

## **Brief on Housing Accelerator Fund**

Standing Committee on Human Resources, Skills and Social Development  
07-June-2022

### **Submitting Organization, Lutheran Social Services, Owen Sound**

Lutheran Social Services, Owen Sound (LSS) is a registered charity that provides housing for low income seniors and persons with disabilities. LSS also works with our sister organization, Lutheran Outreach Ministries (LOM) to provide housing for people with mental challenges. We work with the local branch of Canadian Mental Health Association (CMHA) so the tenants have support services. LSS works closely with Grey County Housing, the municipal housing provider. LSS has two main projects, St. Francis' Place, a 78 unit apartment building and Corbet Place, a 24 unit life lease building. LOM and LSS have a fourplex called Hope House that provides transitional housing for homeless people.

### **Comments**

LSS is advocating for more funding for affordable housing projects. Even with support from various levels of government, we are struggling to provide affordable housing. We will relate our experience with providing new affordable housing.

LSS wants to build a 40 unit apartment building to provide affordable housing for seniors. Our goal is to provide 20 units of affordable housing (affordable rents) and 20 units of attainable, market, units. There are several challenges to this project but there is also support from various levels of government. The biggest challenge is the high estimated construction costs. Our budget for construction of the building is \$15 million.

#### **Project Description**

1. 40 unit apartment building
  1. a. 20 affordable units
    1. a. i. One 2 bedroom unit, the remainder are one bedroom.
  1. b. 20 market units
    1. b. i. Three 2 bedroom units, the remainder are one bedroom.
2. The building design is very basic.
  2. a. no balconies to reduce cost
  2. b. basic heating system, probably natural gas
  2. c. no air conditioning proposed.

#### **Summary of the project funding to date:**

1. LSS is providing / donating the land, ~ value of \$600,000
2. Grey County housing is providing \$3 million to support the affordable housing component of 20 units. (\$150,000 per unit)
  2. a. Each unit will cost ~\$375,000 to build.
3. LSS is funding site preparation work of ~\$200,000
4. CMHC is offering two items in the Co-Investment program
  4. a. A forgivable loan of ~\$450,000

4. b. A repayable loan of \$11.5 million. (note the interest rate and repayments keeps going up)
5. Potential funding from Grey County for operating costs. This will only be finalized at a future Grey County Council meeting.
6. The City of Owen Sound has waived development charges of ~\$430,000.

Even with all this support and funding, the project is tenuous. We use the viability calculations from CMHC since they are the major provider of funds. When the numbers are entered, the project is deemed to be not viable. There isn't enough rental income to support the mortgage payments and estimated operating costs.

This project is probably one of many that should go ahead but there isn't enough funding to allow for affordable rents. These projects are at a tipping point, that just need a bit more funding to go ahead.

One of the goals of the Housing Accelerator Fund is infrastructure upgrades. One of our goals in the beginning of the project was to have a low CO2 emission project. We were aiming to put in a ground source heat pump system. The capital cost is high but the operating cost should be lower. At present, we don't have an estimate of the savings and there don't seem to be any incentives to install such a system. Funding of this system would be a benefit to the environment and to the future operating costs of the project. Without funding, we will probably be forced to select the lower cost alternative of either baseboard electric or natural gas.

The people of Canada need affordable housing. The waiting list is extensive resulting in waiting periods of years. We need more funding to ensure the supply of affordable housing is enough to reduce the waiting period to a reasonable time.

This is a short brief, but LSS is very willing to provide more details to HUMA or discuss this in more detail.

We thank you for the opportunity to present to the committee.