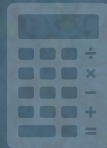


the
NEST

HOUSING
SOCIETY



MOVE-IN &
MINISTRY



BUSINESS
PLANING

DEVELOPMENT



FINANCE &
RENTS

UNDERSTANDING THE NEST HOUSING SOCIETY

AN INTRODUCTORY GUIDE FOR
CHURCHES CONSIDERING
AFFORDABLE HOUSING DEVELOPMENT



INTRODUCING THE NEST

OUR MISSION, CONVICTIONS & RELATIONSHIP TO THE CHURCH

WHAT IS THE NEST?

The Nest is a nonprofit developer and operator of affordable housing. We work with local churches who want to develop affordable housing.

Our Vision

To mobilize the local church to become a key provider in affordable housing as a demonstration of God's love for all peoples.

Our Mission

To envision, empower, and equip local churches to purposely engage in social care and community building through the development and operation of affordable housing where people are loved, supported, and accepted.

Our Objectives

- Partner with local churches to develop and operate contextually appropriate non-market housing and to shape project-specific objectives that align well with their mission and goals.
- Provide an "alternative vision" for churches considering the sale or subdivision of their land.
- Enable local churches to better steward and leverage their land by retaining it for the benefit of the community, for fair financial return, and for future use.
- Share development expertise, society infrastructure, management, and operational costs across multiple projects thereby creating an economy of scale and a non-profit development society that churches can trust.

THE NEST'S CONVICTIONS ABOUT CHURCH OWNED LAND

Founded by pastors and ministry leaders, the Nest holds certain convictions about church lands that direct our development approach. Those convictions include:

Churches should aim to retain land whenever possible. Real Estate values have risen dramatically across British Columbia and subsequently, many churches have considered the sale of their land to fund ministry or church construction. While the short-term injection of capital can be helpful, our concern is for the long-term ministry implications. Will the church be able to repurchase land in the future? What about the needs of future generations? Will the sale of land now limit future opportunities?

The church needs to adopt a generational mindset in terms of its land. Therefore, the Nest's development model focuses on long-term ground leases. With long-term leases, the church retains land ownership and gains financial returns via lease payments while utilizing the land for Kingdom purposes.

Church land is a gift that should be stewarded well. Stewarding land implies retaining land, but it also means putting it to maximum use for Kingdom purposes. Historically, church lands have been used for "traditional" Christian activities - worship and disciple making. But churches are being reminded that these traditional activities are only one part of our Kingdom mission. Following the example of Christ, we are also called to compassionately act for the well-being of people and creation. One of the ways we can do this is by using under-utilized land for creative mission endeavours like affordable housing.

WHO DOES THE NEST WORK WITH?

We work with churches that have affordable housing as a development priority. This does not mean a church cannot have other development goals, but affordable housing needs to be articulated as a vision priority.

What if your church is uncertain? In the early stages of exploration, churches are often discerning different development options. This is perfectly acceptable and because of this, we will work with all churches in the early stages of vision development work. However, to continue working together beyond the vision development stage, the church needs to have identified affordable housing as a priority. This is how we at Nest keep focused on our mission.

WHAT IS THE RELATIONSHIP BETWEEN THE NEST AND THE CHURCH?

The Nest will be the lessee of the land and will have responsibility for all aspects of the development, financing, and subsequent operation of the affordable housing project. The church will help create the vision, be the lessor of the land, and contribute missional love, care, and helpful services (i.e. refugee supports, single mother ministries, etc.) to the residents when the building is occupied.

THE CHURCH'S PRIMARY CONCERNS DURING DEVELOPMENT

In working with the Nest, the church will need to focus on these central questions:

- Is the development vision clearly articulated and does the concept developed by the Nest fulfil the vision?
- Are the terms of the lease clear and acceptable?



UNDERSTANDING THE DEVELOPMENT PROCESS

FROM VISION TO REALITY

While the Nest will carry out the development work, it's important that the church understands:

- The role the church plays in the development process
- A general flow of the development process
- Critical approval gateways
- Timelines involved
- Anticipated costs and funding sources

The remainder of this document is intended to help bring clarity to these critical items.



Stage One: Vision Development

Just as any enduring building sits atop a strong foundation, any church contemplating the development of its property must begin with a clear vision for that development.

In this stage, the Nest works with churches through two steps:

Step One: Church Vision & Mission Review

What is the mission of the church? Does it seem that development is a needed outworking of this mission? These are the critical opening questions. The church needs to be clear on its mission and clear that development flows from its mission.

Step Two: Development Vision

If the church is clear that development is critical to its mission, the next step is to clarify a development specific vision. In this step, some of the critical questions the church will need to address are:

- What are the development priorities?
- Is affordable housing a driving priority?
- Are other program spaces required?
- What are the financial requirements?
- What are the land ownership priorities?
- What type of relationship would it desire between the housing project and the church?
- Are there particular demographic groups it feels called toward?

This step will also likely involve early interaction with church members. Inviting them into the vision process will help shape the vision, provide an opportunity for concerns to be voiced, and enable early member engagement.

Method

The Nest will guide the church board (or building committee) through two workshops.

Timeline

6-9 Months - though this is largely influenced by how much time and energy the church can invest in this part of the process.

Outcomes

- The church will produce brief documents that summarize the work and conclusions of both of the above steps.
- The development vision will be shared with members to gain early member engagement.
- If affordable housing is determined as a key development priority, the Nest and the church (and denomination, if required) will complete an MOU that will establish the relationship between the Nest and the church while outlining the preliminary terms of a long-term lease.
- If the church determines other development priorities (i.e. a new facility) are dominant, it will need to carry out business planning to determine expected costs. Business planning for the affordable housing project will be on hold pending completion of this other plan so it is clear what may be required from the affordable housing project to support this other plan.



Stage Two: Business Planning

With the vision and development priorities established and an MOU in place, the Nest will be ready to move into business planning. There are two iterative steps in this stage of work:

Step One: Feasibility Study

In this step, The Nest will select a small development team (consultant, architect, required engineers) and based on the development vision and priorities, explore 2-3 development concepts along with preliminary budgets.

The Nest will present the workable concepts in a summary report to the church board. Assuming a favourable outcome, the board will approve one of the concepts to move into a full business plan.

Step Two: Business Plan

The Nest will complete a full business plan on the approved concept including development renderings, site/floor plans, full financial modelling, and operational plan.

Communication with the church and community stakeholders will increase in this step.

The Nest will prepare a summary report, including the proposed terms of the long-term ground lease for presentation to, and approvals from, the church board, church members, and denomination board.

Method

The Nest will complete both the feasibility study and the business plan.

Timeline

9 months to 1 year

Costs

Significant grants are available to support this phase of the work which the Nest will apply for. However, while largely dependent on the project scope, the church should prepare a budget of \$30,000-\$50,000 that may be needed.

Outcome

Financial implications for the church in terms of needed fundraising, if any, clearly outlined.

Church board, members, and denomination approve the Ground Lease subject to securing financing and grant the Nest permission to proceed with financing applications based on the plan outlined in the summary report.



Stage Three: Financing and Lease Finalization

With the Ground Lease approved, the Nest will now apply for financing to the bodies outlined (i.e. BC Housing, CMHC) in the business plan summary report.

The church will also execute a fundraising campaign for any funds identified in the business planning that might be needed for the project.

With the terms of the financing secured, the Ground Lease can now be executed with final approvals being provided by the board of the church and the denomination.

Method

The Nest will apply for project financing. If required, the church will carry out a capital campaign.

Timeline

6-8 months for financing applications (this will also depend on funding programs, intake schedules, and internal processes). Timelines for additional capital campaigns will also vary.

Outcome

- Financing secured; final lease terms approved.



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Stage Four: Development

Development has two phases:

Predevelopment

Here the project completes the full architectural planning and engages in the municipal approvals process.

Construction

This is when the shovels hit the ground and the vision turns to bricks and mortar.

Method

The Nest and its development partners (i.e. architects, consultants, contractors and engineers) will move the project through both parts of the development process.

Timeline

Pre-development 1 to 1.5 years

Construction 1-3 years depending on project scope

Outcome

Municipal approvals and a completed building.

Stage Five: Move In and Ministry!

This is where the dream finally becomes a reality. The tenants move in and the church carries out its ministry hopes.

Method

The Nest and its property managers oversee tenant selection and move in. The church begins to execute its ministry aspirations outlined in the development vision.

Timeline

Occupancy can take 6 months to 1 year.

Outcome

People loved and served as a demonstration of God's love.



AT A GLANCE

APPROVALS & TIMELINES



Timeline

6-9 months

Approvals

- Board approves development vision and signs MOU with the Nest.



Timeline

9 months to 1 year

Approvals

- Board approves feasibility report, selects concept, and approves Nest to complete business plan.
- Church Board & Members and Denomination Board approve option to lease.



Timeline

6-8 months

Approvals

- Church and Denominational Boards finalize lease.



Timeline

1.5 - 3.5 years (dependent on project scope and municipal delays).



Timeline

6 months



The Nest Housing Society would like to thank the following for their generous support:

