# Housing Co-location Framework

## Approaches for Supporting Housing and Community Facility Mixed-use in the City of Whitehorse

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Whitehorse
THE WILDERNESS CITY

CitySpaces

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# Framework At-a-Glance

In the context of this framework, co-location refers to mixed-use development that integrates market or non-market housing with community facilities (like a recreation centre, library, or place of worship) in a single building or site.

Key components of co-location, along with common challenges and opportunities, are explored in this framework, including:

- Partnerships;
- Land and Location;
- Funding;
- Legal Agreements;
- Development;
- Mix of Uses; and
- Organizational Capacity.

**KEY TAKEAWAYS**

- The concept of co-locating housing with community facilities is relatively new to Whitehorse.
- Co-location can be an opportunity for cost and benefit sharing between multiple partners and funders.
- Co-location introduces additional complexity in all stages of development and operations that requires careful planning and coordination to navigate.
- Adequate organizational capacity is crucial to allow partners to actively engage and make informed decisions.
- Land use approvals and infrastructure upgrades can present significant risks, such as lengthy and unpredictable rezoning processes and unforeseen off-site costs.
- Municipalities can incentivize and support co-location by easing regulatory barriers, supporting or providing government-owned land acquisitions, collaborating on infrastructure constraints, and introducing housing into the planning of new community facilities.

**If you have questions about co-location in Whitehorse, contact Planning:**
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# Executive Summary

This framework was created in collaboration with the City of Whitehorse to better understand the opportunities and challenges of co-locating housing with community facilities as a means of increasing housing options in the City of Whitehorse. With support from Canada Housing and Mortgage Corporation (CMHC), the City engaged CitySpaces Consulting in early 2026 to interview and learn from housing and development professionals based in Whitehorse, Yellowknife, Edmonton, Calgary, and British Columbia, conduct a high-level spatial review of local co-location opportunities, and undertake focused research on the subject.

Information intended to assist public, private, First Nation, and not-for-profit developers considering co-location initiatives is presented in Co-Location Components (page 5), including **key considerations**, opportunities and risks related to establishing **beneficial partnerships,** evaluating **appropriate locations**, coordinating **sustained funding**, establishing **legal agreements**, managing **design and construction**, and ensuring **operational success**.

A series of project-specific case studies, provided in Case Studies (page 14) synthesizes learnings gathered through engagement and research conducted on co-location projects in the North and Western Canada. The case studies are also referenced throughout the framework.

Takeaways for municipalities, developers, and other groups considering co-location include:

- **Co-locating housing with community facilities is a new development concept in Whitehorse.** While there are successful local examples of mixed-use development, most combine ground-level commercial use with upper levels of housing. An often-referenced local example of co-location, the Cornerstone case study (page 15), is primarily owned and operated by a singular non-profit organization that chose to convert the community-focused uses into internal program space post-occupancy.
- There is interest from the local development and housing sector in co-location but uncertainty around the willingness of governments to partner in these initiatives as community facility providers, funders, and/or regulators. **Governments have the potential to incentivize more co-location by introducing housing into the planning of new community facilities, providing land, easing regulatory barriers, and problem-solving infrastructure constraints.**

- **Co-location can be an opportunity for sharing costs and benefits** between multiple partners and funders, creating dynamic places with greater morning-to-night activation than single use buildings, and achieving several community goals. For housing and community facility providers, partnering on a co-location effort can introduce access to land, political support, and development expertise that might be challenging or unfeasible independently. For government landowners and developers, co-location is an opportunity to maximize the benefits of public assets and resources.
- **Co-location inherently introduces greater complexity** at all stages of development and operations; risks can be effectively mitigated through committed partnerships, careful planning and design, ongoing coordination, legal agreements, and professional guidance. Clear definition of roles and decision-making processes during and after development is essential for financial and operational success.
- **Adequate organizational capacity is crucial** to allow partners to actively engage and make informed decisions during planning and development and ensure timely and sufficient scaling-up for start-up and operations. It is key to have dedicated senior staff and/or contractors with development, start-up, and operations experience authorized and available to represent organizational interests and ensure development and programmatic/operational planning align. Scaling-up too quickly without adequate organizational experience and capacity is a common pitfall for many non-profit organizations.
- **Land use approvals and infrastructure upgrades can present significant risks**. Lengthy and unpredictable rezoning processes and unknown or high off-site costs are deterrents to already complex co-location projects. Government landowners and regulators can incentivize co-location by removing or reducing these risks by pre-zoning suitable neighbourhoods or sites, accelerating approval processes for co-location projects, waiving permit fees, upgrading infrastructure and/or sharing off-site costs, and contributing grants to reduce overall cost.

A high-level analysis of land use, ownership, and other spatial information identified potential opportunity sites for co-location initiatives within or near Whitehorse's designated mixed-use centres including the Downtown Core, Takhini, and Whistle Bend. Maps and accompanying summaries are provided in Co-Location Opportunities in Whitehorse (page 29). A review of infrastructure and servicing capacity was not undertaken and is a recommended next step for evaluating co-location appropriateness in these locations.

Success stories from other communities and cautious interest from the local development sector are reasons to continue exploring co-location opportunities in Whitehorse. Experiences from local and out-of-territory projects illuminate the intrinsic complexities of co-location, as well the pathways to achieving worthwhile benefits and dynamic urban projects.

## What is Co-Location?

In this framework, co-location refers to mixed-use development that integrates housing and community facilities within a single building or across a planned development on the same site. Housing types may include market or non-market apartments and townhomes, with either ownership or rental tenure. Community facilities encompass publicly- and privately-owned uses such as libraries, city halls, cultural centres, youth centres, and places of worship.

**Option A**
**Vertical Integration**



**Vertical Mixed-Use Site**

**Option B**
**Integrated Site Development**



**Mixed-Use Site**

HOUSING COMMUNITY FACILITY

# Co-Location Components

Working across multiple organizations and combining housing and other uses and user groups into one building or onto the same site inherently creates complexities. The challenges can be significant and, in some cases, present enough risk to warrant reconsideration of co-location. In other cases, co-location can be a way to mitigate risks, share or trade benefits between partners, and create more dynamic places in our communities.

Key components of co-location are described below with discussion of opportunities and challenges that commonly arise and should be considered by proponents before project initiation. The components are organized by topic and follow the planning, development, and post-occupancy project lifecycle.

## Partnerships

Co-location projects that combine housing with community facilities require partnerships. Even wholly municipal co-location initiatives necessitate different departments or agencies to coordinate and establish agreements to ensure a smooth development process and effective long-term management of the different uses. Co-location projects have at least two primary partners – the community facility lead and the housing lead – but can include many more. Partners can take on different roles:

| | |
|---|---|
| **Landowner / Provider**<br> | Owns and/or provides the land. |
| **Building Owner(s)**<br> | Owns the building. |
| **Funder**<br> | Provides equity and/or financing for the project development or operations. |
| **Operator**<br> | Responsible for long-term management of the housing and non-housing components once construction is complete. |
| **Developer**<br> | Responsible for the development of the project; including managing funding, design, permitting, and construction within an established budget and timeframe. |
| **Consultants**<br> | Engaged by the developer or operator to provide professional services and advice during the development or post-development process. |

Sometimes a partner will take on multiple roles. For example, the City of Rossland in British Columbia served as both landowner and developer of its City Hall within the Rossland Yards project (page 24), which co-locates City Hall and non-market housing. The City also contributed project funding and currently owns and operates the City Hall space. In addition, the City retains ownership of a portion of the affordable housing units, which are operated by a local non-profit organization.

Partnerships form when organizations identify clear mutual benefits in working together. In co-location projects, partners typically collaborate to achieve financial, geographic, cultural, or operational advantages. For example, an arts organization may own land but lack the capacity to develop it without a housing partner, while a housing provider may have development expertise but no land. By joining forces, both parties can maximize the site's potential, pool financial resources, and streamline processes such as design and construction, achieving outcomes that would be difficult to reach independently.

- Partnerships can also introduce added risk. Disagreements may arise during design, or a partner may encounter financial difficulties during or after development. Real estate projects are inherently complex, with challenges such as shifting market conditions, construction setbacks, and staffing changes. To navigate these uncertainties, it is essential to thoroughly vet partners from the outset and establish strong legal agreements that protect all parties throughout planning, development, start-up, and long-term operations.

**Common Types of Property and Ownership**

| | |
|---|---|
| Freehold | The parcel and building(s) are owned together on one land title in perpetuity. Also known as Fee Simple. Various property forms can be owned in freehold including air space parcels. |
| Leasehold | The land is leased for a long period, typically 50 to 99 years, with the building owned separately. This structure commonly arises when land is owned by a government body such as a municipality or First Nation. |
| Building Strata | The building is divided into individually owned units, with shared common property governed by a strata corporation. Strata units are typically freehold but can be structured as leasehold. |
| Bare Land Strata | The building and the land underneath are individually owned but shared amenities like parks, roads and parking lots are common property governed by a strata corporation. |
| Air Space Parcel | A three-dimensional volume of space with a unique Fee Simple land title. Air space parcels can be stacked to create buildings with varied ownership, a common approach in mixed-use developments. Shared property, services, and access are managed through easements and legal agreements. |
| Lease | Not a form of ownership but rather an agreement between a tenant and landlord permitting the rental of a property. A lease can apply to freehold, leasehold, and strata properties unless prohibited by the strata corporation. |

## Land and Location

The availability of land is often the impetus for a co-location project. Either a primary partner already has access to a specific property, or another party such as a municipality, First Nation, or private entity makes land available at market value or, as is common with non-market housing, at significantly reduced cost. Various ownership and lease structures can be applied to facilitate ownership, development, and occupancy of land by multiple parties.

However, location considerations should not be limited to land availability and affordability. While those factors are central to feasibility, several other considerations are critical before committing to a site:

- **Infrastructure and Servicing:** Does the site have the necessary utilities and services to support the intended uses? If upgrades are needed, what are the costs and potential delays?
- **Zoning and Land Use Regulations**: Are the proposed uses permitted? If not, what would be required to secure approvals, and how might that affect budget and timeline?
- **Site Capacity and Functionality**: Is the property large enough to accommodate buildings and essential features like parking, drop-off areas, and waste management? Design trade-offs, such as reducing parking, may save space or money upfront but could create operational challenges later.
- **Suitability for Users:** Land availability alone does not determine suitability. A site appropriate for a recreation centre, for example, may not work well for seniors housing if the area lacks walkability. Similarly, a health clinic beneath residential units may be undermined by insufficient nearby parking. Projects serving children, youth, or seniors should be located in areas that feel safe, accessible, and welcoming, with careful attention to traffic, noise, and compatibility with surrounding uses.

## Funding

Development projects require funding across multiple stages, including **planning and design, construction, start-up, and ongoing operations**.

Bringing different uses together in a co-location project can improve feasibility by attracting funding from multiple sources, often across entirely different sectors, to support a single development. However, this also adds complexity in coordinating timelines, aligning funding

streams, and allocating costs. Project proponents and funders must collaborate closely to estimate expenses, assign financial responsibilities, and implement a funding strategy that ensures steady cash flow throughout development and supports any long-term debt obligations.

In some cases, one partner may take on the role of lead developer during design and construction, then transfer ownership or lease portions of the completed project to other partners, which can simplify construction financing. Alternatively, co-lending, where multiple parties access construction financing simultaneously, may be used, though it requires more intensive coordination, accounting, and reporting throughout the project.

On the operations side, expanding or relocating programs into a new facility is a significant undertaking that demands early and thorough planning, often beginning years before occupancy. This includes participating in building and program design, developing staffing and operational plans tailored to the new facility, securing additional operating funds, and preparing for start-up through hiring, training, and program rollout. Organizations also need financial flexibility during the first year to adapt as circumstances require. Over the long term, operating budgets must account for building maintenance, program delivery, debt servicing, shared property obligations, and contributions to a capital replacement reserve fund.[1].

1. A replacement reserve fund is a long-term savings account or fund designated for major capital asset repairs and replacements such as a new roof or siding. Replacement reserve funds are often mandated by funders or lenders. Asset holders usually contribute annually to grow the reserve over time as the asset ages and requires reinvestment.

**Types of Funding**

| | |
|---|---|
| Equity | Funds that are not borrowed, including cash, grants (non-repayable financial contributions), and assets or portions of assets owned outright and contributed in exchange for land, buildings, or services. |
| Financing | Borrowed funds, also referred to as loans, are provided upfront and repaid within specified timeframes and conditions, typically with accumulated interest. Different types of financing may be available before, during, and after construction.<br><br>Financing bridges the gap between total development costs and available equity. While commonly required for development projects, it increases overall project cost and can create long-term debt obligations. |
| Other | Municipalities and other partners may offer incentives that reduce both capital and operating costs. These can include land donations, development and permit fee waivers or reductions, infrastructure funding, property tax exemptions, and relief from certain zoning requirements. Municipalities may also offer non-financial incentives that improve project viability, such as density bonuses and expedited approval timelines. |

## Legal Agreements

Co-location developments typically rely on multiple legal agreements that evolve as a project moves from early concept through construction and into operations. These agreements define roles, manage risk, secure funding, and clarify long-term responsibilities among all parties involved. Common agreements for co-location projects include:

| | |
|---|---|
| Memorandum of Understanding | May be used to document a shared understanding between parties exploring a partnership. A memorandum of understanding (MOU) typically outlines the intent of the project, the roles and responsibilities of each party, and what each party intends to contribute, without creating a legally binding obligation. |

| | |
|---|---|
| Funding Agreement | Required to secure funding once it is offered. Funding agreements typically set out loan and grant terms, eligible costs, repayment conditions, and reporting requirements. |
| Housing Operating Agreement | An agreement between a funder, government, or property owner and a housing operator that establishes the rules for managing and maintaining affordable housing. Housing operating agreements define roles and responsibilities, affordability requirements and how they are achieved, and reporting obligations. |
| Contractor Agreement | Multiple approaches to contractor agreements exist in co-location developments, and the appropriate model depends on how much control the owner wishes to retain during design and construction and how risk is shared among parties. The Canadian Construction Contract Committee (CCDC) provides standardized contract options widely used in the development sector. |
| Consultant Agreement | Typically based on industry-recognized professional standards, consultant agreements define scope, costs, timelines, roles, responsibilities, and liability. Depending on the delivery model, the owner may not have a direct contractual relationship with all consultants and contractors, but rather with a prime consultant or construction manager who enters into subsequent agreements with other professionals and vendors. |
| Purchase and Sale Agreement | Defines the terms and conditions of a real estate transfer transaction, including purchase price, deposit amount and timing, and other conditions that become legally binding upon execution. |
| Airspace and Strata Agreement | In all multi-use projects, legal agreements are required to govern how different uses coexist within the same building. These agreements address shared systems, cost sharing, noise, insurance, maintenance, and long-term responsibilities. |
| Easement and Covenant | Legal rights registered on a land title that permit access to specific parties for specific purposes (easement) or restrict how land may be used by the owner (covenant). Easements and covenants are flexible legal tools that can be customized to achieve a wide range of goals and are commonly used in strata buildings and mixed-use projects. |
| Tenancy Agreement | A contract between a landlord and tenant for the rental of a residential property. Governed by the *Yukon Residential Landlord and Tenant Act*, tenancy agreements establish the rental period, rent amount, and the responsibilities of both the landlord and tenant. |

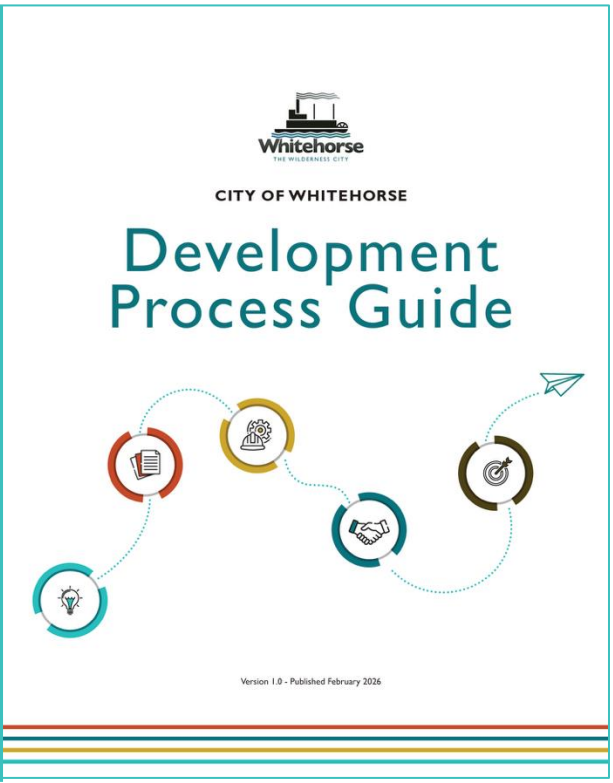
## Development

Development refers to the process of improving a real estate asset through investment and construction. Major components of development include acquisition, funding, design and construction. The typical phases of development can be broken down into **concept and feasibility**, **design**, **construction**, and **occupancy**.

**Development Process Guide**

The City published the Development Process Guide in February 2026 to provide information on the development process for the public. While not to be used as legal advice, the guide provides the steps involved in developing land from various states such as bare land or redevelopment.

For more information, please visit:
https://www.whitehorse.ca/wp-content/uploads/2026/02/Whitehorse-Development-Process-Guide.pdf




## Mix of Uses

The mix of uses is a critical consideration in co-location projects. Different combinations of uses can significantly influence construction cost and complexity and will have a lasting impact on the project's sense of place, demographics, and long-term operational needs.

During development, more complex combinations of uses typically require higher building systems standards, greater coordination, and higher technical standards. For example, as identified through the case studies, fire hall uses introduce additional seismic requirements and specialized building systems that can affect the design and cost of the entire building.

Operational considerations include the compatibility of different uses and user groups, and their associated impacts such as noise and traffic; the level of management, investment,

and expertise required to operate all components effectively; and the potential for partnerships that enhance operational viability and ease.

## Organizational Capacity

Developing and operating a co-location project is inherently complex. Before design and construction begin, organizations must navigate a range of early-stage decisions: how and with whom to partner, what agreements to put in place, how best to utilize available land, how to secure funding, and how to establish programmatic and operational goals. All this demands expertise, time, and resources. Organizations considering co-location projects should ensure they have the organizational capacity to undertake a complex project, make informed decisions, and manage ongoing operations post-development.

Organizational capacity can be developed progressively through strategies such as:

- starting with smaller or lower-risk projects and gradually scaling up to more complex developments, such as renovations or houseplexes;
- partnering with organizations that have relevant development, operational, or governance experience; and
- investing in internal expertise through staff training or by hiring individuals with development or project delivery experience.

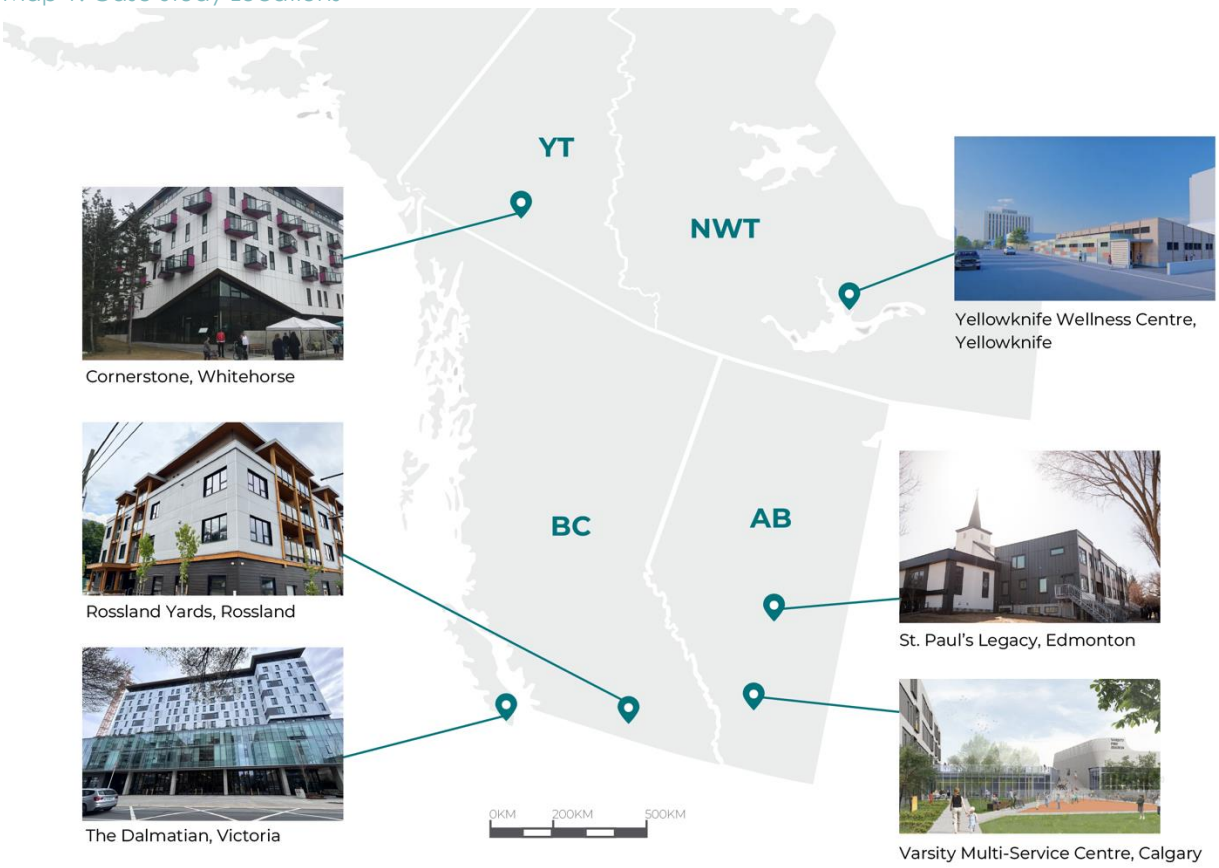
Organizations can also engage a development consultant or project manager to serve as the owner's representative, providing professional guidance, coordination, and oversight throughout the development process. Other professionals, including accountants, lawyers, and property managers, can be contracted to supplement in-house expertise during and after development.

# Case Studies

Five co-location developments from Yukon, Alberta, and British Columbia were reviewed to understand how successful initiatives and partnerships are structured. Brief overviews and key lessons learned from each development are presented on the following page, with detailed information provided in Appendix B (page 37).

The information was gathered through interviews with project proponents and supplementary background research, and reflects how each project was conceived, designed, developed, funded, and operated. The depth and type of information available varies by project, and not all case studies offer directly comparable data.

Map 1: Case Study Locations




A sixth co-location case study was also reviewed, the Yellowknife Wellness Centre. However, it does not include a residential component – the mixed-use project is included as a case study due to the transferability of the northern downtown context and territorial government lead to Whitehorse; this case study is also available in Appendix B (page 37).

## Cornerstone, Whitehorse



*Front elevation of Cornerstone. Image courtesy of Kobayashi + Zedda Architects.*

### OVERVIEW

Cornerstone is a mixed-use development in downtown Whitehorse, developed by the non-profit Opportunities Yukon to address the city's shortage of affordable housing. Opened in July 2022, the building includes 45 affordable rental units, eight market condominiums, space for a non-profit tenant, a commercial kitchen and café, and offices. The project combines supportive housing, market condominiums, and community-oriented commercial space, designed to foster social inclusion by bringing together diverse residents, including adults with developmental disabilities.

While the residential units are fully occupied, some planned commercial uses did not materialize. Challenges included limited parking and location constraints that affected retail viability, along with tenant agreements and building systems that increased operating costs. Rapidly scaling to manage a complex project also placed organizational strain on the team.

Since opening, the project has stabilized. Some commercial areas have been converted into program space for Opportunities Yukon's support services, including a meal program. Key lessons include the importance of rigorously assessing the financial viability of all uses, ensuring experienced teams guide planning and design, and aligning organizational capacity with project scale from the outset.

## LESSONS LEARNED

### Owners and Operators

#### 1. Assess the Viability of Commercial and Social Enterprise Uses Early in Project Planning

After opening, the planned commercial spaces failed to perform as intended. The building's location, limited foot traffic, and insufficient parking made it difficult to attract the intended clientele, and these constraints were compounded by the financial limitations of some social enterprise tenants, who struggled to generate sufficient revenue to cover rent. It is recommended that a market and location feasibility review be undertaken early in the planning process to assess demand, viability, and the appropriateness of proposed commercial uses. Social enterprise initiatives should be supported by a professional business case with realistic revenue projections and operating capacity. Where long-term financial sustainability is uncertain, organizations should be prepared to pivot and explore alternative uses better aligned with their strengths. At Cornerstone, one commercial space was ultimately repurposed as program space for residents.

#### 2. Establish Clear Financial Management for Building Operations

Financial responsibilities for building operations and non-profit programming were not clearly separated at the outset, creating challenges in tracking and accountability. This was particularly problematic given that government funding intended for direct supports could not be directed toward building-related costs such as property management, utilities, or maintenance. Following occupancy, a separate entity, the Cornerstone Administration Corporation, was established to manage building operations independently from Opportunities Yukon's non-profit programming. All building-related costs, including rents, utilities, property management, and maintenance, now flow through this corporation. This separation improved financial clarity, ensured compliance with government funding requirements, and better aligned operational responsibilities with funding sources.

### 3. Ensure Organizational Capacity to Deliver Large-Scale Projects

Developing and operating a project of Cornerstone's scale and complexity is a significant undertaking that requires dedicated staff and professional expertise. Having no prior experience developing a new building or managing the start-up of a mixed-use, mixed-tenancy development, Opportunities Yukon encountered challenges at every stage of development and throughout the first year of operations. The organization adapted and pivoted several times before establishing a sustainable operational model. The key takeaway for other organizations is to ensure that large development endeavours are appropriately matched to organizational capacity, with sufficient resources in place to support scaling up.

## Municipalities

### 4. Act as a 'First-in' Funding Partner

Although all funding partners had agreed in principle to support the development, reluctance to be the first to formally commit resulted in a one-year delay to the project timeline. The City of Whitehorse ultimately stepped up first, contributing a $1 million grant to the project, which prompted the Yukon Housing Corporation and the Canada Mortgage and Housing Corporation to follow. As outlined in the next case study, the St. Paul's Legacy Project experienced a similar delay. Municipalities should consider acting as the first-in funder to signal local commitment and help attract additional public funding partners.

## St. Paul's Legacy, Edmonton



*Front view of St. Paul's Lutheran Legacy Project. Image courtesy of Right at Home Housing Society.*

### OVERVIEW

Facing a decline in congregation numbers, St. Paul's Church Council in Edmonton sought to donate its land, including the church building, to a non-profit organization for affordable housing development. The Church Council selected Right at Home Housing Society as its partner. The project involved converting the existing church into a community hall and developing 11 homes for individuals and families with low incomes. The building opened in April 2025.

While the church was generally in good condition, upgrades were required to integrate it into the new development, and additional issues emerged during operations that required further repairs, underscoring the challenges inherent in combining adaptive reuse with new construction. Securing initial funding and addressing infrastructure upgrades presented additional hurdles, both common to non-profit housing projects. In each instance, the City of Edmonton provided targeted funding support to advance the project.

The project demonstrates how underutilized land can be successfully repurposed to deliver affordable housing while retaining an existing community building. It offers valuable lessons on the trade-offs of adaptive reuse, the importance of understanding the long-term operational implications of retaining an older building, and the role that partnerships between faith-based organizations and non-profit housing providers can play in achieving community and housing goals. It also highlights the meaningful role municipalities can play in supporting affordable housing delivery through targeted funding and infrastructure investment.

## LESSONS LEARNED

### Owners and Operators

#### 5. Build Development Experience

Non-profit organizations with limited development or construction experience can be vulnerable during project delivery, particularly on larger or more complex projects. Building development capacity is therefore essential to understanding the development process, managing risk, and effectively overseeing consultants and contractors. One approach is to scale up experience incrementally by first undertaking smaller, less complex projects, such as houseplexes. This was the approach taken by Lower Columbia Housing Society prior to the Rossland Yards development, allowing organizational capacity to grow in a lower-risk context, as explored further in a subsequent case study. Other approaches include hiring staff with development expertise or, where internal capacity is limited, engaging a development consultant or project manager to serve as the owner's representative, as was done by Right at Home on this project.

#### 6. Establish a Clear Communication Structure

Throughout this project, a single point of communication between the Church Council and Right at Home Housing Society supported effective coordination overall. Clear communication is critical when working with multiple interest-holders. Designating a single point of contact and an agreed communications protocol between organizations can streamline coordination and decision-making, and reduce confusion among partner groups.

#### 7. Maintain Replacement Reserves and Contingency Plans for Retaining Existing Buildings

Although the church was in good condition at the time of acquisition, operational issues emerged post-occupancy, including ice damming, sagging sewer lines, and heat loss

through the roof. Acquiring an existing building carries inherently higher risk than new construction. It is important to maintain replacement reserve funds to address unexpected repair costs, develop contingency plans for potential failures, and identify in advance how additional funds can be secured if required.

## Municipalities

### 8. Provide Infrastructure Upgrade Support

Infrastructure upgrades were required to accommodate the additional housing. Through its Housing Accelerator Fund Action Plan, the City of Edmonton provided funding to Right at Home to complete these upgrades. Municipalities can support affordable housing projects by funding required infrastructure improvements, such as power and sewer upgrades. In this case, the City of Edmonton's contribution was an important factor in keeping housing as affordable as possible for future tenants.

### 9. Offer Property Tax Exemptions

Municipalities should consider offering property tax exemptions for non-profit affordable housing projects. Exemptions can significantly reduce long-term operating costs and strengthen the financial sustainability of non-profit housing providers.

### 10. Support Expedited Timelines and Internal Coordination

Municipalities can support community housing co-location projects by prioritizing permit application review and approvals. Active coordination across municipal departments can save time, resolve issues efficiently, and accelerate the approvals process.

## Varsity Multi-Service Centre, Calgary




*Front view of the Varsity Multi-Service Centre. Image courtesy of Bryce Baker.*

### OVERVIEW

The Varsity Multi-Service Centre in Calgary brings together 48 non-market homes, a fire station, corporate accommodation space for City staff, commercial retail units for potential future daycare, household hazardous waste drop-off and open greenspace on a single City-owned site. The project was planned, designed, and delivered by The City of Calgary under the Integrated Civic Facility Program, and involved collaboration between multiple City departments.

An initial design concept explored an integrated, stacked building. Through further community engagement and design development, the design was refined into a single, joined building with separated and clearly defined program areas, rather than vertically stacked uses. This approach reduced complexity and better responded to community input, while still achieving the project's integration objectives.

Funded by The City of Calgary, the Government of Alberta, and the Canada Mortgage and Housing Corporation, the project demonstrates the value of co-locating services on public land. Key lessons include establishing governance and a project charter early,

engaging the community from the outset, and planning carefully for the transition to operations.

## LESSONS LEARNED

### Owners and Operators

#### 11. Engage All Partners, Including Operations, in All Phases of the Project

All project partners should be engaged early and consistently, beginning at the business case, feasibility study, and pre-design phases, and continuing throughout design and construction. This includes facility operations staff, to support a smooth transition to building operations. In this project, not all overlapping operational requirements were identified prior to construction. Following construction, the location of boilers and building systems within a shared basement mechanical room created operational challenges. Addressing this required a late retrofit, including the installation of a valve to allow housing operations to shut off pipes to and from residential units. Future projects should clearly map out the operational requirements of each partner, with focused discussions on shared systems and servicing, operational autonomy, defined responsibilities, access protocols, and system controls.

#### 12. Start Early and Allow Sufficient Time for Design Coordination, Drafting Agreements, and Creating the Project Charter

One of the greatest challenges in the project was the time and effort required to develop the project charter and shared agreements. Multi-party agreements require significant work and should be initiated early in the project to establish governance, decision-making authority, and long-term responsibilities before design advances. Similarly, sufficient time should be allocated early in the project for design coordination when multiple partners are involved. Back-and-forth consultations between interested parties, design teams, and approving authorities can be time-intensive, and early coordination helps reduce delays and rework as the design progresses.

#### 13. Engage the Community Early and Document Expectations

Early concepts required refinement following community feedback, underscoring the importance of early and continuous engagement and relationship-building with the community. Community engagement should occur early in the process, with expectations clearly documented and feedback taken into consideration. It is recommended that projects be advanced to Council with a well-documented record of community engagement to support informed decision-making and reduce the risk of delays.

### 14. Consider Early Constructability Input

Depending on project complexity and delivery considerations, incorporating constructability input during design can help inform cost, sequencing, and risk management strategies. The delivery approach and timing of construction involvement should be determined on a project-specific basis and aligned with the procurement and delivery strategy.

## Rossland Yards, Rossland



*Rossland Yards. Image courtesy of CitySpaces Consulting.*

### OVERVIEW

Rossland Yards is a mixed-use development in Rossland, a town of approximately 4,000 residents in southern British Columbia. The four-storey building houses Rossland City Hall on the ground floor, with 37 affordable rental homes above. The City of Rossland partnered with the Lower Columbia Affordable Housing Society (the Society), a non-profit housing provider, to deliver the project.

The site's contamination classification prohibits residential uses at the ground level. Placing a non-residential use on the ground floor was the design solution that enabled housing within a co-location approach.

During pre-development, the project required multiple interrelated agreements to structure governance, ownership, and operations. Coordinating and finalizing these agreements demanded significant time and effort from all project partners, a process further complicated by the stratified ownership structure. Key lessons from this project include the importance of planning and sequencing agreements early, mapping out required steps in advance, and ensuring all parties understand their roles from the outset. The project also highlights the value of building strong partnerships, carefully considering the operational implications of ownership structures, and developing experience on smaller projects before scaling up.

## LESSONS LEARNED

### Owners and Operators

#### 15. Identify and Coordinate Agreements Early

The project required multiple interrelated agreements, including development, lease, strata, operating, and housing agreements. These agreements were largely interconnected, requiring considerable coordination and legal support to draft, finalize, and implement. This underscores the importance of mapping all required agreements early, engaging all necessary parties from the outset, and allowing sufficient time to establish and finalize operational responsibilities.

#### 16. Carefully Evaluate Strata versus Alternative Ownership Models

The building's strata structure, along with its associated insurance requirements, adds complexity to the Society's routine operations and ongoing obligations. More than two years post-occupancy, the Society continues to find this structure challenging and intends to explore alternative ownership models for future projects.

#### 17. Maintain Strong Relationship with Partners

One of the most important factors in the project's success was the strength of relationships between project partners. This project demonstrates how trust, open communication, and a shared commitment to common goals are essential to navigating complex agreements, operational challenges, and unforeseen issues over the life of a project.

### Municipalities

#### 18. Support Project Delivery Through Financial and Pre-Development Contributions

The City of Rossland's role as guarantor for the FCM loan was critical to securing financing, given the Society's limited borrowing capacity. The project also benefited from a permissive municipal property tax exemption, and the City's completion of environmental assessments in advance of the project supported site readiness and reduced development risk. Together, these contributions were instrumental in enabling the project to proceed.

## The Dalmatian, Victoria



*Front elevation of The Dalmatian from Johnson Street. Image courtesy of hcma architecture + design.*

### OVERVIEW

The Dalmatian is a mixed-use development in downtown Victoria, developed by Dalmatian Developments in partnership with the City of Victoria, BC Housing, and Pacifica Housing. The building integrates the City of Victoria Fire Hall #1 and Fire Department Headquarters on the first two levels, commercial space on the third level, and 130 units of affordable housing on levels four through 11. The building opened in early 2023.

The project grew from the City's need to replace an aging downtown fire hall. Rather than pursuing a traditional standalone replacement, the City issued an RFQ/RFP process to explore alternatives. Dalmatian Developments responded with a proposal to deliver the new fire hall on a site they owned. As the project evolved, the design expanded to include commercial space and affordable housing above the fire hall, introducing additional complexity while creating an opportunity to maximize land use in the downtown core.

Delivering a fire hall within a mixed-use building, incorporating housing above the facility, using a design-build model, and negotiating airspace parcels provided both challenges but also opportunities. These challenges were addressed through careful planning, centralized governance, peer review, shadow bidding,[2] value-for-money analysis, and comprehensive legal agreements. Key lessons include the importance of early planning, clear communication, structured negotiations, and matching organizational capacity to project complexity.

## LESSONS LEARNED

### Owners and Operators

#### 19. Conduct a Market Sounding Process

Undertaking a market sounding process ahead of formal procurement allowed the City of Victoria to explore a wide range of options before committing to a delivery approach. This provided early insight into market appetite and surfaced creative solutions that would not likely have emerged through a traditional procurement process.

#### 20. Assemble a Multidisciplinary Team and Maintain Stable Communication

The City deliberately assembled a multidisciplinary internal team with expertise in real estate, construction, contract management, and engineering, centralizing all communication through a single project office. Maintaining a stable team with limited turnover helped reduce miscommunication and support consistent decision-making throughout design and construction.

#### 21. Align Interests Between Project Partners

Mission and mandate alignment is an important consideration when structuring partnerships. The introduction of private residential housing above the fire hall could have created misaligned interests over time, whereas BC Housing's role as a publicly-owned, non-market housing provider aligned more closely with the City's long-term operational needs.

#### 22. Develop Robust Easement and Airspace Parcel Agreements

The City and Dalmatian Developments invested significant effort in negotiating detailed airspace easement agreements that anticipated long-term operational needs, including access, noise, damage, and future construction. Moving beyond standard boilerplate

2. Process of preparing an independent cost estimate for a project using the same specifications to compare against a proponent's proposed price.

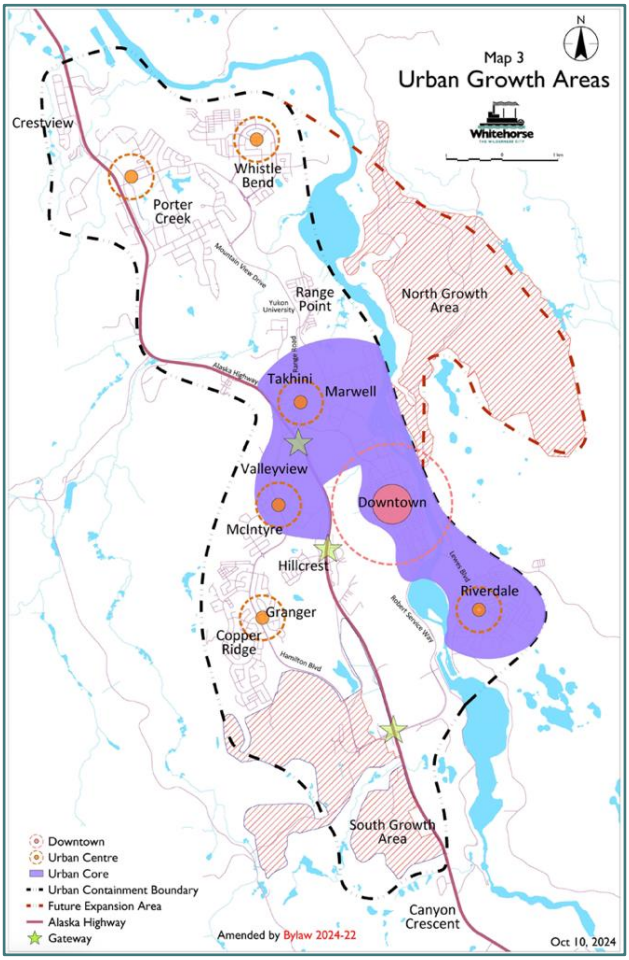
agreements was essential to protecting fire hall operations and enabling a mixed-use building with multiple owners over the long term.

# Co-Location Opportunities in Whitehorse

The City of Whitehorse's Official Community Plan (OCP), *Whitehorse 2040*, identifies urban centres and urban growth areas where higher-density and mixed-use development is supported by City policy (see Map 2, below). Some land in these areas is already zoned for mixed-use development that could support co-location, while other parcels would require rezoning. Rezoning adds time and cost to the development process but carries less risk where the proposed rezoning aligns with OCP policy.

Using urban growth areas, urban centres, existing and designated land uses, and parcel boundaries, a high-level spatial analysis was completed to identify sites that could support co-location initiatives in Whitehorse. These sites were reviewed through desktop analysis of aerial photos and permitting records. The sites of interest may not reflect 2026 conditions. Sites were categorized by parcel ownership type, including government, private, and faith-based organization, and mapped accordingly.

Map 2: Urban Growth Areas, City of Whitehorse
Source: Whitehorse 2040

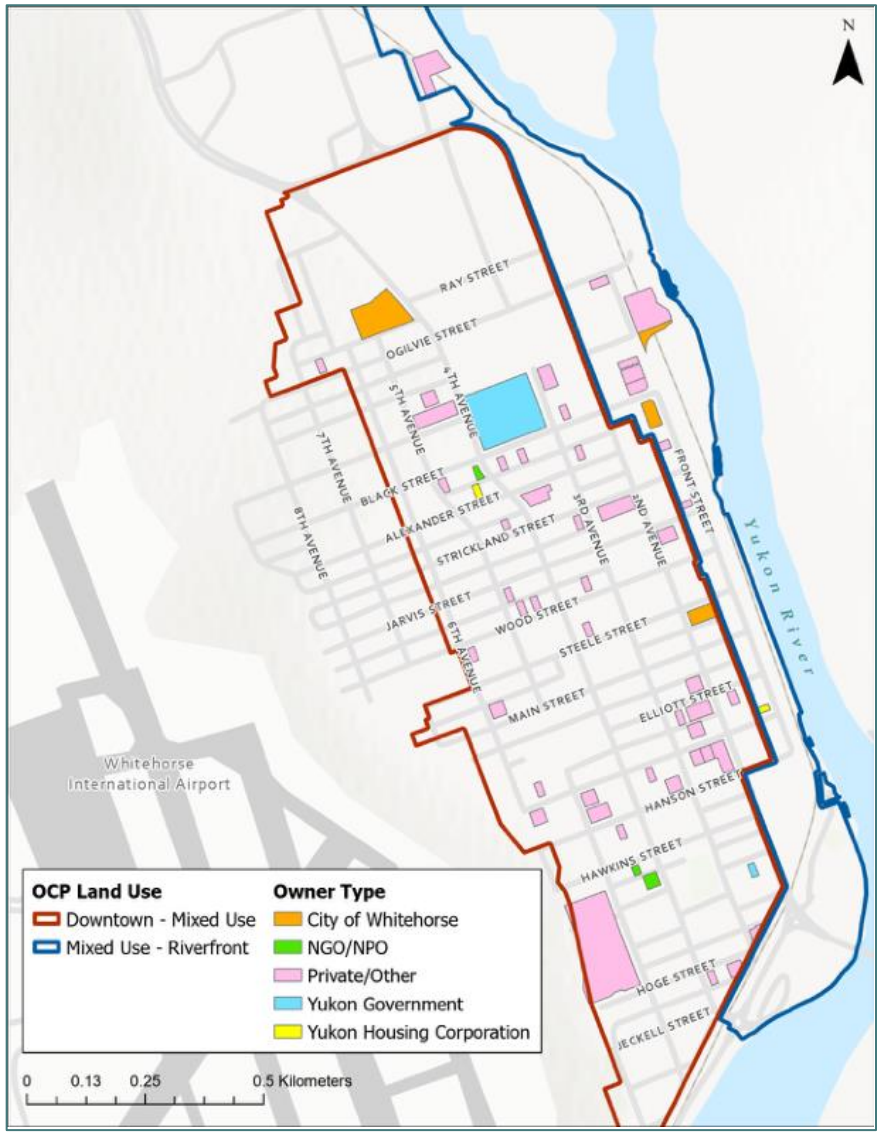



Sites in Downtown, Takhini, and Whistle Bend were identified (see Maps 3 to 5). Other urban centres were not mapped, as no high-level sites of interest were identified based on the framework methodology.

The maps provide a high-level overview of potential sites that may be suitable for co-location development based on the analysis criteria. Whether landowners would sell or make land available for this purpose is unknown, and direct engagement with landowners would be required to confirm availability.

It is important to note that the sites of interest are not exhaustive. The absence of a site from these maps does not preclude the possibility of redevelopment.

Map 3: Downtown Whitehorse Potential Parcels for Development
Source: City of Whitehorse Open Data, CitySpaces Consulting

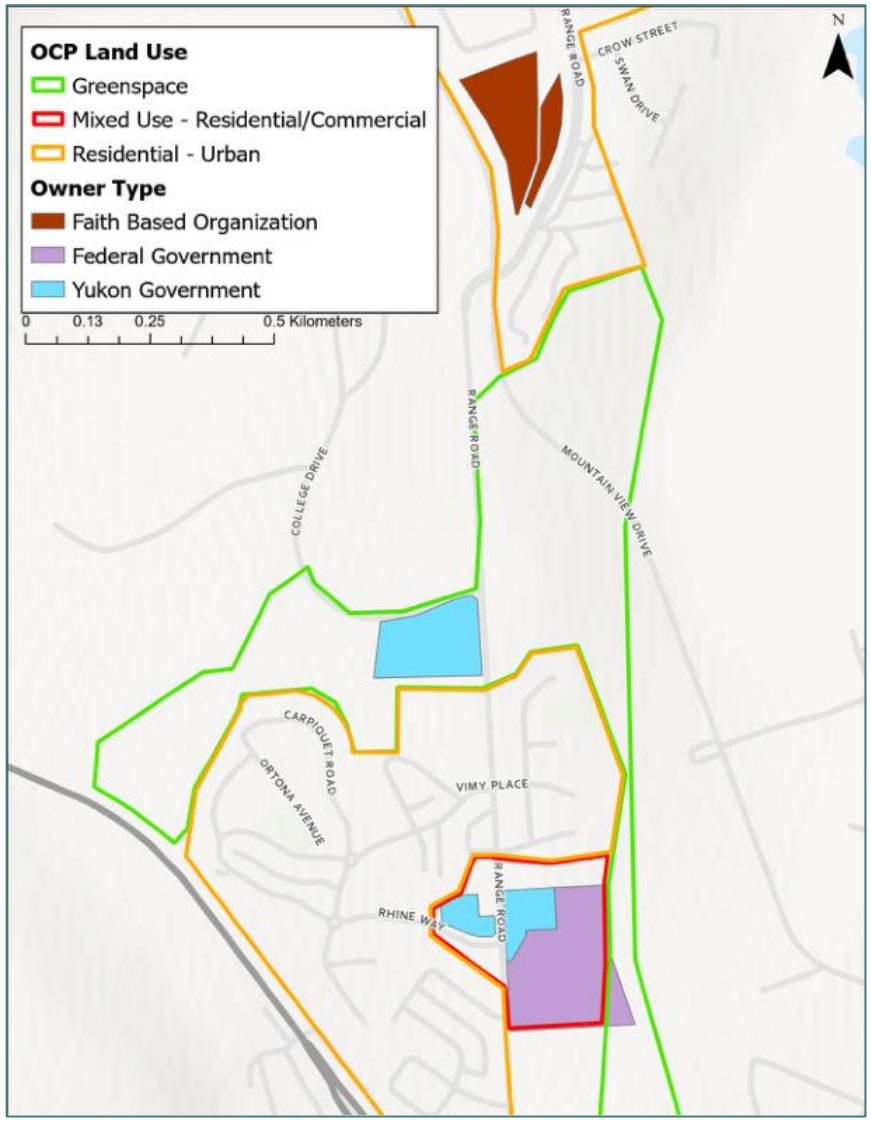



## Downtown Whitehorse

Many of the privately-owned and other parcels identified may currently be vacant or used as surface parking, whether permitted or not. Feedback from interest-holders indicated that limited parking availability in the downtown area is a community concern. Incorporating structured parking alongside residential units may present an opportunity on some of these parcels, though further analysis would be required to assess existing infrastructure capacity, including sewer and water servicing, and other feasibility considerations.

École Whitehorse Elementary School has also been identified as a potential site, as the building is nearing its end of life. The Government of Yukon is currently reviewing potential locations, including the current location, for a modern replacement facility.

Map 4: Takhini Neighbourhood Potential Parcels for Development
Source: City of Whitehorse Open Data, CitySpaces Consulting



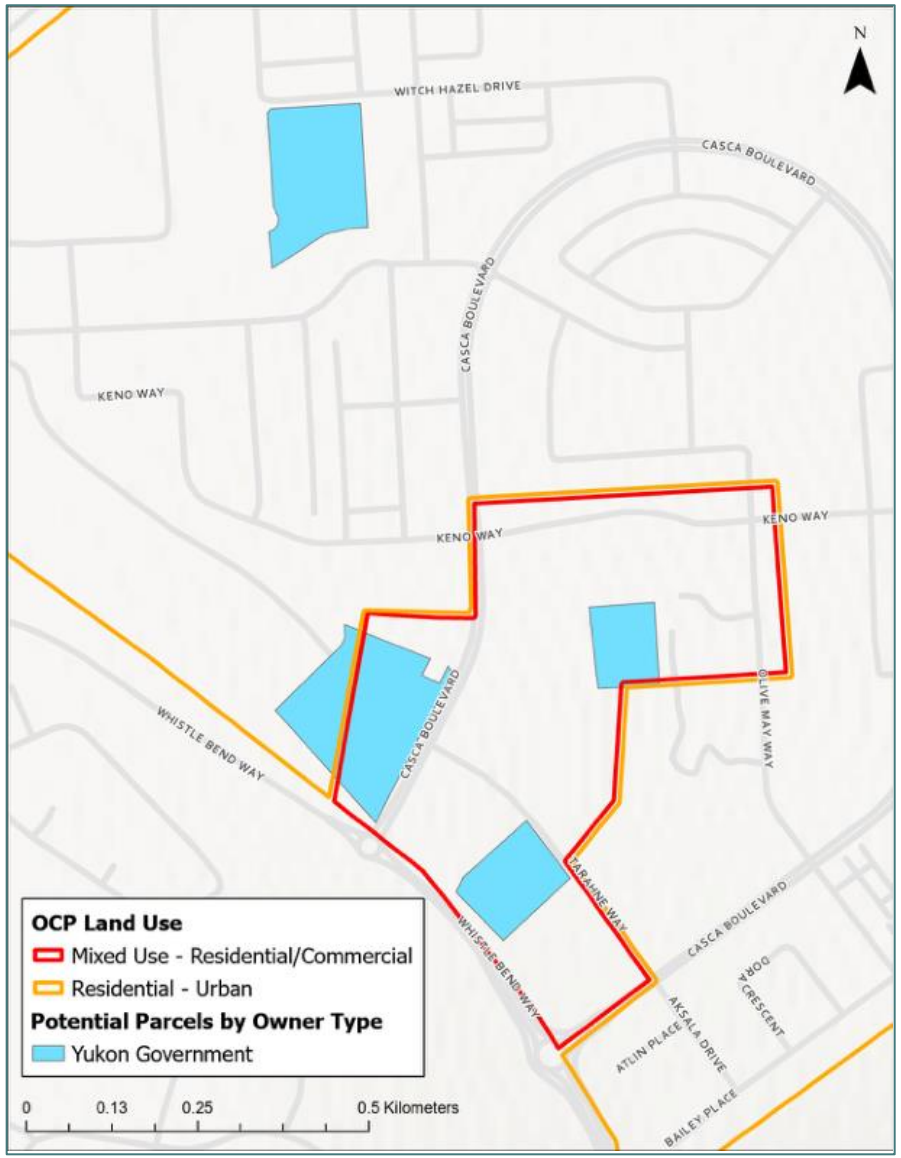

## Takhini

One potential development site in Takhini is owned by the Yukon Government. The property falls within a greenspace land use designation, which limits its potential uses. The site had previously been considered as a relocation option for École Whitehorse Elementary School but did not advance due to community feedback.

A second site in southern Takhini is currently owned by both the territorial and federal governments and is used for Yukon Government offices. Any redevelopment of this site would require the involvement and agreement of both levels of government.

The remaining identified parcels in Takhini are owned by a faith-based organization. The combined site is mostly treed, with a right-of-way for ATCO Electric Yukon.
The St. Paul's Legacy Project offers a relevant example of how a partnership between a faith-based organization and an affordable housing provider can create co-located community space and housing for lower-income individuals and families.

Map 5: Whistle Bend Potential Parcels for Development
Source: City of Whitehorse Open Data, CitySpaces Consulting




## Whistle Bend

Potential development parcels in Whistle Bend are owned by the Yukon Government and may have planned uses in place; however, it has been indicated that these sites also offer opportunities for a range of public uses, such as a library or community centre. Further information can be found in the *Planning and Preliminary Engineering Design Report for Whistle Bend Future Areas and Town Square.*

As a relatively new and developing neighbourhood, Whistle Bend has predominantly been designated as Residential – Urban or Mixed-Use – Residential / Commercial and may offer more co-location opportunities than those captured in the high-level mapping.

# APPENDIX A

## Engagement Summary

## Engagement Summary

The Housing Co-Location Framework was developed with input from government, developers, and non-profit organizations in Whitehorse, drawing on focused research into co-location examples from Yukon, British Columbia, Alberta, and the Northwest Territories, and a spatial analysis of Whitehorse's urban growth and urban core centres as identified in Whitehorse 2040, the City's Official Community Plan. The information was analyzed and synthesized by the consultant team.

Between February and March 2026, the consultant team and City of Whitehorse staff met with interest-holders identified by the City to learn about their experiences with housing and mixed-use development in Whitehorse and their interest in co-location projects. Interviewees included individuals working in government, private development, non-profit development, and other non-profit service sectors. Their levels of development experience ranged from none to multiple completed projects, and this breadth of perspective provided dynamic and informed feedback to shape the framework.



Recurring themes from the interviews are summarized below.

## PARTNERSHIPS

- Government representatives indicated openness to partnerships in the right circumstances, provided they are supported politically and align with broader priorities. Opportunities may exist for municipal and territorial governments to participate through land contributions and housing incentives such as grants and fee waivers.
- Both developers and service organizations expressed general interest in partnering with other organizations where project goals and timelines align. However, service organizations raised concerns about access to capital funding and financing, which can present a significant barrier to participation.

## BENEFITS & CHALLENGES OF CO-LOCATION

- Government representatives voiced support for co-location as a means of increasing housing supply in Whitehorse, while noting that **infrastructure constraints**, including electricity, water and sewer, and public transit, should be addressed prior to adding more housing. They also noted that ensuring the feasibility of mixed-use buildings can be challenging due to **building code complexities** associated with combining uses such as commercial and residential. Ongoing learning and open dialogue between different levels and departments of government was identified as essential to overcoming coordination challenges.
- Developers and service organizations alike viewed co-location as a viable approach to increasing housing in Whitehorse, provided the non-residential use is compatible with the housing component, such as a daycare or community centre. Both groups noted that the overall feasibility and success of a co-location project depend significantly on the **ownership and governance structure** of the development.
    - Developers expressed caution around including commercial spaces in mixed-use buildings managed by organizations without commercial leasing or business experience. They also highlighted that combining multiple uses, such as commercial and residential, introduces **building code complexities** that can increase development costs.
    - Service organizations noted that smaller non-profits often lack the capacity to manage larger, more complex projects, which can contribute to sector fatigue. Additional challenges identified include operational conflicts and the legal complexities inherent in co-location arrangements.

## INCENTIVIZING CO-LOCATION IN WHITEHORSE

- Government representatives identified opportunities for continued learning across government bodies, particularly between First Nation governments and municipal and territorial governments. Emphasis was placed on sustained municipal investment in community amenities and the importance of analyzing infrastructure constraints and their development impacts.
- Developers and service organizations identified clear and consistent political support as essential to incentivizing co-location, particularly for non-market and supportive housing. Additional opportunities identified include ensuring that new zoning is supported by adequate infrastructure capacity, or that a pathway to increasing that capacity is known in advance. Service organizations noted that their sector is often overlooked during early visioning phases of these developments. Property tax deferral was also recommended as a potential incentive.

# APPENDIX B
## Case Study Details

## Cornerstone, Whitehorse

**Interview Participant:** Opportunities Yukon

### ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Address | 710 Main Street, Whitehorse, Yukon |
| | Context | In Downtown Whitehorse, adjacent to 2–4 storey multi-family residential buildings and green space; site is at the end of the road and in proximity to a public addiction treatment centre. |
| | Lot size | 1,573 $m^2$ (16,931 SF) |
| | Previous Use | Vacant lot owned by the City of Whitehorse |
| Partners | Project Lead / Owners | Opportunities Yukon |
| | Funders | City of Whitehorse; Canadian Mortgage Housing Corporation; Yukon Government |
| Overview | Building Type | 6 storeys; wood-frame construction with above-grade parking and basement |
| | Uses | Residential mixed-use, mixed-tenure development |
| | Scale | 4,866 $m^2$ (52,377 SF) |
| Residential Uses | Levels 2 – 5 | 45 affordable rental homes |
| | Level 6 | 8 condominium homes |
| | Roof Level | Patio with common areas |
| Non-Residential Uses | Basement Level | Service space, and storage |
| | Ground Level | Commercial kitchen and program space |
| | Second Level | Opportunities Yukon office, leased offices and program space |
| Project Timeline | Pre-2015 | Predevelopment + Concept Design |
| | 2019 – 2022 | Construction |
| | 2022 | Occupancy |

### ORGANIZATIONAL CAPACITY AND CONTRIBUTIONS

Prior to the development of this project, Opportunities Yukon had limited housing development experience; the organization previously focused on providing employment supports for persons with development disabilities and operating group homes.

Opportunities Yukon contributed equity from the sale of its previous building and allocated additional internal funds to support the development project. Working with the Board of Directors and the architect, the organization assessed community needs, completed a feasibility study, and developed a strategic plan for the organization that supported housing development. Starting in 2015, Opportunities Yukon engaged with community partners to ensure the project responded to community concerns, perspectives, and recommendations.

## KEY PARTNERSHIPS

The project site was previously owned by the City of Whitehorse and donated to Opportunities Yukon as part of a land transfer agreement. Opportunities Yukon was the developer and is the sole operator.

The building is structured and operates as a strata, with Opportunities Yukon retaining approximately 89% ownership and the condominium owners holding the remaining share.

## FUNDING AND MANAGEMENT

### Capital

Capital funding for the projects was a combination of grants, financing, and internal revenue sources. Profit from the sale of the market condominium homes was also incorporated into the financial model. Table 1 summarizes the key funding sources that supported the project, based on available information.

Table 1: Cornerstone Capital Project Funding Sources and Financial Contributions[3]

| Funder or Source | Detail | Loan | Equity/Grant |
|---|---|---|---|
| Opportunities Yukon | Sale of building & internal funds | - | $700,000 |
| Yukon Housing Corporation | Purchase of land | - | $750,231 |
| City of Whitehorse | Initial project funding | - | $1,000,000 |
| Yukon Government & Housing Corporation | Housing Infrastructure Fund | $7,600,000 | - |
| Canada Mortgage and Housing Corporation | Co-Investment | $5,100,000 | - |

3. Table illustrates known contributions; total project budget and funding was not confirmed at the time of publication.

## Operational

The residential portion of operational is funded through the rental income.

Shared building expenses are managed through the condominium corporation established for this purpose. Operating costs related to building systems, maintenance, and utilities are funded through condominium fees which are allocated based on ownership share. Staffing costs are managed separately on the non-profit side, and property management is contracted out to private company.



*Cornerstone Interior Images: views of residential units. Images courtesy of Kobayashi + Zedda Architects.*

## St. Paul's Lutheran Legacy Project, Edmonton

**Interview Participant:** Right at Home Housing Society

### ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Address | 9155 79 Ave NW, Edmonton, Alberta |
| | Context | Situated within a residential neighborhood, facing a park, and surrounded by single-family detached homes. |
| | Lot size | 1,632 $m^2$ (17,570 SF) |
| | Previous Use | Owned and occupied by the Church |
| Partners | Project Lead / Owners | Right at Home Housing Society |
| | Funders | City of Edmonton; Province of Alberta; Government of Canada |
| Overview | Building Type | 3 storeys; wood frame construction with above-grade parking |
| | Uses | Residential mixed-use, including a community gathering space |
| | Scale | 1,748 $m^2$ (18,815 SF) |
| Residential Uses | Levels 1 – 3 | 11 affordable homes |
| Non-Residential Uses | Level 1 | Community Space |
| Project Timeline | 2017 | Predevelopment + Concept Design |
| | 2019 – 2022 | Construction |
| | 2025 | Occupancy |

### ORGANIZATIONAL CAPACITY AND CONTRIBUTIONS

Right at Home brought significant developer and operator experience and capacity to the project, including having completed a similar church conversion project in Edmonton prior to St. Paul's. At the time of the project, the Society operated more than 700 housing units across the city, representing a high level of operational scale managing non-market housing.

The Society experienced a gap in executive leadership between September 2023 and February 2024 while the project was under development. Despite this, the project continued

to advance, supported by internal staff, professional consultants, and processes already in-place, demonstrating a well-structured and resourced process and team.

Retaining the existing church resulted in unforeseen repair and maintenance needs post-construction, but the Society's reserve funds and operational experience have enabled it to resolve issues as they arise.

## KEY PARTNERSHIPS

A Memorandum of Understanding (MOU) was signed between Right at Home and St. Paul's Church Council. Under the MOU, the Council agreed to gift the land and church, while Right at Home agreed to develop affordable housing and retain the church as part of the project. The agreement included several requirements related to the continued use and preservation of the church, including allowing access to the church congregation, retaining the stained-glass windows, and long-term retention and maintenance of the pipe organ.

Although not required under the MOU, Right at Home maintained regular communication with the Church throughout the design process to maintain a good relationship.

## DESIGN

Although the existing church was generally in good condition, work was required to support its continued use and integration with the new housing development. This included the addition of fire-suppression systems, fire alarms, and sprinkler systems within the existing church.

Infrastructure upgrades were also required to support the development of housing on the site. The City of Edmonton, through the Housing Accelerator Fund Action Plan, stepped in to refund the costs associated with Sanitary Sewer Trunk Charges.

## CAPITAL & OPERATIONAL FUNDS AND MANAGEMENT

### Capital

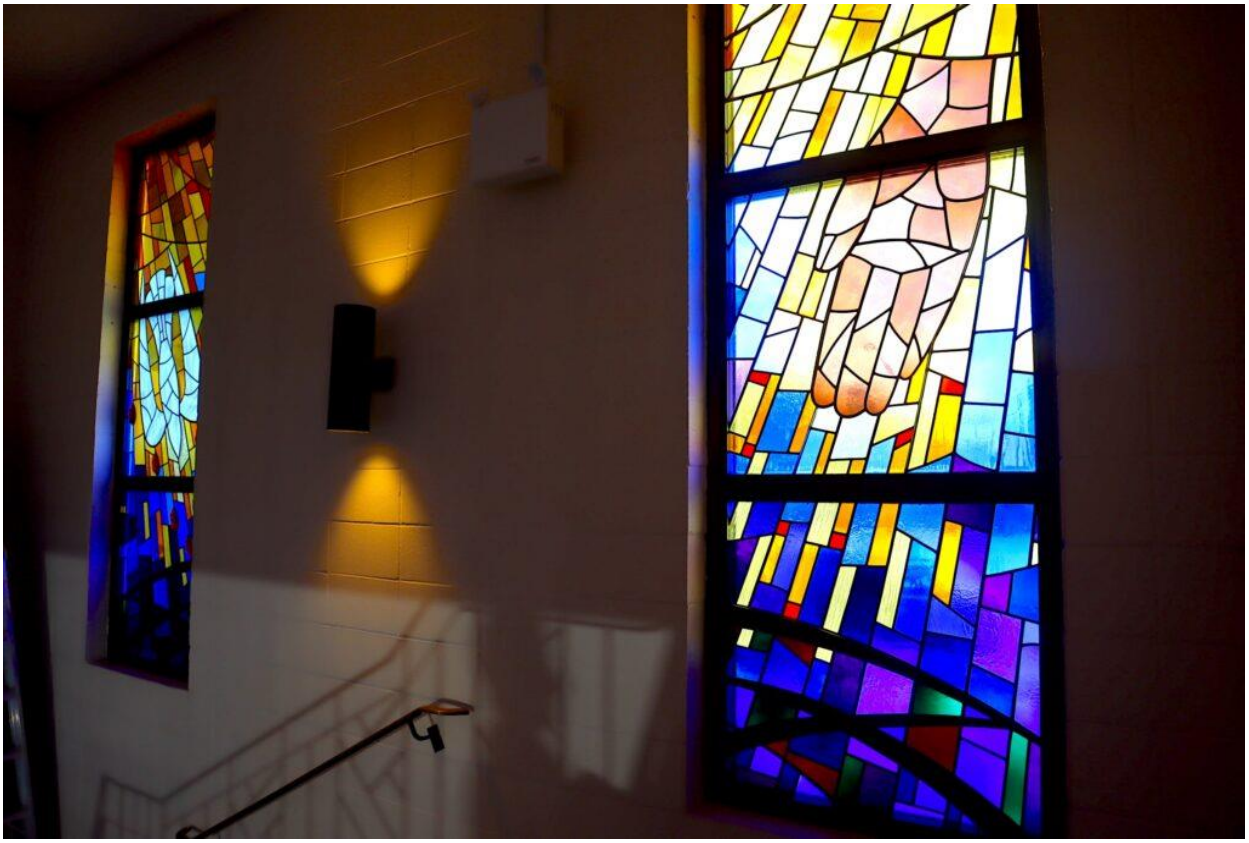
The project did not require a loan and was built debt-free. It was funded through a combination of grant funding and internal funds, including contributions from municipal, provincial, and federal governments. Table 2 summarizes the key funding sources that supported the project.

Table 2: St. Paul's Lutheran Legacy Project Key Funding Sources

| Funder or Source | Detail | Grant |
|---|---|---|
| St. Paul's Church | Donation of land | $1,200,000 |
| Right at Home Society | Internal Funds | $500,000 |
| City of Edmonton | Affordable Housing Investment Program | $689,000 |
| Government of Canada | Rapid Housing Initiative | $2,800,000 |
| Government of Alberta | Affordable Housing Partnership Program | $900,000 |

## Operational

The project's operational funding is currently sourced from rental income, and no operating subsidy is required. The community gathering space is rented out to various groups as an income generator. The space is also available for community wide events for free or a reduced rate. The project is currently operating with a surplus, indicating a positive operational performance.



*St. Paul's Lutheran Church Interior: stained-glass windows retained as part of the agreement. Image courtesy of the City of Edmonton.*

# Varsity Multi-Service Centre, Calgary

**Interview Participants:** The City of Calgary and Calgary Housing[4]

## ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Address | 3400 37 Street N.W, Calgary Alberta |
| | Context | Located near the University of Calgary campus; site is bordered by single-family residential neighbourhoods, townhouses, a major arterial roadway, and an electrical substation. |
| | Lot size | 14,800 $m^2$ (159,000 SF) |
| | Previous Use | Varsity Fire Station |
| Partners | Project Lead / Owners | City of Calgary |
| | Funders | City of Calgary; Government of Alberta; Canadian Mortgage and Housing Corporation |
| Overview | Building Type(s) & Uses | Integrated building with above-grade parking and a basement for building services, with uses accommodated in a non-stacked building, including:<br>• Four-storey (wood-frame) residential building<br>• Single-storey (structural steel) common spaces, including a commercial retail unit for a future daycare and City corporate space<br>• One-storey (structural steel) fire station |
| | Scale | 7,772 $m^2$ (83,657 SF) |
| Housing Program | Total Units | 48 homes (1-, 2-, and 3-bedroom multi-generational units[5]) |
| Project Timeline | 2015 - 2018 | Councillor discussions + program direction |
| | 2018 | Master Plan Completion + Funding Approval |
| | 2018 – 2022 | Community Engagement + Development Approvals |
| | 2022 | Construction Start |
| | 2025 | Occupancy |

4.Calgary Housing is a wholly-owned subsidiary of the City of Calgary mandated to deliver and operate non-market housing.

5. Multigenerational unit is a studio unit combined with a 2- or 3-bedroom unit by interconnected doors.

## KEY PARTNERS

Within the City of Calgary, the interested parties in the project included Calgary Fire Department, Facility Management, Real Estate & Development Services, Calgary Housing[1], Waste & Recycling Services, and Parks. Each interested party appointed a representative to the governance steering committee. Project governance included a working project team, steering committee and sponsor oversight, and regular partner coordination meetings. Decision-making relied on clear escalation paths, defined roles, and early issue resolution.

Two primary agreements governed the project:

1. **Project Charter**

The Project Charter was established early in the project and:

- Defined the overall governance structure and how departments would work together;
- Clarified decision-making authority; and
- Established high-level budget parameters.

2. **Operations Agreement**

The Operations Agreement addressed long-term building management and:

- Defined responsibilities for ongoing building operations;
- Defined system interfaces; and
- Established operations cost-sharing arrangements between parties.

While the Project Charter was finalized early, the Operations Agreement took several years to complete, reflecting the complexity of coordinating long-term operations across multiple City departments.

The City of Calgary currently retains ownership of the site, with long-term operating agreements in place for partner use.

## DESIGN

The initial design concept explored stacking the various uses within one single, integrated building, with the intent of selling off the south portion of the site. The Calgary Planning Commission requested for a redesign during the Development Permit process. As a result, the south parcel land was included in the project scope, and selling this part of the site was no longer considered.

The design approach was refined following informing the community through a digital community presentation and Q&A session. The final design refined the original stacked concept into a single, joined building with clearly defined program areas, rather than vertically stacked uses.

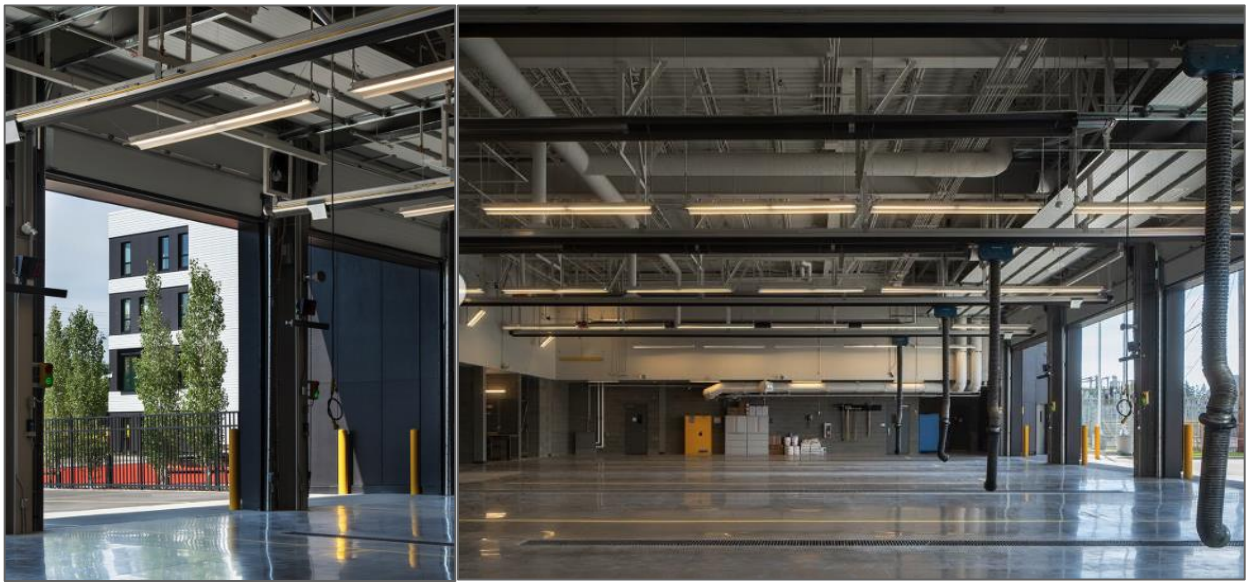
## CAPITAL & OPERATIONAL FUNDS AND MANAGEMENT

### Capital

Calgary Housing, Facility Management, and the Calgary Fire Department each contributed capital to a consolidated project budget. Once contributed, funds were not tracked by individual use (e.g., housing, fire, or other civic components) but were treated as collective contributions to the overall project.

No loans were used for the housing component. Grant funding covered a portion of the housing costs, with the City contributing the remaining costs through reserve funds, allowing the residential component to proceed without financing.

Funding sources included municipal capital funding and external grants, particularly in support of the housing component.



*Interior views of the fire station. Images courtesy of Bryce Baker.*

## Rossland Yards, Rossland

**Interview Participant:** Lower Columbia Affordable Housing Society

### ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Address | 1920 Third Avenue, Rossland BC |
| | Context | Site is situated in a mostly single-detached neighbourhood. It is located next to the Rossland Youth Action Network and skatepark and across from the Rossland Arena. Rossland Summit School is also located nearby. |
| | Lot size | 3,587 $m^2$ (38,613 SF) |
| | Previous Use | Vacant lot owned by the City of Rossland |
| Partners | Project Lead / Owners | City of Rossland; Lower Columbia Affordable Housing Society |
| | Funders | City of Rossland; BC Housing; Columbia Basin Trust; Federation of Canadian Municipalities |
| Overview | Building Type | 4 storeys; wood frame construction with above-grade parking |
| | Uses | Residential mixed-use, civic |
| | Scale | 3,684 $m^2$ (39,655 $ft^2$) |
| Residential Uses | Ground Level | Amenity room and office |
| | Levels 2 – 4 | 37 affordable rental homes (1-, 2-, and 3-bedroom units) |
| Non-Residential Uses | Ground Level | City of Rossland Municipal Hall |
| Project Timeline | 2006 – 2019 | Visioning and Planning |
| | 2019 – 2021 | Approvals and Design |
| | 2021 – 2023 | Construction |
| | 2023 | Occupancy |

### ORGANIZATIONAL CAPACITY AND CONTRIBUTIONS

At the outset of Rossland Yards, the Lower Columbia Affordable Housing Society (LCAHS) had no experience delivering a housing development of this scale, though it had completed smaller housing projects. In the same year that funding approval was secured for Rossland Yards, LCAHS also received funding to develop a nine-unit housing project in a nearby community. The smaller project was completed sooner and provided the

organization with current, hands-on experience working with contractors and navigating funding requirements.

Prior to these developments, LCAHS had focused on acquiring existing housing units and undertaking modest renovations. While smaller in scale, these projects allowed the Society to gain valuable experience with funding programs, approval processes, project management, and operations. This accumulated experience helped LCAHS better understand the complexity of housing development and funding, and informed its approach to the more complex Rossland Yards project. For this project, LCAHS engaged a development consultant to serve as the owner's representative, a similar approach to that taken on the St. Paul's Legacy Project.

## KEY PARTNERSHIPS

### Pre-Development to Construction

The City of Rossland and LCAHS formally connected at a regional housing event, though representatives were already acquainted locally. Early discussions confirmed the City's interest in supporting affordable housing while not taking on an operator role.

LCAHS was initially peripheral to the funding application but became more centrally involved once funding was secured. A memorandum of understanding (MOU) was established to define roles and responsibilities, supported by a development agreement, formal approvals from the LCAHS board and City Council, and detailed participation schedules.

As part of its funding commitment, BC Housing required its operating arm, the Provincial Rental Housing Corporation (PRHC), to hold ownership of a portion of the units. These units are owned by PRHC and operated by LCAHS.

### Operating

The City of Rossland owns the land and most of the building, apart from a portion of strata housing units owned by PRHC and those owned by LCAHS. The City also operates the ground-level City Hall.

LCAHS holds a 60-year leasehold agreement with the City for 22 of the 37 apartments and serves as owner and operator of these homes, while also operating the 15 units owned by PRHC. This arrangement is governed by multiple legal agreements, including lease, strata, insurance, operating, and housing agreements.

Prior to occupancy, the City and LCAHS established operating and housing agreements defining operational responsibilities and cost sharing, with shared costs allocated 75% to LCAHS and 25% to the City.

## DESIGN

The inclusion of City Hall was not part of the original concept and was incorporated later in the design process, following the City's decision to replace its existing City Hall and invest capital reserves into the project. With this later addition, some elements of the site layout were not fully reconsidered. In particular, the parking layout was intended to function as shared, and the location and configuration of accessible parking stalls were affected by changes associated with adding City Hall.

Existing site conditions also influenced key design decisions. The project site, a former rail yard, had contamination constraints that led to a recommendation against locating residential uses on the ground floor. As a result, non-residential uses such as offices and civic space were placed at grade, with housing above. Early concepts explored ground floor commercial uses, but these were not pursued, and City Hall became the primary ground floor use.

From an operational and building systems perspective, the project was designed to function as a single building, with shared mechanical and electrical rooms serving both the civic and residential components.

## FUNDING AND MANAGEMENT

### Capital

The total development cost was $16.1 million, comprising $12.6 million for the housing component and $3.5 million for City Hall. Table 3 summarizes the key funding sources. Notably, the City of Rossland was required to act as guarantor for the grant and loan from the Federation of Canadian Municipalities (FCM), support that was essential given the Housing Society's limited borrowing capacity as a relatively small organization.

Table 3: Rossland Yards Funding Sources Summary

| Funder or Source | Detail | Loan | Equity/Grant |
|---|---|---|---|
| City of Rossland | City reserves | – | $3,500,000 |
| BC Housing | Primary funder | $4,000,000 | $4,800,000 |
| Columbia Basin Trust | Funding | – | $1,100,000 |
| Federation of Canadian Municipalities | Funding | $1,800,000 | $1,800,000 |
| Fortis BC | Rebate | – | $5,000 |

## Operational

Operating costs associated with shared building systems and common areas are apportioned 75% to LCAHS and 25% to the City, reflecting their respective shares of building use.





*Interiors of the City of Rossland Municipal Hall and an affordable rental home. Images courtesy of CitySpaces Consulting.*

# The Dalmatian, Victoria

**Interview Participant:** The City of Victoria

## ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Address | 1025 Johnson Street, Victoria, BC |
| | Context | Located on a busy street within a mixed-use, mixed density downtown neighbourhood |
| | Lot size | 2,474 $m^2$ (26,634 SF) |
| | Previous Use | Owned by Dalmatian Developments |
| Partners | Project Lead / Owners / Funders | City of Victoria; Dalmatian Developments; BC Housing (Pacifica Housing) |
| Overview | Building Type | 12 storeys; concrete construction |
| | Uses | Residential, commercial, emergency response |
| | Scale | 14,399 $m^2$ (155,000 SF) |
| Residential Uses | Levels 4 – 12 | 130 affordable rental units ranging from studio to 3-bedroom |
| Non-Residential Uses | Ground Level | Fire hall |
| | Level 2 | Fire Department Headquarters & Emergency Response Centre |
| | Level 3 | Commercial Office Space |
| Project Timeline | 2012 | Formal Needs Assessment |
| | 2015 | Market Engagement |
| | 2016 | Request for Qualifications |
| | 2018 | Agreement with Dalmatian Developments |
| | 2019 | Rezoning for Mixed-Use Residential Approved |
| | 2020 | Construction Begins |
| | 2023 | Construction Completed |

## KEY PARTNERSHIPS

The key partners in the Dalmatian project were Dalmatian Developments, the City of Victoria, BC Housing, and Pacifica Housing.

The City selected Dalmatian Developments through a competitive RFP process aimed at finding creative solutions to replace the aging downtown fire hall. Dalmatian proposed delivering the new fire hall on a privately-owned site, with the City purchasing the fire hall

portion through a purchase and sale agreement rather than a traditional construction contract. The proposal formed the basis of the partnership between Dalmatian and the City.

Dalmatian proposed incorporating commercial space and housing above the fire hall through an airspace parcel approach. The introduction of housing led to BC Housing's involvement. BC Housing was viewed as a strong partner, well aligned with the City's long-term interests in affordable housing, and carrying less risk of conflicts than a private residential owner. BC Housing later selected Pacifica Housing as the housing operator.

The agreement between the City and Dalmatian was structured as a purchase and sale agreement, with principles that were later carried into the airspace easement agreement. The principles addressed long-term operational considerations including access, separation of uses, and protections for fire hall operations, such as a nuisance easement.

The completed project comprises two airspace parcels and one remainder parcel. The first airspace parcel is owned by the City of Victoria and contains the fire hall. The second is dedicated to non-market housing, funded by BC Housing and operated by Pacifica Housing. The remaining parcel, owned by Dalmatian Developments, includes the commercial space and underground parking.

## ORGANIZATIONAL CAPACITY

Both Dalmatian Developments and the City of Victoria made a deliberate effort to understand each other's values and build the internal capacity and relationship needed to work effectively within a non-traditional partnership.

On the City's side, project oversight was centralized within its Strategic Real Estate team, which reported to a steering committee. This team served as the primary point of contact, with all communication with the developer flowing through a single office. This approach was particularly important as the project moved into design, where a stable presence and limited staff turnover helped preserve continuity and decision-making clarity. The City also ensured its internal project team had the appropriate mix of expertise, including staff with experience in real estate, construction, and contract management. Dalmatian Developments, for its part, retained an individual as part of its overall project team who had prior experience working with municipalities.

Having individuals who understood both municipal processes and development realities proved critical to bridging differences in language, expectations, and risk tolerance; their

involvement helped make negotiations more effective and efficient, and contributed to solutions that were ultimately embedded in the project agreement.

## DESIGN

The City of Victoria entered into a purchase and sale agreement with Dalmatian Developments, under which the developer was responsible for both design and construction. The City invested significant effort upfront in preparing detailed, performance-based specifications of the fire department's operational needs. Dalmatian's architect developed the design, which was peer reviewed by an independent architect retained by the City to ensure operational requirements were met.

Extensive front-end design work was undertaken prior to finalizing agreements, with the explicit goal of minimizing change orders during construction. As a result, only minor adjustments were required once construction was underway. When housing was incorporated into the project, the residential component was designed to BC Housing standards. At the same time, the entire building was designed to meet the higher seismic and operational requirements of a fire hall, meaning all floors, including the residential levels, were constructed to a standard well above that of a typical residential building.

The building was also designed to ensure complete physical and operational separation between the fire hall and uses above. Internal circulation paths do not cross between the fire hall and other areas, allowing the fire hall to operate as a fully self-contained facility within a mixed-use building, ensuring day-to-day operations are not compromised by the presence of other uses.

## FUNDING

Through the purchase and sale agreement with Dalmatian Developments, the City provided an initial deposit of the total purchase price, with much of the payment deferred until completion and acceptance of the fire hall. This structure required Dalmatian Developments to assume most of the financing risk throughout design and construction, allowing the City to minimize its upfront financial commitment. The total purchase price for the fire hall component was approximately $35.9 million.





*Interior of an affordable rental unit (image courtesy of Pacifica Housing) and the fire hall facilities (image courtesy of hcma architecture + design).*

## Wellness and Recovery Centre, Yellowknife

**Interview Participant: *Government of the Northwest Territories***



*Architectural rendering of how the exterior of the Wellness and Recovery Centre is expected to look. Image Courtesy of Government of the Northwest Territories.*

### OVERVIEW

The Wellness and Recovery Centre is under development in downtown Yellowknife. The project is led by the Government of the Northwest Territories, with key involvement from several Territorial departments and agencies. The facility functions as a non-residential wellness and recovery centre, including a sobering centre, day shelter functions, and community space.

The project was initiated in response to a significant surge in homelessness, high utilization of the emergency room, and the need for low barrier warming space. These conditions highlighted the need for a safe alternative to emergency care for individuals who are intoxicated and at risk outdoors. A temporary sobering facility was initially established. Based on the demonstrated value of this temporary model, planning for a permanent Wellness and Recovery Centre was subsequently undertaken.

Key challenges encountered during the project included community pushback regarding the downtown location, building classification constraints that limited the inclusion of

additional uses, and difficulties accommodating design and program changes once the development was underway. In addition, coordinating extensive stakeholder and user engagement sessions was time-intensive and complex. Despite these challenges, the project is currently under construction and is expected to open in late 2026, providing much-needed support and services to the community.

## ABOUT THE DEVELOPMENT

| | | |
|---|---|---|
| Location | Location | Downtown Yellowknife |
| | Context | Downtown Yellowknife |
| | Lot size | 1,395.88 $m^2$ (15,025.12 ft2) |
| | Previous Use | Vacant lot owned by the Government of the Northwest Territories |
| Partners | Project Lead / Owners | Health and Social Services, Infrastructure; Northwest Territories Health and Social Services Authority |
| | Funders | Government of the Northwest Territories; Government of Canada |
| Overview | Building Type | 2 levels; mass timber and steel |
| | Uses | Non-residential wellness and recovery facility, including a sobering/recovery centre and low-barrier day shelter |
| | Scale | 1,161 $m^2$ (12,500 $ft^2$) Sepi to confirm |
| Non-Residential Uses | Ground Level | Sobering beds, Day Shelter, Kitchen, Laundry, Community Hall, Consultation and Multi-Purpose Room |
| | Level 2 | Staff Offices and Support Spaces |
| Project Timeline | 2021 – 2022 | Planning and Engagement |
| | 2021 – 2024 | Design |
| | 2024 – 2026 | Construction |
| | 2026 | Expected Occupancy |

## KEY PARTNERSHIPS

The project site is owned by the Government of the Northwest Territories' Department of Health and Social Services (HSS). Key departmental partners included the NWT Health and Social Services Authority and the Infrastructure Department, each of which assigned a lead to participate in project planning and decision-making.

**Although there is no residential component, this mixed-use project is included as a case study due to the transferability of the northern downtown context and territorial government lead.**

An RFP was initially issued to select a local non-governmental organization (NGO) to operate the sobering centre. During the COVID-19 pandemic, operations transitioned from an NGO-run model to a government-run program.

## DESIGN

The building occupies most of the project site. The ground level houses the sobering beds, a day shelter, commercial kitchen, community hall, multipurpose room, intake area, and storage. The upper level contains staff offices, a staff room, a manager's office, and staff showers.

## FUNDING AND MANAGEMENT

The project was funded through a combination of capital funding from the Government of the Northwest Territories and $24 million in federal funding from the Government of Canada through the Green and Inclusive Community Buildings Program.

## LESSONS LEARNED

### 23. Assess Regulatory and Cost Implications of Building Program

Certain uses were intentionally excluded from the project, most notably an exam room, to avoid the building being classified as a hospital or healthcare facility under the National Building Code. This classification would have triggered more stringent building code requirements, including higher mechanical and HVAC demands, emergency power requirements such as generators required to activate within seconds, and broader regulatory constraints, all of which would have significantly increased cost and complexity. In co-location projects, it is important to understand the regulatory and cost implications of program spaces and uses early in the planning process.

### 24. Develop an In-Depth Functional Program

Many projects rely on a detailed functional program that clearly describes each space and its intended purpose. On this project, space planning was informed primarily through consultation and discussion rather than comprehensive, room-by-room analysis and documentation. Over time, this contributed to a disconnect between early planning assumptions and operational needs. It is recommended that projects develop a detailed functional program as a first step in the design process, providing a clear reference throughout design and delivery.



*Architectural renderings of the Wellness and Recovery Centre. Image courtesy of Government of the Northwest Territories.*



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