	3,610,637.00	3,843,500.00	3,900,700.00	3,969,200.00	4,042,300.00	4,116,700.00

Net Excess (Deficiency) from Operations	542,357.00	225,587.00	203,350.00	167,200.00	127,600.00	87,300.00
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OTHER EXPENSES							
590000	Interest costs						
591000	Other						
592000	Amortization	57,004.00	-	57,000.00	57,000.00	57,000.00	57,000.00

Net Excess (Deficiency)	485,353.00	225,587.00	146,350.00	110,200.00	70,600.00	30,300.00
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Lodge Annualized Cost Pressures

Year	Account (list)	Program (list)	Description/Explanation
2019	Rent Revenue	Lodges	Lacombe Lodge - phones. Current residents still using phone system, new resident tending to opt out.
2020	Rent Revenue	Lodges	Lacombe Lodge - phones. Anticipating as new tenants move they will keep their current phone number
2021	Rent Revenue	Lodges	Lacombe Lodge - phones. Anticipating as new tenants move they will keep their current phone number
2022	Rent Revenue	Lodges	Lacombe Lodge - phones. Anticipating as new tenants move they will keep their current phone number
2019	Taxes and Land Leases	Lodges	currently owns a house...it is being sold

ALBERTA SENIORS AND HOUSING

PROPOSED MAJOR CAPITAL PROJECT SUBMISSION FORM

Section 1: Applicant Details

Organization name	Lacombe Foundation		
Project name	Blackfalds' Seniors Home		
Project location	Blackfalds		
Project priority	Number Two		

Section 2: Proposal

A	Project Name	Blackfalds Seniors Affordable Housing Project				
	Civic Address					
	Municipality	Blackfalds	Province	Alberta	Postal Code	T7N 1M6
B	Construction Type (more than one type may be applicable)					
	Seniors Apartment					
C	Type of Building					
	New Construction					
D	Which of the following are included in the monthly rent?					
	Heat, Water, Sewer and Electricity					
E	Has an environmental assessment or concept study been carried out?					
	If yes, please outline the findings and what, if anything, has been done to remedy issues. Attach any reports.					
	Community meetings were held to inform the public, and then to seek input on preliminary design. The last community meeting held in January 2019 presentation is attached, as well as the preliminary design. Berry Architecture was chosen through a public tender process for the project. The Town of Blackfalds has provided the land for the project at no cost, and the Bethany Group has incurred costs of \$15,000 to complete the preliminary design.					

Section 3: Housing Need-and-Demand Assessment

Provide any information that demonstrates the need for the project.

The community of Blackfalds is amongst the fastest growing municipalities in Alberta and across Canada. While it remains a relatively young community, there are over 1,100 residents over the age of 55 in accordance with the latest census data. There is only one 4 unit seniors self contained apartment in the community , and no other dedicated seniors housing facility available.

Section 4: Capital Cost ESTIMATE ONLY

Item	Below Market Units	Market Units / Commercial	Total
Land	265,000	-	265,000
Construction Contract Services	4,000,000	-	4,000,000
Renovation	-	-	-
Appliances/Equipment /Furniture	125,000	-	125,000
On-site servicing	26,500	-	26,500
Landscaping	35,000	-	35,000
Paving	25,000	-	25,000
Architect Fees	265,000	-	265,000
Audit/Legal Fees/Project Management	165,000	-	165,000
Municipal Fees	32,000	-	32,000
TOTAL ESTIMATED CAPITAL COST	4,938,500	-	4,938,500

Section 5: Funding Sources - ESTIMATE ONLY

List all expected funding sources such as financing.

Names of Funding Sources	Below Market Units	Market / Commercial	Total
HMB Equity Contributions	15,000	-	15,000
Bank Loan	707,700	-	707,700
Expected provincial funding	3,950,800	-	3,950,800
Municipal Contribution (specify)	265,000	-	265,000
Donation(s)	-	-	-
Other (specify)	-	-	-
Other (specify)	-	-	-
*Total Funding Sources	4,938,500	-	4,938,500

*Must equal "Total Estimated Capital Cost" of Project in Section 4.

Section 6: Preliminary Project Budget - ESTIMATE ONLY

Using the format below, please provide a Project Budget based on a twelve-month projection.

Forecasted Annual Revenues	Lodge	Seniors' Self-Contained	Community Housing	Affordable Housing	Market / Commercial	Total
Number of Units				20		20
Rents	-	-	-	204,000	-	204,000
Requisition/AHS KP Mortgage	-	-	-	-	-	-
Total Forecasted Revenues	-	-	-	204,000	-	204,000

Forecasted Annual Expenses						
Administration	-	-	-	26,400	-	26,400
Operating	-	-	-	36,000	-	36,000
Maintenance	-	-	-	18,000	-	18,000
Debt Servicing	-	-	-	48,000	-	48,000
Insurance	-	-	-	10,000	-	10,000
Property Taxes	-	-	-	15,600	-	15,600
Replacement Reserve	-	-	-	10,800	-	10,800
Utilities	-	-	-	34,800	-	34,800
Other (specify)	-	-	-	-	-	-
Total Forecasted Annual Expenses	-	-	-	199,600	-	199,600
Estimated Annual Surplus/ (Deficit)	-	-	-	4,400	-	4,400

Section 7: Additional Information

Climate Change (Note: Include any energy savings or environmental considerations or opportunities associated with this project.)

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