



# At Home in the County of Lambton

## Report Update 2025

Updates to the 2024 action plan to end homelessness and address the housing crisis through supportive and affordable housing development in the County of Lambton



May 12, 2025

## Executive Summary

We applaud the County of Lambton's ambition to resolve the housing and homelessness crisis facing many local residents. Flourish is pleased to provide updates to our report originally presented in February 2024.

This study suggests a potential path to design and construct a comprehensive spectrum of supportive housing units throughout the County of Lambton towards eliminating the current By-Name Priority List. This scenario originally prioritized Staff-identified sites. While one site is no longer available, we are confident some additional properties can be secured.

This strategy foresees municipal capital investments leveraging Federal capital grants and financing, which in turn are used to attract Provincial capital (as available) and operating funding particularly for supportive housing. The latter is key to supportive housing's delivery of healthcare and addiction-related services integrated into housing programs. The municipal sites currently under consideration hold the potential for 157 units of supportive housing.

The County's investment target of \$38 million can be a catalyst for broader local investment in supportive housing solutions. We know that grassroots energy is emerging with citizens, service clubs, and private landowners forging new alignments around these issues. The County's engagement of Indwell through an RFP process is helping to guide these conversations, enabling focused pursuit of senior government funding.

We trust this updated report can assist in charting the course towards ending the housing crisis in the County of Lambton. Flourish is keen to continue our engagement with the County and other allies, sharing our experience turning housing dreams into real homes.

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# 1 Introduction

The County of Lambton retained Flourish in the Fall of 2023 to assist in drafting a multi-year, portfolio-scale strategic affordable and supportive housing development plan. Endorsed by Council in February 2024, the plan has since been strategically actioned by staff, making gains and building momentum. This report updates the January 2024 *At Home in Lambton* report to reflect activity thus far and new funding scenarios, particularly through CMHC, suggesting how sites and resources can be best leveraged.

Developing supportive housing to functionally end homelessness and delivering new affordable housing remain the twin goals of this report. The By-Name Priority List is a real-time list of all people experiencing homelessness across the Service Management area, helping match people with suitable and available housing. This list as of April 2025 sits at 274 individuals, of which 203 individuals are experiencing chronic homelessness. We also suggest opportunities to add significant affordable housing stock to address the chronic Access to Housing waiting list.

In Flourish's previous report, we projected 490 new affordable homes were feasible on County-led sites. However, with the Victoria St. site no longer available, we refocus on providing updated strategies for the remaining sites, factoring in new funding models and programs currently available through CMHC. We calculate there is potential for 225 apartments: 157 developed as supportive housing, and 68 as affordable units.

The County of Lambton Council has identified the affordable and supportive housing crisis as a top priority of local citizens. This is strategic, as Federal and Provincial governments are asking municipalities to prioritize homebuilding however possible.

The County has engaged Indwell through an RFP response to specifically deliver on the supportive housing strategy outlined in our 2024 report. Indwell will update on its activities towards creating 150-300 supportive housing units through a range of program models and sites.

Timely action is key to addressing this crisis, as the status quo is costly by every metric. Federal and Provincial programs, through the Canada Mortgage and Housing Corporation (CMHC) and Ministry of Municipal Affairs and Housing (MMAH), respectively, are also in flux. CMHC recently updated their Affordable Housing Fund (AHF) program, enabling more opportunities for grants and financing of mixed-affordability and deeply affordable housing. These programs are currently useful and in high demand, so applications through the AHF should be prioritized as soon as possible. The new Liberal government has pledged further changes to funding models with the Build Canada Homes strategy. Early indications suggest possible improvements to funding for supportive housing, but details have yet to be released.

We trust this updated plan will help the County of Lambton to build targeted new housing developments that will end chronic homelessness and address the housing crisis faced by many area residents.

## 2 Housing context in The County of Lambton

The County of Lambton is facing an escalating housing crisis with heightened demand for both rental and owned housing resulting in increased rents and purchase prices. Over the past few years, the County of Lambton has experienced a rise in visible homelessness within the community, particularly Sarnia, along with an increase in the number of people at risk of homelessness.

The County of Lambton's Housing Services Department currently manages 16 apartment buildings and five family sites. This stock is insufficient to meet current housing demand, and wait lists continue to grow. According to CMHC, the average rental rate in the County of Lambton for a one-bedroom apartment was \$840 in 2018, and \$1,196 in 2024. While official rates continue to rise, Zumper.com reports average available rent in Sarnia was \$1,630 in December 2024, a \$152 increase from our last report. New housing options are needed, particularly for one-bedroom homes. Responding to this need in a timely fashion provides the opportunity to create significant new accessible, appropriate, safe, and energy-efficient housing for Lambton households.

## 3 Proposal for Launching New Housing Developments

### 3.1 Affordable Housing

The cost of housing has skyrocketed across Canada and locally, particularly since the pandemic. As a result, the need for affordable housing is an issue facing many people in the County of Lambton, especially those experiencing poverty. This study focuses on affordable rental development but does not address affordable home ownership.

CMHC and Ontario have had shifting definitions of "affordable" housing under their funding programs and various Provincial legislations, but two measures have some historical familiarity. The general metric Canadians use is "not more than 30% of income is spent on housing." Ontario funding programs often use "rents at 80% of Average Market Rent (AMR) or less," AMR being calculated by CMHC on an annual basis. Unfortunately, AMR has become quite unreflective of available apartments currently on the market.

In November 2024, CMHC overhauled its affordable housing funding programs, introducing more favorable underwriting criteria and improved grant-to-loan ratios compared to the previous Affordable Housing Fund (AHF). Under the former program, a project qualified as "affordable" if 40% of its units were rented at or below 70% of Median Market Rent (MMR), with the remaining units at market rates. The updated AHF Community Housing Stream now considers projects affordable if 40% of units are rented at 80% of MMR. Additionally, CMHC introduced a new Rapid Housing Stream focused on deeply affordable units, including supportive, transitional, and shelter housing. Given

that CMHC's AHF is now the primary direct funding source for projects targeting deeper affordability, we have based our *pro forma* recommendations on its latest guidelines.

The new AHF does not have a specific per-unit grant threshold, but optimizes at no more than 40% of project costs; we have seen grants between \$75,000-\$150,000 per unit awarded to community housing projects when they meet the "40% of units at 80% MMR" target. CMHC repayable financing can then round out the funding scenario based on underwriting metrics.

For supportive housing projects with deeper affordability, the Rapid Housing Stream will theoretically grant up to 100% of project costs, but we have not yet seen that maximum funded in practice. Optimizing the Rapid Housing grant contributions is key to delivering the deepest affordability, e.g. ODSP rates, without undue reliance on municipal rent supplements or levy impacts.

Affordable rental projects that include mixed-income rates fall under the Community Housing Stream. CMHC is prioritizing projects which use market-based rents to offset below-market affordability in other units. While the Victoria St. Site is no longer included in this report, we believe there are other opportunities in Sarnia and Lambton County to deliver new rental stock for households with an income below Ontario's median (currently \$90,000 per year) by optimizing CMHC programs.

We understand this sort of mixed-rent housing program is not currently operated by the County of Lambton. Given that conventional market-based developers seem reluctant to invest in projects with such low overall rents, this could be a prime opportunity for the County to invest in community housing as a type of public infrastructure. This reframing of affordable housing investments may be emerging as a federal priority with Housing, Infrastructure and Communities Canada and Build Canada Homes.

### **3.2 Supportive Housing**

The County of Lambton is working with community partners to expand permanent supportive housing options and access to supports that address the homelessness crisis locally, particularly for encampment residents. Individuals' experiences vary, but common underlying concerns facing people include:

- Inadequate income to meet current costs of market-based housing
- poor mental health and difficulty accessing or retaining appropriate treatment
- addiction and substance use, particularly the impacts of alcohol and opioids
- acquired brain injuries
- developmental disabilities
- intimate partner or domestic violence

As part of the development plan, Flourish proposes a strategy to develop a spectrum of supportive housing programs, with physically distinct features related to the types of support delivered to different demographics. This approach is modelled on Indwell's experience leading supportive housing developments in Southwestern Ontario.

Because homelessness impacts people across a spectrum of needs and experiences, it is important for supportive housing programs to reflect this reality. There are three main supportive housing models that Indwell delivers, generally categorized as Specialized, Enhanced, and Standard.

- **Specialized Supports:**

- A Specialized Supports program model delivering the highest level of specialized support, with a strong recovery focus on overcoming addiction and poor mental health.
- Typical tenants include people who have been chronically homeless, living rough, hospitalized, or in an institutional setting, potentially for years.
- The program size is smaller, with between 15 and 20 tenants, reflecting the need to create safe, familiar homes despite tenants' high-acuity needs.
- Healthcare support is critical to this model including an interdisciplinary team of 10 to 12 professionals including social workers, nurses, and addiction and mental health counselors. Other staff roles offer general tenant support with life-skills, community connections, food security, and other resources to reintegrate high-acuity tenants into a stable community.
- The annual operating budget is roughly \$1.5 million based on the services required and scale of program.
- Most tenants find stability & do not need Specialized programs long-term

- **Enhanced Supports:**

- Enhanced Supports programs provide services similar to a Specialized program, delivered to a higher number of tenants with lower acuities.
- Tenants requiring Enhanced Supports may have moved from a Specialized program or may be coming from an addiction treatment or recovery program, in-patient mental health context, or other forms of homelessness or unstable housing, including incarceration.
- Community sizes are typically 40 to 50 tenants with an interdisciplinary team similar to a Specialized program with 10 to 12 staff including social workers, nurses, and addiction and mental health counselors.
- The annual operating budget is roughly \$2 million based on the services required and scale of the program.

- **Standard Supports:**

- A Standard Supports program serves tenants who have had housing and mental health stability for at least a year prior to moving in. Tenants are typically single person households but may include couples or families depending on community needs and building designs.
- Tenants requiring Standard Supports are capable of independent living but desire a stable community with accessible on-site supports. Because tenants share their medical history with program staff, they are supported in remaining stable, focusing on recovery and personal development.



- The baseline support is rent affordability which matches tenant's income. Typically, tenants receive income support from the Ontario Disability Support Program (ODSP) or another form of fixed income.
- The optimal program size is 40 to 60 tenants but is flexible based on the program dynamics. A team of three to five staff provide direct tenant supports, in addition to routine building maintenance.
- The operating budget is roughly \$500,000 - \$800,000 per year depending on the scale and design of the program.

All three levels of support require supplemental operating funding beyond tenant-paid rents. The Ontario Ministry of Health (MOH) provides funding that is optimal for delivering housing-based healthcare in these community housing contexts. Municipal or federal grants, fees-for-services, and charitable donations are other types of revenue that sustain program operations.

The opioid and drug toxicity crises compound the impacts of homelessness on many people's underlying mental health challenges, resulting in higher acuity and more complex paths to recovery. However, Indwell's experience delivering this range of supportive housing has demonstrated that homelessness and crisis-level addiction can be overcome, with over 95% of tenants exiting homelessness into supportive housing programs remaining in their original apartments after one year.

### **3.3 Supportive and Affordable Housing Spectrum on County Sites**

County Staff identified several properties that could be considered for new housing development. These were assessed first for their potential as supportive housing, and subsequently for affordable-market rental housing. They are addressed in a loosely ranked order that should not be considered strictly preferential.

In our previous report, 267 supportive housing units were proposed on the Victoria St & Cromwall parking lot. However, the Victoria St site is no longer available. County Staff are working with Indwell under an MOU to refocus on the other sites. This section reflects these changes along with progress made on the development front. Refer to Appendix A for preliminary concepts for sites.

#### **3.3.1 471 Kathleen Avenue, Sarnia: Affordable Housing Prioritized**

471 Kathleen Avenue is approximately one acre of County-owned land in south Sarnia. Since Council's approval to proceed with Kathleen Ave in response to our previous report, Staff have made significant headway in planning and design and expect to be nearing construction by the release of this report. The property was rezoned in November 2024 from Open Space 1 Zone to Urban Residential 5 Zone.



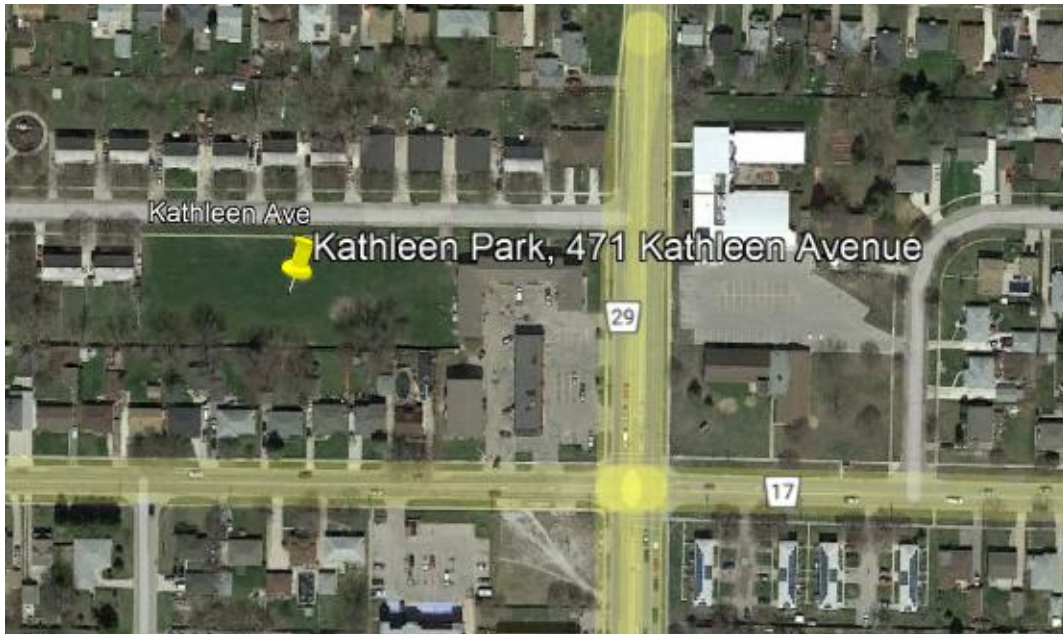


Figure 1. 471 Kathleen Avenue, Sarnia - proposed Supportive and Affordable Housing on County Sites  
(extracted from Google Earth)

The site is surrounded by family-sized community housing duplexes, with limited options for older adults looking to downsize. This development provides housing alternatives for over-housed tenants while allowing them to stay within their support networks.

### 3.3.2 718 Cathcart Blvd: Supportive Housing Prioritized

718 Cathcart Blvd is a former church located in north Sarnia, neighbouring existing County-owned and operated housing. Previously referred to as "Project B" while ownership was in transition, the County of Lambton has now completed the acquisition. The County plans to engage community input as it adds affordable housing developments to the site.

Given the large site area, we suggest potential for a combination of Enhanced and Standard support apartments. This site's location enables the County to deliver a distributed range of supportive housing opportunities for tenants across the community, while augmenting the existing adjacent County housing infrastructure.

Initial assessments suggest that roughly one hundred apartments could be developed here, along with community amenities available for tenants of both the new and existing apartments.



Figure 2: 718 Cathcart Blvd – proposed Supportive & Affordable Housing on County Sites (extracted from Google Earth)

### 3.3.3 Project A, Sarina: Supportive Housing Prioritized

Project A is an existing County-owned property located in central Sarnia. The available lot area is approximately 0.7 acres and is zoned Interim Use 1. Appropriate planning permissions can be finalized to permit a multi-residential project. This site is ideal for developing apartments with Enhanced Supports. It is situated on an arterial street with multi-residential developments, community, civic, and commercial services, and excellent public transit connectivity, along with walkability to groceries, retail, pharmacies, and recreation/green space.

This site is optimized with fifty apartments, providing long-term housing stability and affordable rents. The building design can incorporate appropriate staffing and tenant amenities alongside the residential units, maximizing the delivery of effective services.

### 3.3.4 587 Ontario Street, Wyoming: Affordable Housing Prioritized

587 Ontario Street, Wyoming is currently open land – zoned Residential R3(4). No project updates are included on this site since the original report.

This site could expand upon an existing adjacent housing project, adding a two-storey new building with 18 apartments that are a mix of one-bedroom and two-bedroom units. While amenities such as groceries are walkable, there is adequate lot area for a 1:3 parking ratio which would be advantageous for access to larger urban centers within the County for services. This project would be focused on Affordable housing development, providing homes for seniors or younger households working locally. It is feasible to consider denser development on this site under another scenario, adding a broader range of units and accessibility within a three-storey design.

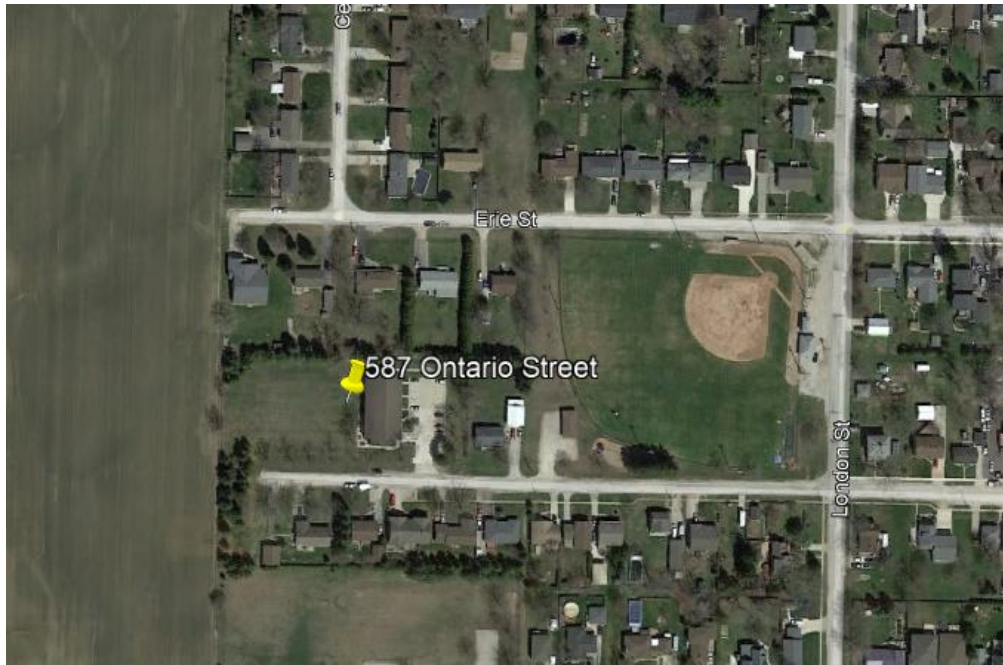


Figure 3. 587 Ontario Street, Wyoming - proposed Supportive and Affordable Housing on County Sites  
(extracted from Google Earth)

### 3.3.5 Summary of Site Development Proposals

Table 1 below provides a summary of the buildings proposed on the four Staff-identified sites. For further details, refer to Appendix A and B showing the preliminary concepts and *business plans*. In summary, across the updated sites, Flourish has proposed a total of 225 units, of which 157 units are supportive, and 68 units are affordable.

Table 1. Summary of Site Development Proposals.

	<b>471 Kathleen Ave, Sarnia</b>	<b>718 Cathcart Blvd, Sarnia</b>	<b>Project A</b>	<b>571 Ontario St, Wyoming</b>
<b>Program/Type</b>	<b>Affordable</b>	<b>Supportive – Enhanced &amp; Standard Programs</b>	<b>Supportive – Enhanced Programs</b>	<b>Affordable</b>
<b>Total Units</b>	<b>50</b>	<b>107</b>	<b>50</b>	<b>18</b>
Total 1BR	50	107	50	12
Total 2BR	0	0	0	6
Total parking	31	80 site wide	25	23
Parking ratio	0.43	~0.75	0.5	1.22
<b>Estimated Total Project Cost (excl. tax)</b>	<b>\$17,009,608</b>	<b>\$32,913,516</b>	<b>\$16,998,408</b>	<b>\$6,273,260</b>



### 3.4 Rationale for Recommended Actions

Street homelessness is best addressed by creating housing where rents match tenants' incomes with integrated healthcare services delivered on site. The County sites hold great potential for developments based on Indwell's program model experience, addressing the current 274 individuals on the By-Name Waitlist.

The range of supportive housing programs updated in this report creates 157 units, cutting By-Name Priority List by almost 60%. It would provide the breadth of services to enable individuals to move from living rough with high acuity towards long-term life stability. As communities like St. Thomas demonstrate supportive housing's effectiveness in eliminating encampments, all indicators suggest this approach can work in Lambton with increases in personal wellness alongside decreases in hospitalizations, police enforcement activities, and EMS utilization.

While Lambton was successful in attracting HART Hub funding, current Provincial Ministries are not well structured to invest in new supportive housing developments. MMAH and MOH do not coordinate their funding to achieve the outcome objectives they respectively value. Despite this, the County of Lambton can spur Provincial ministries to invest this supportive housing strategy by pre-approving municipal investments. The recent "Last Mile Fund" and periodic OPHI or COCHI funding windows often open for projects that are near construction or underway. When such funds become available, they can be directed to permanent solutions rather than more emergency-type responses.

The County is working with a range of community partners including Indwell in launching development activities, bolstering the credibility of the strategy while pushing CMHC and MMAH for capital support and MOH for ongoing operating funding. Flourish is not aware of any recent projects where health funders approved projects before construction launched on a supportive housing project – let alone a multi-project strategy, so Council should anticipate that construction will need to start before program operating funds are fully secured. Meanwhile, engaged advocacy through elected officials, community leaders, and other connections is critical to bringing senior governments' operating funding commitments to bear locally.

### 3.5 Funding

Funding affordable housing, and particularly supportive housing, is complicated because no single stream of funding is optimized to current construction cost realities. However, all senior government programs are leveraged by early investments by non-profit and municipal proponents. The County's pledged capital contributions can be the catalyst for both federal and provincial investments in County-owned and non-profit-led projects.

Our 2024 report outlined a strategy to request Provincial MMAH capital funding of \$150,000/unit through direct appeals to the Ministry, as the CMHC grant programs were inadequate to complete projects. With CMHC's updates last November, the financial

modeling suggests refocusing Provincial requests on operating funding, e.g. the Ministry of Health – is more critical for the success of supportive housing. The specific values of those requests would be guided by the program model requirements and operating organization, e.g. Indwell.

It is still valuable to make requests or apply for provincial funding when programs become available, offsetting debt financing or extending the impact of County equity investments. Having shovel-ready projects can be advantageous, as Ontario's recent Last Mile Fund was allocated to projects poised for construction.

Community donations and investments show local support for issues and are impact amplifiers for County contributions. They are often first to the table, mobilizing the energy and generosity of concerned citizens who want to see effective solutions. Citizens associated with the Rotary Club, the Sarnia Community Foundation, and others have been actively pursuing supportive housing solutions.

Table 2 summarizes the funding sources and financial contributions required to develop the four sites proposed in Section 3.3 of this report for the County of Lambton. Since all projects are targeting deeply affordable and supportive housing units, these funding sources are optimized using CMHC's AHF Rapid Housing Stream which have no cap on contributions. Our experience, however, has been that if projects are expected to generate rental revenue, CMHC will likely offer a mix of grants and loans, with grants being the higher proportion. As such, we've modelled CMHC's grants to be within the range of 40-45% of project cost to be strategic on getting underwriting approval. No changes have been made to the Wyoming site at this time. Appendix B contains *pro formas* for each site with additional details, references, and assumptions.

Table 2. Summary of potential funding sources for proposed County of Lambton Supportive and Affordable Housing sites.

	<b>471 Kathleen Ave</b>	<b>718 Cathcart Blvd</b>	<b>Project A</b>	<b>571 Ontario St, Wyoming</b>
<b>Type</b>	<b>Affordable</b>	<b>Supportive - Enhanced and Standard Programs</b>	<b>Supportive - Enhanced Program</b>	<b>Affordable</b>
<b>Total Units</b>	<b>50</b>	<b>107</b>	<b>50</b>	<b>18</b>
<b>Total Project Cost</b>	<b>\$17,417,090</b>	<b>\$32,913,516</b>	<b>\$17,009,608</b>	<b>\$6,273,260</b>
<b><u>Contribution Sources</u></b>				
MMAH	\$1,100,000	\$0	\$0	\$0
Donations	\$0	\$0	\$1,615,000	\$0
County of Lambton	\$1,000,000	\$6,420,000	\$2,250,000	\$3,996,000
CMHC Seed Funding	\$0	\$80,000	\$80,000	\$120,000
CMHC Grants	\$7,668,394	\$14,589,448	\$7,032,761	\$1,350,000
CMHC Loan or Debentures	\$7,649,016	\$11,824,068	\$6,031,847	\$807,260
<b>Total Contribution</b>	<b>\$17,417,090</b>	<b>\$32,913,516</b>	<b>\$17,009,608</b>	<b>\$6,273,260</b>

## 4 Privately Owned Sites with Potential for Development

The County plays a key role in promoting affordable housing developments by non-profit proponents. With the late 2024 improvements to CMHC's Affordable Housing Fund, the Community Housing Stream and Rapid Housing Stream both hold potential to leverage the impact of municipal co-investments.

Several sites owned by non-profits are already on the Service Manager's radar and can contribute to the outcome targets for both supportive and affordable housing. While the Victoria Ave. parking lot is no longer available, other sites can be found to address the original targets in this report. It would be strategic to review projects for their alignment with County objectives, positioning Lambton to attract as much federal investment as possible in a rapidly changing investment landscape. We anticipate that upwards of 250 units of community housing could be available through optimized business plans.

The key to developing a significant stock of new affordable apartments is co-operation between levels of government and the community housing sector.

## 5 Next Steps for the County of Lambton

### 5.1 Budgeting Municipal Funds

The County of Lambton plays a key role in enabling both supportive and affordable housing. Council's aspiration to invest \$38 million over a 10-year period suggests a framework for making decisions on specific priority projects alongside opportunities to co-invest with community housing providers, leveraging broader investments in affordable housing projects.

We appreciate that Council must weigh competing demands in the context of inflation, housing demand, and the layered factors driving rising construction costs. We recommend a few key guides:

- Public investment should prioritize non-market housing development:
  - Supportive housing is the most sustainable way to address the homelessness problem in the County. Using municipal sites is key, whether ownership is retained or transferred to a non-profit. Municipal funds can act as a co-investment for non-profit proponents to attract senior levels of government funding. County investments could include land, fees, and other non-levy forms of financial assistance. We have seen these municipal investments of roughly 15 to 25% of capital costs in deeply affordable/Supportive rental projects; it may be less in Affordable projects.
  - There are few market developers willing to rent new housing below the cost of construction, yet this is what is required for many low-income households. In today's construction market, the break-even costs are higher than many tenants can afford. Municipal investment can focus on supporting housing projects which maximize rental construction that achieve affordability while minimizing ongoing rental subsidies.
  - Additional requirements can be stipulated, length of affordability commitments, energy performance, stability of rents, e.g. rent increases that reflect the annual Landlord and Tenant Board (LTB) rates, not be open to any rental increase (there are no rent controls on rental apartments built since November 2018, resulting in higher financial risk for tenants with low or moderate stable incomes.)
  - Municipal credit capacity should be closely assessed for the ability to invest with minimal direct levy impacts. A close review of the debt-carrying capacity of each project is important to align financing from debentures.

### 5.2 Applications to CMHC

The County should aim to maximize CMHC's grant contributions through the Affordable Housing Fund (AHF) updated in November 2024. It should be noted that under the new Liberal government platform, further changes to federal investment strategies are



anticipated. Early announcements have indicated a new entity named Build Canada Homes will be created, which signal shifts in CMHC's role. Housing development funding is likely to be administered by Building Canada Homes, but no details are available as of this update. While this is under development, we continue using the current Affordable Housing Fund parameters.

The AHF now offers two streams for new construction: the Community Housing Stream and the Rapid Housing Stream.

The Community Housing Stream provides up to 40% of project costs as contributions (grants) and up to 90% of costs in loans for co-ops, non-profits, and Indigenous governments and organizations. And up to 30% in contributions for municipal governments with financing accessed through debentures.

The Rapid Housing Stream, designed for shelters, supportive housing, and transitional housing, has no cap on grant/contribution funding and can cover up to 100% of costs. However, with a finite pool of capital, CMHC prioritizes requests for below full costs.

For both streams, contributions are determined based on projects debt-carrying capacity. To access maximum funding, projects must meet the new minimum criteria for both streams:

- 40% of units at 80% Median Market Rent (MMR)
- Tier 2 energy performance under the 2020 National Energy Code for Buildings
- 20% of units built to CSA B651:23/652:23 standards or achieving Rick Hansen Foundation - Gold Accessibility Certification

Projects are further evaluated through a scoring system, where social outcomes by exceeding the minimum criteria — factors such as proximity to a daycare, commitment from other funding sources, construction readiness, and other key metrics — is said to improve a project's prioritization for funding.

Applications to CMHC should be focused on projects that can be delivered quickly, as there is likely to be higher prioritization for Federal investments on projects that can be built faster. This could be particularly important for affordable housing projects accessing the Affordable Housing Fund before Build Canada Homes is launched.

### **5.3 Additional Funding Contributions**

The County of Lambton may be able to attract additional investments into this housing strategy. However, there is little formal coordination between funding programs and each has its own priorities:

- Housing Accelerator Fund from CMHC has been rolling out across the country. If local municipalities have secured federal investment, projects may help deliver the outcomes promised. Check for this alignment.

- Ontario's new Building Faster Fund is to provide \$1.2B over three years to municipalities that meet Provincial housing construction targets. These are funds to the municipalities rather than a specific project, so coordination is needed.
- Local municipalities can co-invest in ways within their control, e.g. waiving or reducing municipal fees, permits, covering servicing costs, expediting processes, upzoning land, or contributing property. Municipalities have also used their rank in the surplus school divestment process to secure sites for affordable housing developments.
- Indigenous partners are becoming engaged in affordable housing development. NICHl is a national organization distributing \$281M in federal housing investment through Indigenous organizations. Ontario Aboriginal Housing Services is a non-profit housing developer, but also the Service Manager for Ontario's investments in Indigenous projects, e.g. Indigenous Supportive Housing Program. There are several Indigenous-led economic development corporations looking to invest in housing, both on and off-reserve. And various First Nations are exploring potential collaborations to develop much-needed housing.
- The Green Municipal Fund within the Federation of Canadian Municipalities is investing in affordable housing projects. They provide grants and loans to support the construction of new affordable housing projects to a higher environmental performance standard. The available resources are significant and may be worth pursuing.
- Private land donations are feasible in some circumstances. Individuals, churches and other faith communities, service clubs, and even private developers are sometimes able to contribute land towards affordable housing projects. Donations of cash and equities is also a common contribution, although this is typically directed to projects led by a registered charity.

## 5.4 Applications and Advocacy to Ontario

Provincial capital investment in affordable housing is currently asymmetrical with Federal programs, and relatively limited to social service outcomes, e.g. SSRF, COCHI, OPHI. Strategic alignment between federal and provincial programs should be pursued whenever possible for supportive housing developments.

The key factor for successful supportive housing is integrating services within housing. Ministry of Health funding is vital for assisting tenants with more acute mental health or addiction needs. The County can continue supporting partner agencies in pursuing sustainable operating funding from MOH, MCCSS, or alternate Ministries.

The updated project budgets in this report assume Ministry contributions towards operating costs as the County continues working with Indwell and other partners to secure recovery-focused support funding.

## 5.5 Proceeding with Developments

There is a risk in proceeding with the suggested supportive housing projects without secured Provincial capital or operating funds. The worst-case scenario is that neither funding materializes; in which case, it may not be feasible to operate it as supportive housing, missing the homelessness-addressing outcomes. However, CMHC underwriting has begun to understand the reality of a-synchronous funding commitments and has approved numerous supportive housing projects under its new framework.

If the Provincial funding failed to materialize, the fallback plan for the housing portfolio could be using the developments as affordable rentals. This would also serve a social purpose in addressing the housing crisis.

## 5.6 Mixed Rental Development

Currently the County of Lambton's Housing Services Department provides affordable housing according to the Rent-Geared-to-Income (RGI) formula, with rents capped at 80% Average Market Rents (AMR). While RGI housing is essential to meet various regulatory requirements and the affordability needs of many community members, it potentially constrains the development of other affordable housing options; RGI subsidies may not be expandable, for instance, or many households can afford rents somewhat above formal AMR amounts.

With rising costs of construction and interest rates, operating at 80% AMR rents or lower will require more up-front County capital investments that could otherwise leverage more federal investment. It may be advantageous to develop Mixed Rental buildings using CMHC's current breakdown of 40% affordable/ 60% market-related rents in order to stimulate construction of new rental stock to meet a range of tenant needs.

We understand that Lambton's Housing Services department may not be set up to operate market units. A strategic review of other municipal approaches could lead to new collaborations with other non-profits so the Corporation could use its municipal status to help enable significant non-market rental housing development.

## 5.7 RFP Processes

Supporting community housing partners is an important way to get non-market housing built while minimizing the financial and operating responsibility of the County.

Achieving the County of Lambton's broadest strategic outcomes for affordable and supportive housing development should be prioritized in any RFP process. When designing the procurement pathways to engage capable participants in delivering projects, it may be strategic to clearly identify the County's specific goals for:

- Rent targets available from future tenants (e.g. % at social assistance rates)
- any rent supplements available, County or otherwise
- environmental and energy efficiency targets (should match CMHC targets)

- types of supports expected (target populations, acuity measurement tools used)
- which County priority lists or referral streams are anticipated, as applicable

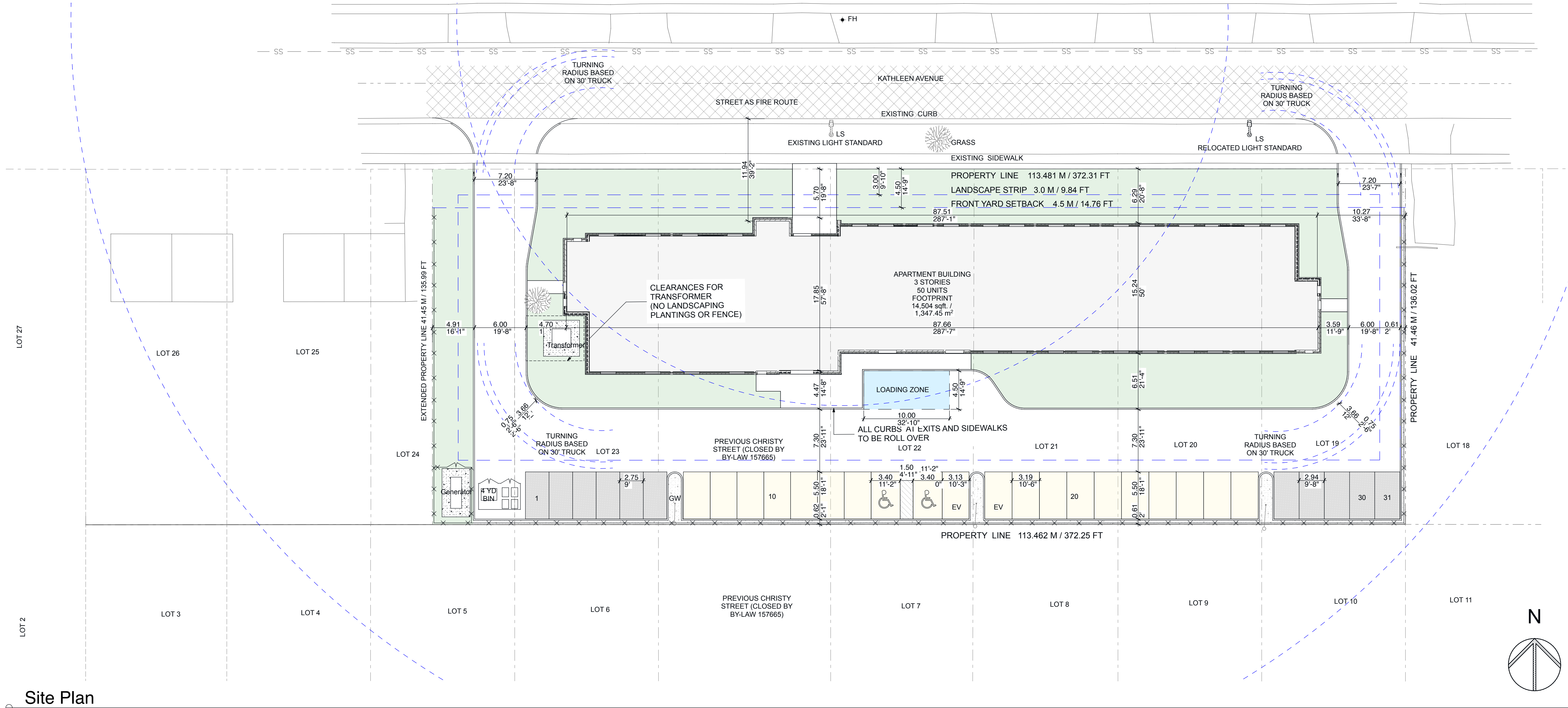
These details would help interested parties align their responses with the County's expectations and give a clearer framework for assessing their capacity to succeed.

## 6 Conclusion

County Council's commitments to address the housing and homelessness crisis are commendable and will yield results. Progress has been made on a number of the sites identified in our last report, with momentum building on the County's engagement with supportive housing providers to develop new program models. We trust that this updated report will help guide the next steps in advancing supportive and affordable housing in the coming months. With major federal investments on the horizon, preparing projects for action is likely to be key in securing adequate funding as early as possible.

We welcome feedback and ongoing dialogue with County Staff and Council on how to translate this report into action.

## **Appendix A: Preliminary Concepts for Staff Identified Sites**



Site Plan

SCALE: 1" = 20'

**DRAWING USE**  
This drawing including any patented or patentable features embodies confidential information of the Architect and the owner. Its use is conditioned upon the user's agreement not to reproduce the drawing in whole or in part or the material described thereon or to use the drawings for any purpose other than specifically agreed to by the Architect and the facility owner. Verify all dimensions, materials, and structural members on site. Any discrepancies are to be reported to the designer before proceeding with the work. Drawings are not to be scaled.

KATHLEEN AVE AFFORDABLE HOUSING

471 Kathleen Ave Sarnia  
Ontario N7T1G1 Canada

ISSUED FOR SITE PLAN

1" ACTUAL  
IF THE ABOVE DIMENSION DOES NOT MEASURE ONE INCH (1") EXACTLY, THIS DRAWING WILL HAVE BEEN ENLARGED OR REDUCED, AFFECTING ALL LABELED SCALES.

REV	STATUS	DATE
H	SITE	2024.08.09
G	SD	2024.07.18
F	SDA	2024-07-02
E	COORD	2024-06-26
D	ZONING	2024.06.10
C	SD	2024-05-28
B	SD REV	2024.05.21

Date: 2024.08.09  
Scale: AS NOTED  
Drawn: R.L.  
Chk'd By: R.B.  
Job No: 224751

A-100

Plotted On: 2024-08-08

SITE PLAN



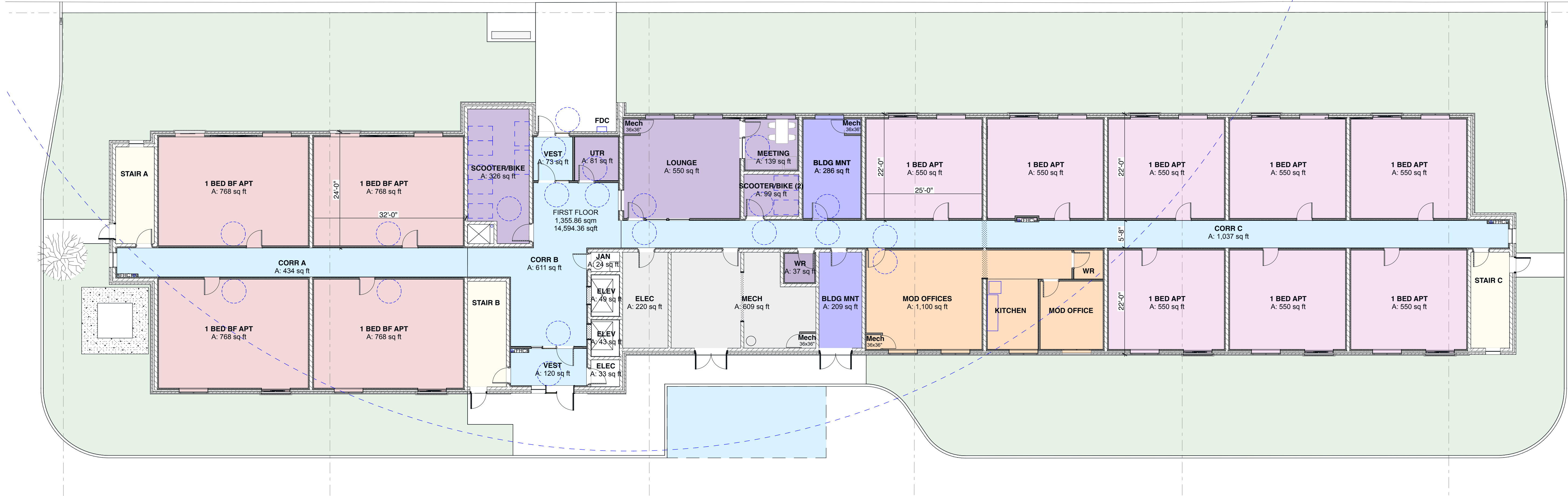
W1 – Exterior Masonry and Steel Stud Wall  
3 5/8" Masonry with thermally broken brick ties  
1" Air Space  
3 1/2" Closed Cell Spray Foam Insulation (R19)  
1/2" Dens Glass Sheathing (to be verified with structural)  
3 5/8" Steel studs at 16"o.c.  
w/ insulation (spray foam or batts TBD)(min R-13)  
1/2" Impact resistant gypsum board (TBD)

W2 – Exterior Masonry and Concrete Block Wall  
3 5/8" Masonry with thermally broken brick ties  
1" Air Space  
3 1/2" Closed Cell Spray Foam Insulation (R19)  
7 5/8" Concrete Block

W3 – Exterior Masonry and Concrete Block Wall w/ Int Finish  
3 5/8" Masonry with thermally broken brick ties  
1" Air Space  
3 1/2" Closed Cell Spray Foam Insulation (R19)  
7 5/8" Concrete Block  
2 1/2" Steel Studs at 16"o.c.  
1/2" Impact resistant gypsum board (TBD)

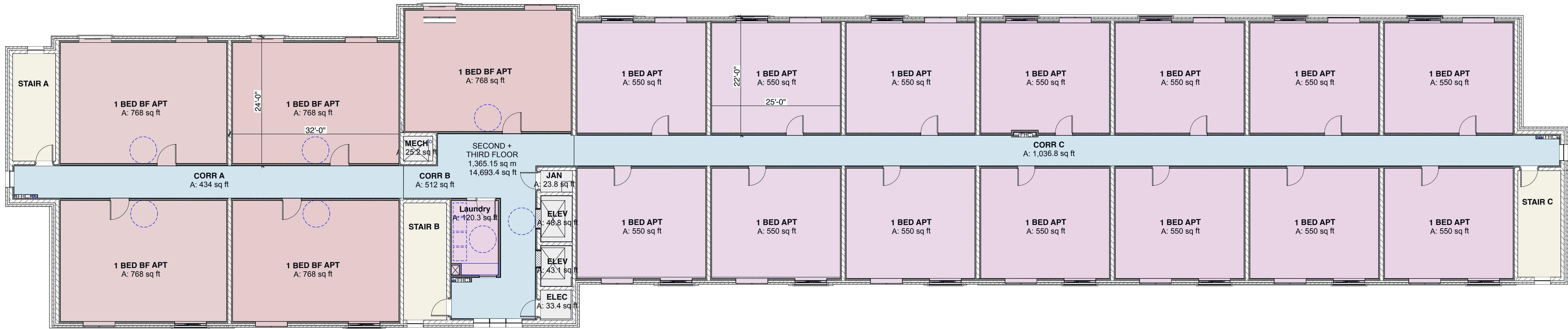
Roof Assembly - (TBD)  
Flood coat and Gravel  
7" (R35) Insulation  
Vapour barrier  
2" Concrete topping  
8" Hollow Core Concrete Slab

Exterior Wall Foundations  
3" (R15) Subgrade Insulation  
Drainage Board w/filter cloth  
Dampproofing  
Poured Concrete Foundation Walls



First Floor - 4 BF + 8 STANDARD

SCALE: 3/32" = 1'-0"

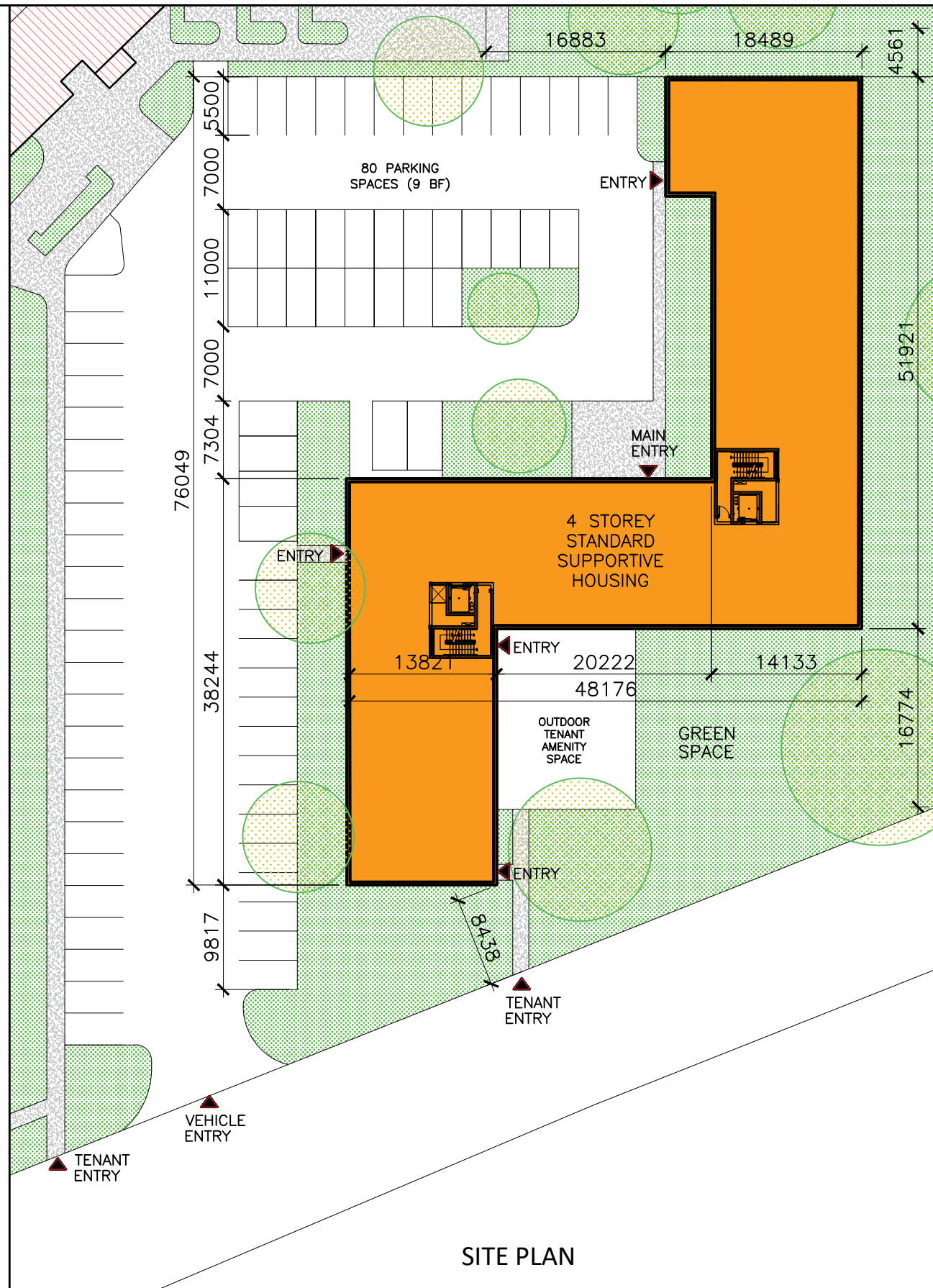


Second + Third Floor - 5 BF + 14 STANDARD

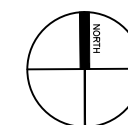
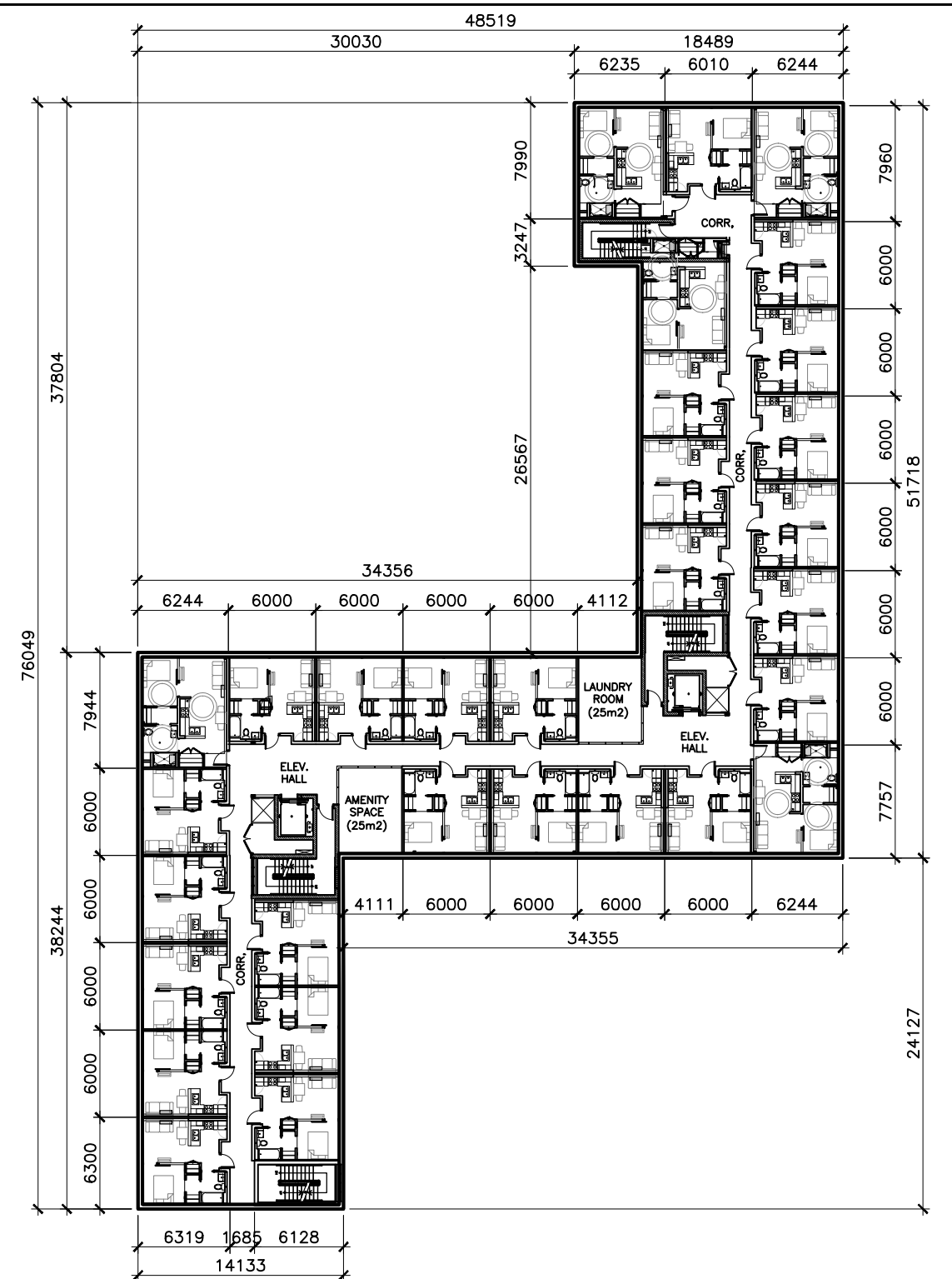
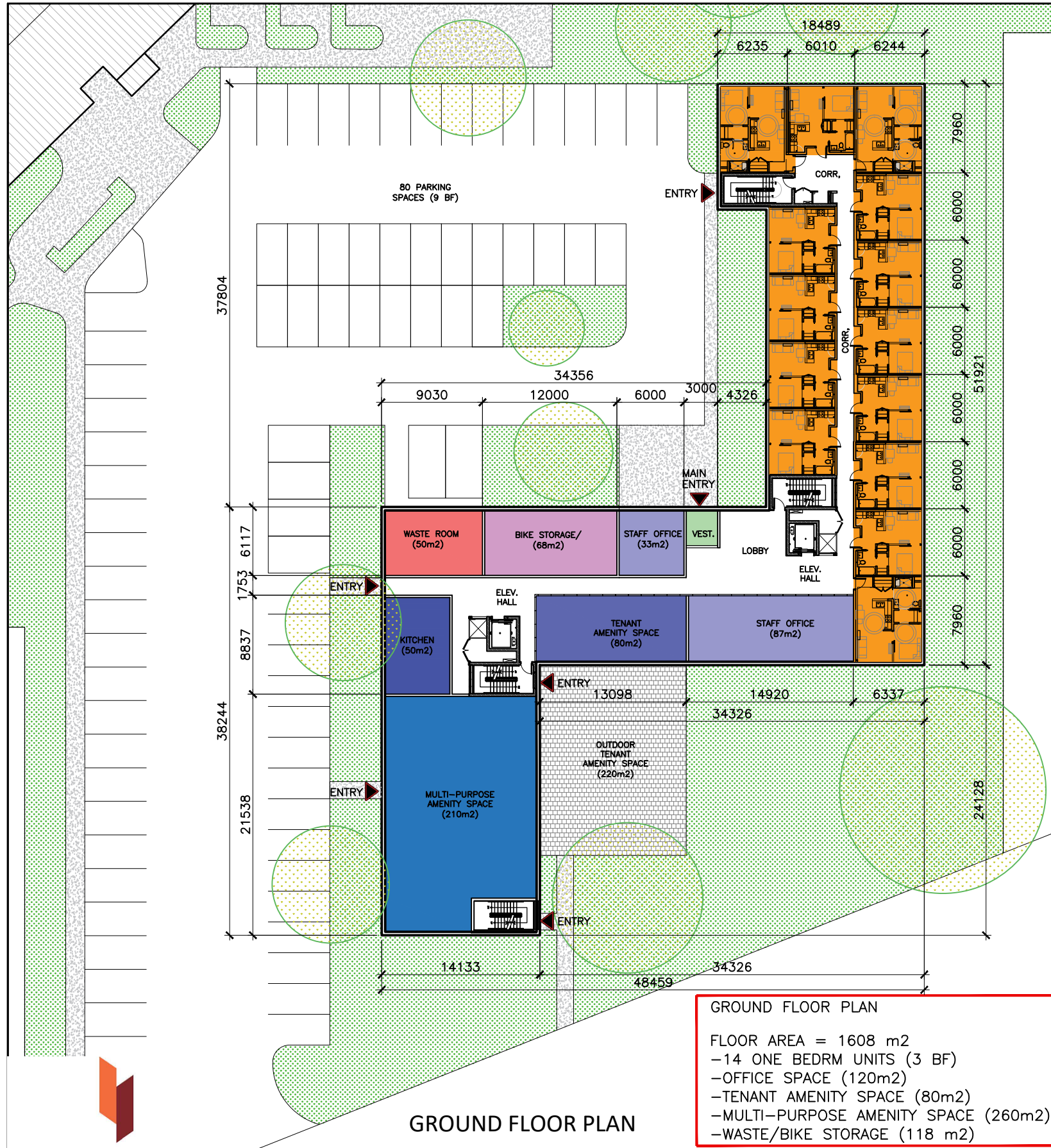
SCALE: 3/32" = 1'-0"

1" ACTUAL		
IF THE ABOVE DIMENSION DOES NOT MEASURE ONE INCH (1") EXACTLY, THIS DRAWING WILL HAVE BEEN ENLARGED OR REDUCED, AFFECTING ALL LABELED SCALES.		
REV	STATUS	DATE
G	SD	2024.07.18
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B	SD REV	2024.05.21
Date:		2024.07.18
Scale:		AS NOTED
Drawn:		R.L.
Chk'd By:		R.B.
Job No:		224751

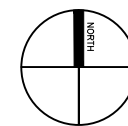
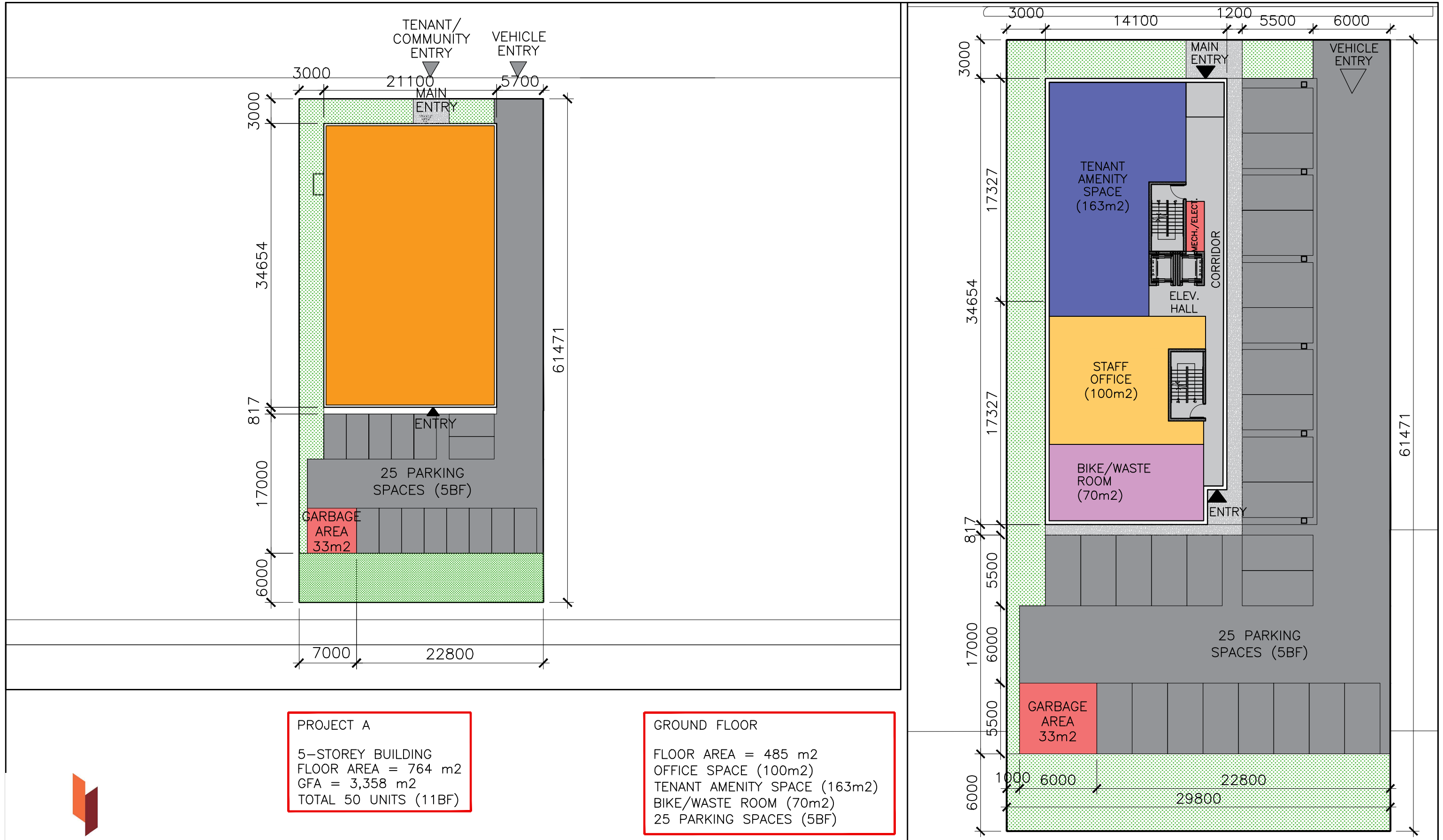


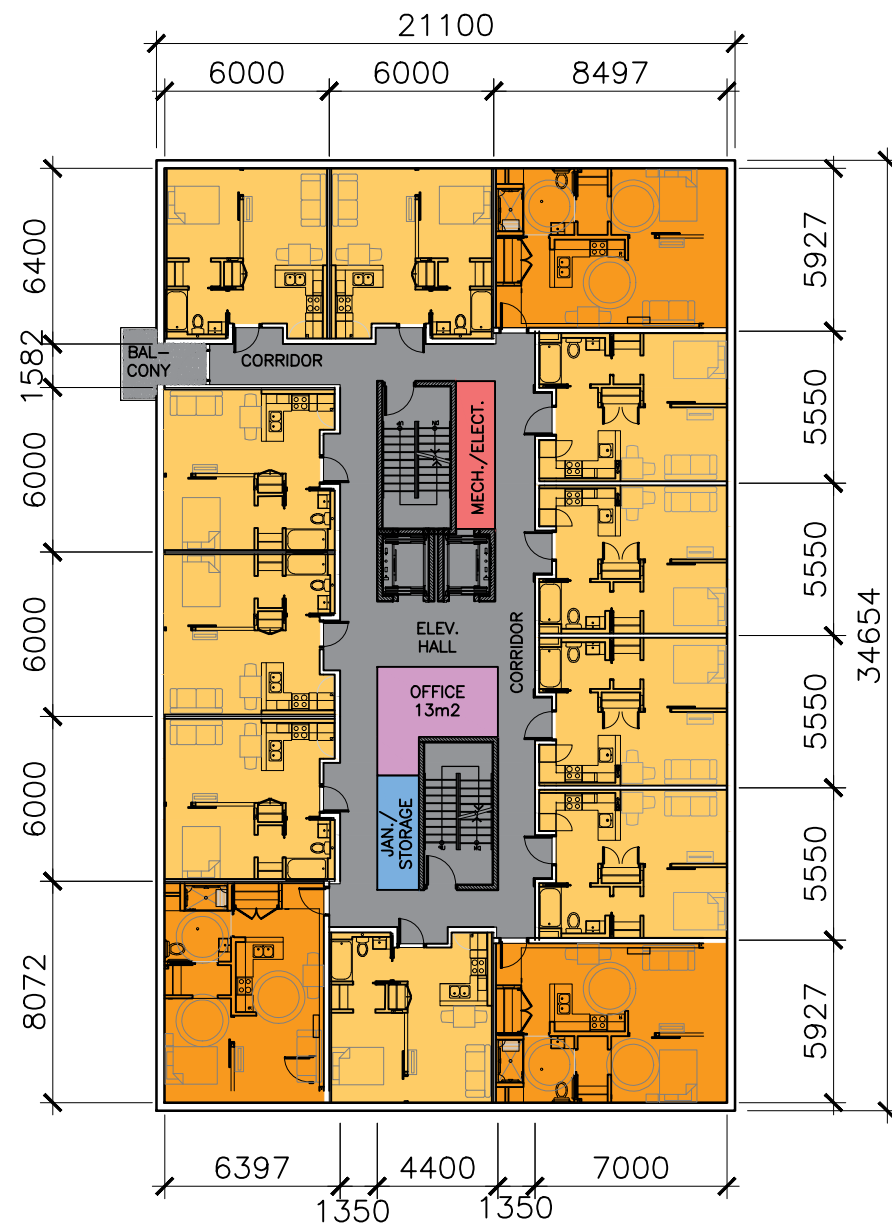


4-STOREY BUILDING  
FLOOR AREA = 1608 m<sup>2</sup>  
GFA = 6,432 m<sup>2</sup>  
TOTAL 107 UNITS (15 BF)  
GROUND FLOOR – 14 ONE BEDRM UNITS (3 BF)  
–OFFICE SPACE (200m<sup>2</sup>)  
–TENANT AMENITY SPACE (260m<sup>2</sup>)  
–WASTE/BIKE STORAGE (118 m<sup>2</sup>)  
2nd~4th FLOOR – TOTAL 93 UNITS  
–31 ONE BEDRM UNITS/FLOOR  
–TENANT AMENITY SPACE + LAUNDRY = 50 m<sup>2</sup>



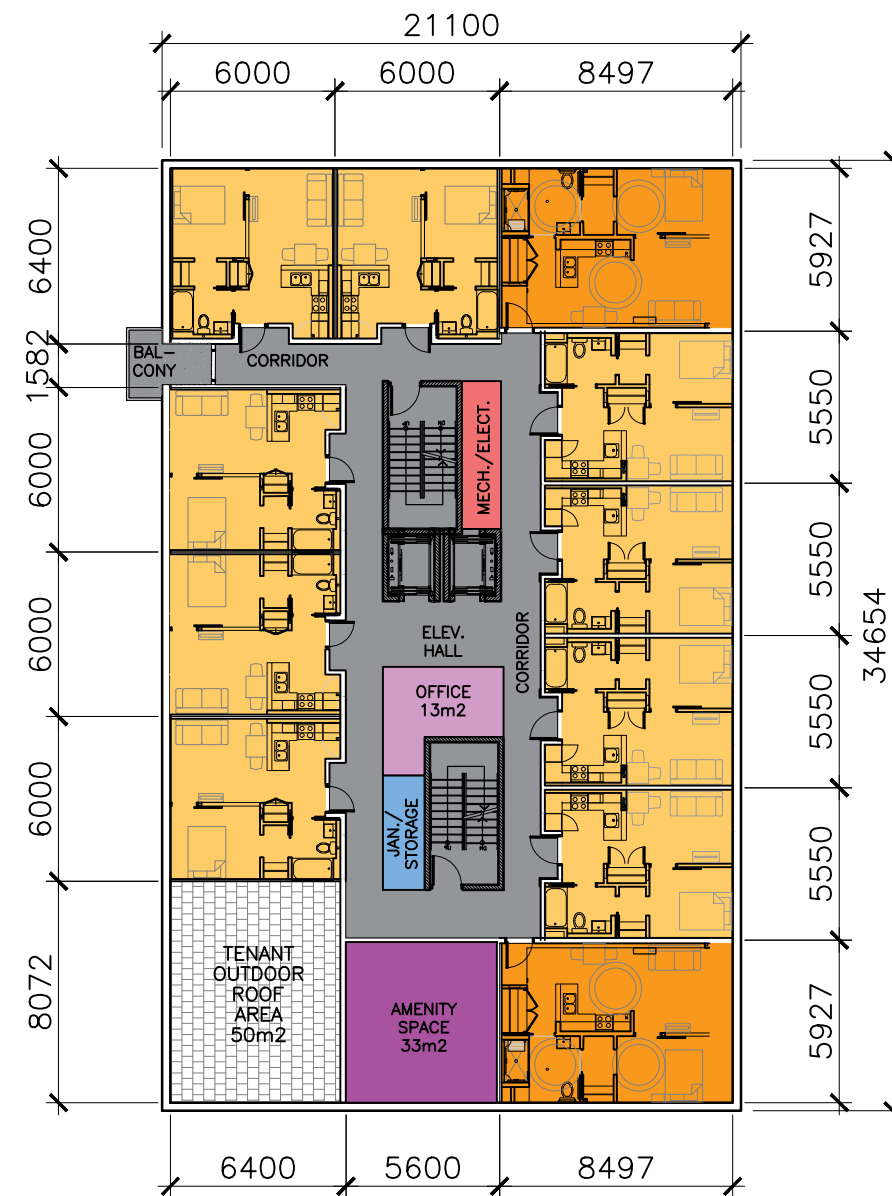






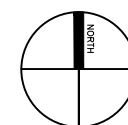
#### 2nd - 4th FLOOR PLANS

FLOOR AREA = 731 m<sup>2</sup>  
 TOTAL 39 UNITS (9BF)  
 13 ONE-BED UNITS/FLOOR (3BF)  
 OFFICE = 13m<sup>2</sup>

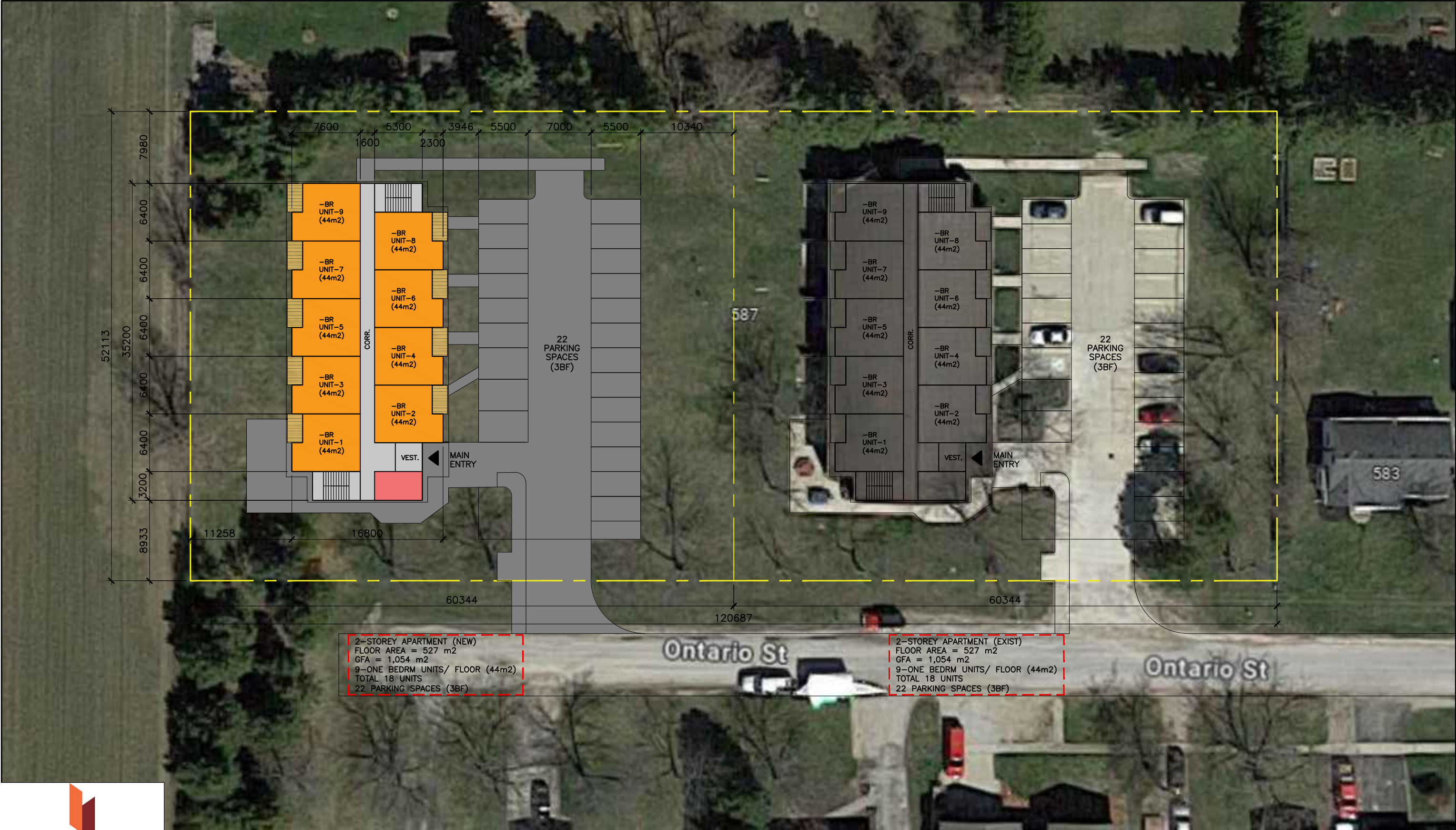


#### 5th FLOOR PLAN

FLOOR AREA = 680 m<sup>2</sup>  
 11 ONE-BEDRM UNITS (2BF)  
 OFFICE = 13m<sup>2</sup>  
 TENANT AMENITY SPACE = 33m<sup>2</sup>  
 TENANT OUTDOOR ROOF AREA





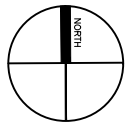


2-STORY APARTMENT (NEW)  
FLOOR AREA = 527 m<sup>2</sup>  
GFA = 1,054 m<sup>2</sup>  
9-ONE BEDRM UNITS/ FLOOR (44m<sup>2</sup>)  
TOTAL 18 UNITS  
22 PARKING SPACES (3BF)

2-STORY APARTMENT (EXIST)  
FLOOR AREA = 527 m<sup>2</sup>  
GFA = 1,054 m<sup>2</sup>  
9-ONE BEDRM UNITS/ FLOOR (44m<sup>2</sup>)  
TOTAL 18 UNITS  
22 PARKING SPACES (3BF)

PRELIMINARY SITE & FLOOR PLANS

SCALE 1:400



## **Appendix B: *Pro forma* Summary for Developments Proposed**



## County of Lambton Development Plan Update 2025

Total Affordable	68
Total Enhanced Units	100
Total Standard Units	57
<b>Total Units</b>	<b>225</b>

Total Contribution Sources	Amount (\$)
County of Lambton	\$13,666,000
CMHC Grants & Seed Funding	\$30,920,603
Loans/Debenture	\$26,312,191
Donations	\$1,615,000
MMAH	\$1,100,000
<b>GRAND TOTAL</b>	<b>\$73,613,794</b>

Summary of Pro formas				
	471 Kathleen Ave	718 Cathcart Blvd	Project A	571 Ontario St, Wyoming
Type	Affordable	Supportive Housing - Enhanced and Standard Programs	Supportive Housing - Enhanced Program	Affordable
Storeys	3	4	5	2
<b>Total Units</b>	<b>50</b>	<b>107</b>	<b>50</b>	<b>18</b>
<b>Total Project Cost</b>	<b>\$17,417,410</b>	<b>\$32,913,516</b>	<b>\$17,009,608</b>	<b>\$6,273,260</b>
total cost/unit	\$348,348	\$307,603	\$340,192	\$348,514
<b>Contribution Sources</b>				
MMAH	\$1,100,000	\$0	\$0	\$0
Donations	\$0	\$0	\$1,615,000	\$0
County of Lambton	\$1,000,000	\$6,420,000	\$2,250,000	\$3,996,000
CMHC Seed Funding	\$0	\$80,000	\$80,000	\$120,000
CMHC Grants	\$7,668,394	\$14,589,448	\$7,032,761	\$1,350,000
CMHC Loan or Debentures	\$7,649,016	\$11,824,068	\$6,031,847	\$807,260
<b>Total Contribution</b>	<b>\$17,417,410</b>	<b>\$32,913,516</b>	<b>\$17,009,608</b>	<b>\$6,273,260</b>
<b>Operations per Annum</b>				
Total Operating Revenue	\$389,940	\$3,863,938	\$2,862,750	\$190,080
Total Operating Expenditures	\$387,312	\$3,359,834	\$2,604,523	\$144,375
Net Operating Income	\$2,628	\$504,104	\$258,228	\$45,705
Total project financing	\$0	\$501,152	\$255,654	\$43,993
<b>Operating Net</b>	<b>\$2,628</b>	<b>\$2,952</b>	<b>\$2,574</b>	<b>\$1,712</b>

<b>Notes:</b>	Staff have indicated that they have applied for CMHC contributions at this time. Flourish's funding estimate is based on CMHC's viability calculator and not reflective of actuals expected.	Assumes applications to current CMHC Affordable Housing Fund programs.	Assumes applications to current CMHC Affordable Housing Fund programs.	Wyoming site pro forma unchanged from previous report.
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### Main Modelling Assumptions:

- 1 Cost of residential construction estimated to be approximately \$350/sqft
- 2 Estimated CMHC contributions based on the Affordable Housing Fund, Rapid Housing Stream for Deeply Affordable & Supportive Housing Units
- 3 Assuming no new municipal rent supplements
- 4 Project costs exclude HST
- 5 Assuming 10% of project costs contributed through donations for Project A
- 6 Assumed debenture/CMHC loan interest rate at 3.5% for capital financing. This is aligned with the Bank of Canada 10-yr Bond rate as of May 2025.
- 7 MMR rent for 1-bedroom apartments in Saria is \$1,230 and are extracted from CMHC's Rental Market Statistics from October 2024
- 8 RGI/Deeply Affordable rent for 1-bedroom apartments is targeted at \$620 as advised by County Staff
- 9 Supportive Housing rent for 1-bedroom apartments is targeted at \$582 based on current ODSP Shelter Allowance rate
- 10 Supportive Housing projects factor in estimated Ministry of Health Funding in the operating revenue based on required staffing and services for modeled programs