

Revelstoke Employee Housing Society

An Innovative, Affordable Housing Haven

Chapter 1: Coming Soon to The Cube

Expressions of Interest Until March 11th



Employee Housing Society Solves a Stubborn Problem

Lack of staff housing restricts ability to sustain our economy and services for residents and visitors

- The community of Revelstoke is experiencing acute affordable housing scarcity similar to other resort communities in BC.
- Housing shortages are constraining employer's ability to hire and retain staff to the point where hotels can't open rooms, restaurants limit days of service, retailers constrain hours, and community organizations are forced to restrict services offered. The situation is untenable.
 - Demand in our resort community has returned and our private businesses and community organizations are keen to deliver, but they can't house the staff they recruit.

Time unlikely to solve this issue and employers don't have resources to solve independently

- There are three factors complicating our community's ability to remedy this situation:
 1. Small & remote community of ~8,000 makes it unreasonable to expect 'market forces' to respond and add sufficient rental and affordable housing stock in a timely way.
 2. Majority of employers are owner operated SMBs that do not have the capital or managerial bandwidth to independently solve the housing needs of their staff (e.g., buy/manage condo)
 3. House prices have soared [↑19.3% YoY to \\$751K](#), pushing home ownership out of reach for many.

Banding together and creating a non-profit Employee Housing Society is scalable and sustainable

- Local community leaders have banded together to design an innovative, scalable, and sustainable solution to provide affordable housing to employers and their staff.
 1. Create a Society of local employers (private, public, and non-profit orgs).
 2. "Chapter 1" ⇒ Purchase the centrally located, 22 room, largely-tenant-ready Cube Hotel.
 3. Employers join Society and provide rooms to staff as part of employment package.

Revelstoke Employee Housing Society - Project Summary

Who are we?	<p>A staff accommodation partnership with Revelstoke businesses, their workers, Community Futures, the City, and RCU. An initial property purchased and managed by the Society - provides affordable, predictable, and modern housing powered by business and community passion</p>
Project Goals	<p>Win for employees, win for businesses, win for town</p> <ul style="list-style-type: none">● Provide employee housing now for Revelstoke businesses - supports living and working downtown● Deliver affordable rent for employees and predictable rooms ready for businesses yielding expanded business services● Prioritize diverse membership integrating not-for-profit, government, and commercial businesses● Build a repeatable, scalable business model that expands to additional projects over time<ul style="list-style-type: none">○ Candidates could include renovating older hotels, new modular dwellings, or net-new multi-family● Adapt, occupy, and manage The Cube as the pilot property purchase - Launches 1 June● Locate employees closer to their employment and services, so it's pedestrian/bike friendly and minimizes vehicles
Why now?	<ul style="list-style-type: none">● Employees can't accept jobs because housing is not available or is excessively expensive● Businesses already running with reduced hours, lost revenue, and exhaustion, without prospects for improvement● Current affordable housing initiatives not moving "at the speed of business"● We are hundreds of beds short and multiple years from relief
Why The Cube?	<ul style="list-style-type: none">● Building is largely tenant-ready without excessive renovation, meaning it will be occupied in time for Summer 2022● Building naturally supports a modern "dormitory" style of living with private rooms/toilets, common living areas, showers, and communal kitchen● Building is high quality, well-built, and an attractive asset, now and into the future● All furnishings and systems are being purchased with the Building
What's the structure?	<ul style="list-style-type: none">● Not-for-Profit Housing Society - members join, invest (through loan), and participate/govern without profit expectation● Businesses commit to a "number of doors" they wish to purchase ⇒ membership fee/loan + rent-per-door-per month● The business commits to "occupy" the accommodation full-time and underwrites the monthly rent - initial 1 year Term● The business places an employee within their "door" and pays the monthly rent - occupancy tied to employment● The monthly rent is affordable for the employee and business, raising the employee standard of living and satisfaction● The structure is time-efficient and affordable for business compared with purchasing and running their own properties● The entire model scales up to multiple properties over time

Revelstoke Employee Housing Society - Project Summary (*continued*)

<p>What's the living situation?</p>	<ul style="list-style-type: none"> ● A modern tiny-home-style dormitory - private room, hallway shower, common hang-out space, and communal kitchen ● The property is light-filled, colorful, European style, and the furnishings are new/newer and in good condition ● The building is energy efficient, comfortable, and quiet ● Because it's a hotel, there are commercial systems and security/access/camera systems already in place ● A meal plan could provide lunch/dinner for residents by hiring a cook or subcontracting ● A Resident Manager could live in the main building or out-building
<p>How many people?</p>	<ul style="list-style-type: none"> ● 26 happy people in 16 Single Occupancy Rooms, 4 Double Occupancy Rooms, and 1 Apartment/Kitchenette ● 1 non-revenue Manager Apartment/Kitchenette for on-site management/presence ● 22 "doors"
<p>What's missing?</p>	<ul style="list-style-type: none"> ● Society needs 100% commitments from participants by mid April ● There are minor maintenance tasks required on the building's exterior ● There is some redesign to the rooms needed to maximize personal space and convert a hotel room into a "tiny home" ● Upgrades to the shared kitchen needed to scale up food service ● Additional storage needed for resident contents (could be exterior to the building)
<p>How much does it cost?</p>	<ul style="list-style-type: none"> ● A business membership loan of \$40,000 - interest-free loan to Society during membership <ul style="list-style-type: none"> ○ Can be fully or partially financed by Community Futures for the participating business (traditional or interest-only) ● Below market rent for single room/utilities < \$1,000/month ● An employer commitment to full occupancy versus seasonal occupation ● Business memberships are significantly less than required capital to purchase a residence ● Maintenance fees are simplified and included for members ● Pricing is realistic, not overly optimistic, and not dependent on additional grants or sponsorship ● When business in good standing exits, membership loan is returned and new member replaces them

Revelstoke Employee Housing Society - Project Summary (*continued*)

<p>What might the target employee look like?</p>	<ul style="list-style-type: none"> • Energetic, younger service oriented person looking to get established in Revelstoke • Having difficulty finding a place to live, to the point of preventing job acceptance • Thankful to have a starter-home organized and available to them • Enjoys the energy and camaraderie of dorm-style living
<p>What might the target business look like?</p>	<ul style="list-style-type: none"> • Small - Medium business headquartered in Revelstoke • Service/hospitality/restaurant/retail oriented businesses where hourly salaries are lower and number of employees needed is larger • Business under pressure to find and retain employees or hardship from being understaffed • Businesses that employ generally younger or newer to Revelstoke employees in need of employment and housing • Membership will combine commercial businesses with not-for-profit and government
<p>Financial critical path items</p>	<ul style="list-style-type: none"> • Purchase of The Cube for reasonable price, and purchase asset only versus a business “share sale” ⇒ COMPLETE • Highly attractive sub-market (3%) financing from RCU ⇒ COMPLETE • Add City of Revelstoke and Columbia Basin Trust as a key stakeholders • Selling 100% of the space available to businesses by April 15 • Finalize rents and operating budget
<p>What’s next and needed?</p>	<ul style="list-style-type: none"> • Society formation, business structure, and board of directors • Membership recruiting and community open houses - March • Clearing “conditions” of Cube Hotel purchase April 11 and closure expected April 30 • Recruiting / Expressions-of-Interest from participating businesses, NFPs, and governments (open til March 11) • Preparation and improvement to the building for occupants - Spring 2022 • Hiring of on-site manager(s) • Opening target fully occupied - June 1

Q & A

Are public funds being used? Are businesses profiting?	<ul style="list-style-type: none">• No, an acute affordable housing need is being addressed without public taxpayer money involved• No, participating businesses do not profit at any point. Memberships can be transferred should a business wish to exit and the membership loan returned• The Not-for-Profit status of the Society positions us to pursue future grants and alternate funding sources, but our financial success is not dependent on them
Why aren't Revelstoke's affordable housing projects good enough?	<ul style="list-style-type: none">• This project is unique and <u>complementary</u> to the efforts of the Revelstoke Housing Society and BCHA• This project can be occupied ahead of the Summer 2022 Peak season• We intend to coordinate with other housing organizations over time for consistency and potential for a long-term merger if win-win
What if a business can't afford the membership?	<ul style="list-style-type: none">• Community Futures will "finance" their member loan, reducing their initial burden• Up to 100% of \$40K expected loan at existing CF rate (6.5% currently) and up to 5 year term or Int-Only
What happens if the employee resigns or is terminated?	<ul style="list-style-type: none">• The residence is tied to employment and reverts to the participating business to place another employee• The rent contract is between the Society and the Employer Business
How do we manage our seasonal economy?	<ul style="list-style-type: none">• Participating businesses commit to "each door" and underwrite full occupancy of the dwelling• Businesses can actively recruit and position future employees confidently in advance• This accommodation relieves housing pressure during Summer and Winter peak seasons
What is the criteria for membership?	<ul style="list-style-type: none">• Any Revelstoke business or organization can "express interest" and complete a membership application• (*) Priority will be provided based on business size, local ownership, economic hardship, sector, services delivered, community impact, etc. (*) = partial list• A diverse mix of participating organizations is desired (government, not-for-profit, and commercial)• Organizations not selected during this initial project can apply for the next project opportunity

Q & A *(continued)*

Will the building degrade over time?	<ul style="list-style-type: none">• No, routine maintenance is included in the budget / monthly rent• A capital replacement fund is included in the budget / monthly rent• The building is built to high standards and high quality, so it is naturally more resilient
What's a worst-case outcome?	<ul style="list-style-type: none">• Lack of commitment of funding partners results in unaffordable financial model• Monthly rents too high to be attractive, so the available rooms cannot be “sold”• A poorly run lodging where participants do not enjoy the living conditions and environment• A board of directors and stakeholders that are not aligned in their goals and interests
What happens in a worst-case scenario?	<ul style="list-style-type: none">• This building can easily be converted back into a hostel and sold, most likely with appreciation
What's a best-case outcome?	<ul style="list-style-type: none">• Businesses flock to participate and expand their operations through badly needed new employees• Employee morale increases and retention and employee loyalty flowers• The project is embraced by the Community as innovative, cooperative, and needed• Citizens notice an increase of available services, restaurant hours, and capacity• The business model scales up to open opportunities for additional properties and capacity• Other communities see this project as a best practice
Could this approach be applied to other types of properties?	<ul style="list-style-type: none">• Yes, new residences could be constructed, all the way from urban cabin/tiny home to new multi-family• Other degraded hotel properties or apartments could be purchased, remodeled, and converted• Portable structures could be brought in resulting in beautiful modern reinterpreted mobile home parks
How do I join?	<ul style="list-style-type: none">• Complete an expression of interest form by March 11 at https://communityfuturesrevelstoke.com/project/revelstoke-employee-housing-project/