

A church undergoes a conversion – and gets a new lease on life

This article is the third in a series on options for seniors' housing, brought to you by the North Renfrew Times and the Housing Advisory Committee of the Town of Deep River. Part of it was adapted with permission from a write-up of a presentation given to the Older Women's Network for their housing literacy series of talks. The article was published in the NRT on May 6, 2015.

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Bethel Baptist Church was a fixture at the corner of two quiet residential streets in Toronto's coveted Leaside area from its construction in 1930. By the early 2000s, it was still a community centre, offering after-school and music programs, moms and tots coffee time, and space for Brownies and Girl Guides, but both its roof and its congregation were aging, and the church was facing closure and replacement by townhouses.

Instead, the congregation adopted a bolder vision: of "demolishing the existing church building and incorporating a greatly reduced worship area into a mixed non-profit seniors' residential apartment and church building," according to a City of Toronto report. The church would be able to continue, with its overhead greatly reduced, and seniors would be able to remain in their community, close to family and friends.

Today Bethel Green is an attractive four-storey building that includes a redeveloped and smaller church, 19 apartments designed for seniors, 25 underground parking spaces, a spacious lounge, and a quiet courtyard.

The 19 units, built to high energy-efficiency standards for long-term savings, each have their own floor plan and range in size from 626 square feet to 1,715 square feet. The building has an elevator, but it also features a stairway promenade to encourage physical activity among its tenants, as well as non-glare and non-slip surfaces.

Residents are capable of independent living, although as they age, they can receive supportive services such as meals from community or private care providers.

Meanwhile, the church sanctuary, a space of 1,800 square feet, retains the stained glass windows, altar, wood panelling, and the stillness and peace of the previous church – while the congregation enjoys the benefits of improved heating in the winter and air-conditioning in the summer. A cross above the separate entrance maintains the church's presence in the community.

How did this conversion unfold?

The minister, Rev. Jamie Cairns, formed a committee of church and community members, and early on they decided to hire Uxbridge-based Deirdre Gibson as their development consultant and project manager. With many years of experience in designing different kinds of community-based non-profit housing, Gibson was able to save the church much time in navigating the development and permissions process. She advised them to set up a non-profit corporation, Bethel Green, to whom the church would lease the land for 99 years at \$1/year; the corporation would then build, own, and operate the building. Not having to purchase the land allowed Bethel Green to reduce costs, which in turn lowered the cost of each unit. The tenants, who do not need to belong to the church, are corporation members and choose their own board and chair; the minister sits on the board as a liaison with the church.

The \$3.6 million cost of building was financed entirely through the sale of “life leases,” with a loan from a local credit union providing construction capital until life leases were sold for each unit.

Life leases are relatively new. Despite its name, a life lease is not a lease and it is therefore not governed by the Residential Tenancies Act. Instead, a life lease is both a financial tool to raise the equity needed for the construction of a building and a contract between the purchaser of a specific unit in the building and the project sponsor (a church or other not-for-profit group). Unlike a condominium developer, a life lease sponsor can set an age minimum.

Life-lease residents are neither owners nor renters. They have a leasehold interest in their accommodation, which is defined in a contract, giving them the right to occupy their suite until they die or decide to move out and to use common areas and facilities. Residents acquire the unit through a single upfront payment, similar to when buying a house or condo, and they also pay a monthly fee to cover the cost of management and upkeep of the property.

When the resident moves out or dies, the tenancy reverts back to the sponsoring organization. The residents or their heirs receive the amount redeemable at the end of the lease, and the sponsor then resells the rights to the unit to another individual or couple meeting the age requirements.

The contract between sponsor and purchaser is the key. The contract is a legally binding definition of rights and obligations, and specifies such things as governance, conditions of occupancy, and resale – especially how much of the purchase price will be returned at the time of resale and to whom the unit may be sold. It also sets out the rules for living together, ensuring a balance among the individual household, the other households, and the sponsor, and reflecting the sponsor's long-term vision for the community.

Since a life lease is a contract, there is no standard way that it is organized. Its flexibility means that it can be adapted to each housing project. However, because there is no formula, not-for-profits need to develop a detailed plan before they start to build, and seniors considering the purchase of a life lease unit must read the contract with care.

In the event, Bethel Green had no difficulty (and incurred no marketing costs) finding enough residents to move the project forward, and a local real estate broker who is knowledgeable about life leases maintains a waiting list.

“We named our building ‘Bethel Green’ because green is the colour of new life,” reflects Pastor Jamie. “Bethel Green has given our church new life and a new vision for ministry; it has given seniors the opportunity for a new life within their own neighbourhood; and our charming building, incorporating 30% green space, has benefited the community with an increase in their property values. Truly we are Bethel, which means ‘House of God.’”