



At Home in the County of Lambton

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



January 22, 2024

Executive Summary

We applaud the County of Lambton's ambition to resolve the housing and homelessness crisis facing many local residents. Flourish offers a number of suggestions based on our experience developing a spectrum of supportive and affordable housing – particularly through Indwell.

This study suggests a potential path to design and construct a comprehensive spectrum of 300 supportive housing units throughout the County of Lambton to functionally eliminate the current By-Name Priority List. This scenario relies primarily on staff identified sites, although our suggested optimal route includes some additional properties. This strategy foresees municipal capital investments leveraging Federal capital grants, which in turn are used to attract Provincial capital and operating funding particularly towards the supportive housing. The latter is key to supportive housing's delivery of healthcare and addiction-related services. An additional 190 affordable and mixed rental housing units are suggested on the staff identified sites, providing 490 units in total towards the 729-unit target set in fall 2023.

The County's investment target of \$38 million can truly energize local support for housing solutions. We know that grassroots energy is emerging with citizens, service clubs, and private landowners forging new alignments around common causes. Experienced supportive housing operators like Indwell are actively engaged in these conversations, with the ability to act quickly if senior governments can be motivated to action commitments.

We hope that this report will provide a starting framework for 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 to assist in drafting a multi-year, portfolio-scale strategic affordable and supportive housing development plan. The goal of this report is to describe several initiatives that could functionally end the current homelessness crisis through supportive housing developments. The By-Name Priority List is a real-time list of all people experiencing homelessness across a Service Manager area, which helps prioritize people for the most suitable and available housing. This list is used as a reference for quantifying targets. We also suggest opportunities to add significant affordable housing stock to address the chronic Access to Housing waiting list. This portfolio targets building 729 new affordable homes which includes the spectrum of supportive housing.

The County of Lambton Council has identified the affordable housing crisis as a top priority. This is strategic, reflecting the felt needs of local citizens while aligning with the housing-focus of senior orders of government. Both Federal and Provincial governments are asking municipalities to prioritize homebuilding however possible. While supportive housing is not specifically prioritized by senior governments, local leaders understand that the homelessness crisis cannot be resolved by simply building more homes. Flourish is pleased to provide the County with a development plan based on its experience with Indwell's proven supportive housing programs in seven municipalities across Ontario.

Beginning with five staff identified sites, Flourish investigated the potential for developing housing with the goal of targeting areas where community need is greatest and having the most impact on reducing and preventing homelessness. The goal of this report is to provide the County of Lambton with a roadmap outlining what building form and housing type to provide on each site. Various financial scenarios are suggested to empower the County, identifying initial funding commitments from various fund sources.

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's Co-Investment Fund (COI) is currently useful, so applications to receive grants through COI should be prioritized before mid-2024. The prospect of both federal and provincial elections within two years should be considered when applying for funding support, as any government transition may delay decision-making.

By following this action plan, the County of Lambton will build targeted new housing developments that will seek to end homelessness and address the housing crisis faced by many residents.

2 Housing context in The County of Lambton

The County of Lambton is facing an escalating housing crisis. The surge in economic growth has led to heightened demand for both rental and owned housing, resulting in increased rents and purchase prices, and a more constrained demand-supply scenario. 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 four 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 \$1,011 in 2022. While official rates continue to rise, Zumper.com reports average rents in Sarnia of \$1,478 in November 2023. It is expected rents will continue to increase in the coming months due to continued limited supply compared to the local demand for rental apartments. 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 are familiar with and 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 apartments currently available on the rental market.

CMHC's COI Fund scoring criteria now incentivizes projects as “affordable” when at least 40% of units are at or below 70% Median Market Rent (MMR); the remaining units can rent at current market rates. As COI is the key funding program for projects creating deeper affordability, we have used its guidelines for suggesting *pro formas* for affordable housing projects.

The COI fund will provide \$75,000 per unit in grants for an entire project if it meets the 40% at 70% MMR target; in Sarnia, this equates to rent at \$665 per month for a one-bedroom. Without the grant contribution provided through COI, it is very difficult to build new apartments with rents below \$1,500 per month.

Affordable rental projects under this strategy would be considered mixed income. CMHC is allowing (even prioritizing) projects which use market rent units to offset below-market affordability in other units. These units are geared towards households with an income between \$60,000 and \$85,000 per year.

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 housing as a type of public infrastructure. This reframing of affordable housing investments may be emerging as a federal priority, with a new Ministry of Housing, Infrastructure, and Communities coming together under Minister Sean Fraser.

3.2 Supportive Housing

There is a critical need to expand permanent supportive housing options in the County of Lambton to address the homelessness crisis, particularly street-engaged homeless. Individuals' experiences vary, but common underlying concerns facing residents include:

- 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 as the leading supportive housing developer 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 focus on overcoming addiction and poor mental health.
 - Typical tenants include people who have been chronically homeless, living rough, hospitalized, or in an institutional settings, 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 typically \$1.2 million based on the services required and scale of program.
- **Enhanced Supports:**
 - An Enhanced Supports program provides services similar to a specialized program, however it is delivered to a higher number of tenants with lower acuities.
 - Tenants requiring Enhanced Supports may have moved from a Specialized Supports 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 \$1.5 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, and 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 per year depending on the scale of the program.

All three levels of support require supplemental operating funding beyond the rental revenue from tenants. The Ontario Ministry of Health (MOH) provides funding that is optimal for Specialized and Enhanced Supports programs, given the key role of

housing-based healthcare delivery in these contexts. Municipal funds, fee-for-services, and charitable donations are other types of revenue that sustain program operations.

The opioid and drug toxicity crisis 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 entering Specialized or Enhanced Supports 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. Refer to Appendix A for preliminary concepts for sites.

Victoria Street North, Municipal Parking Lot: Supportive Housing Prioritized

The City of Sarnia's parking lot on Victoria Street North between Cromwell and Davis Streets is an approximate 2.19 acres zoned Downtown 1 which permits apartment dwellings up to twelve stories. We understand the site was recently deemed "surplus" by the City, marked for the purpose of supportive housing development.



Figure 1. Victoria Street North, Sarnia - proposed Supportive and Affordable Housing on County Sites (extracted from Google Earth)

This site holds significant potential for supportive *and* affordable housing. Its size, location in the downtown core, and proximity to essential services including transit,

banks, groceries, and the central library are optimal. The large lot size provides the opportunity for a multi-building project. We propose two buildings that would utilize the entire site, which could be constructed simultaneously or in phases.

Under our preferred scenario, the site would host two Enhanced Supports programs, a Standard Supports program, and an Affordable/Mixed Rental project. Initial assessments suggest that 267 units can be achieved on this site including Supportive, Affordable, and Mixed Rental units. There is potential for surface parking on the site to be designated for use by patrons of area businesses, as the need for tenant parking may be relatively low depending on program models and tenant demographics.

Under a scenario that includes only staff identified sites, the Victoria Street property could be designed to host Specialized, Enhanced and Standard Supports programs, with additional Affordable/Mixed Rental housing units. Our concern with this scenario is the potential for stigmatization of the programs and tenants, such as through derogatory terms like “the ghetto,” related to the density of higher-acuity supportive housing programs on one property. Indwell’s experience is that tenants also appreciate the opportunity to progress towards stability through physically moving from a Specialized program to an Enhanced community. As a result, a Specialized Supports program would be best suited for a separate property not identified in this study.

Experience with Indwell programs shows the benefits of program models being scaled to reflect the relative stability of the tenants. For example, a high-acuity program should be smaller than a low-acuity program. Despite general public assumptions that a “mixed” community is sociologically better, evidence from operating Indwell programs shows that tenants in a supportive community with similar current life situations and health needs experience greater inclusion and recovery. Tenants report that they value the sense of progressing towards stability and long-term tenancy that comes with physically moving between the various supportive communities. This is particularly important between Specialized and Enhanced Supports programs. [Parkdale Landing](#) and [McQueston Lofts](#) in Hamilton are examples of this close proximity but physical separation. Architectural and physical design separation features between Enhanced and Standard Support programs have proven highly effective when a project is otherwise developed as a single structure. Embassy Commons on [English Street](#) and [Dundas Street](#), London are examples of this strategy.

Project A, Sarina: Supportive Housing Prioritized

Project A is an existing property located in central Sarnia. The available build space is approximately 0.7 acres and is zoned Interim Use 1. A zoning by-law amendment will likely be required to permit a multi-residential project. This site could provide 70 Standard Supports apartments in the community.

This site would provide long-term housing stability and affordable rents, enabling broader community engagement for tenants given its walkable proximity to downtown.

As tenants from the Victoria Street program and other higher-support programs become more stable and independent, they could transition to this location. Having a supportive housing provider operating both locations would help the transition for tenants.

Project B, Sarnia: Supportive Housing Prioritized

Project B is a property located in north Sarnia. The site is currently zoned Urban Residential 1, and a zoning by-law amendment may be required to permit a multi-residential project.

A Standard Supports Program is recommended for this property. This site is further from downtown which could be a benefit in terms of spreading out supportive housing opportunities for tenants, rather than being concentrated in the downtown core.

Initial assessments suggest that 107 Standard Supports apartments could be developed and could include a community space for tenants of both housing complexes as well as for the general community.

471 Kathleen Avenue, Sarnia: Affordable Housing Prioritized

471 Kathleen Avenue is currently an approximately one acre open green space. It is zoned Open Space 1 and will require a zoning by-law amendment.

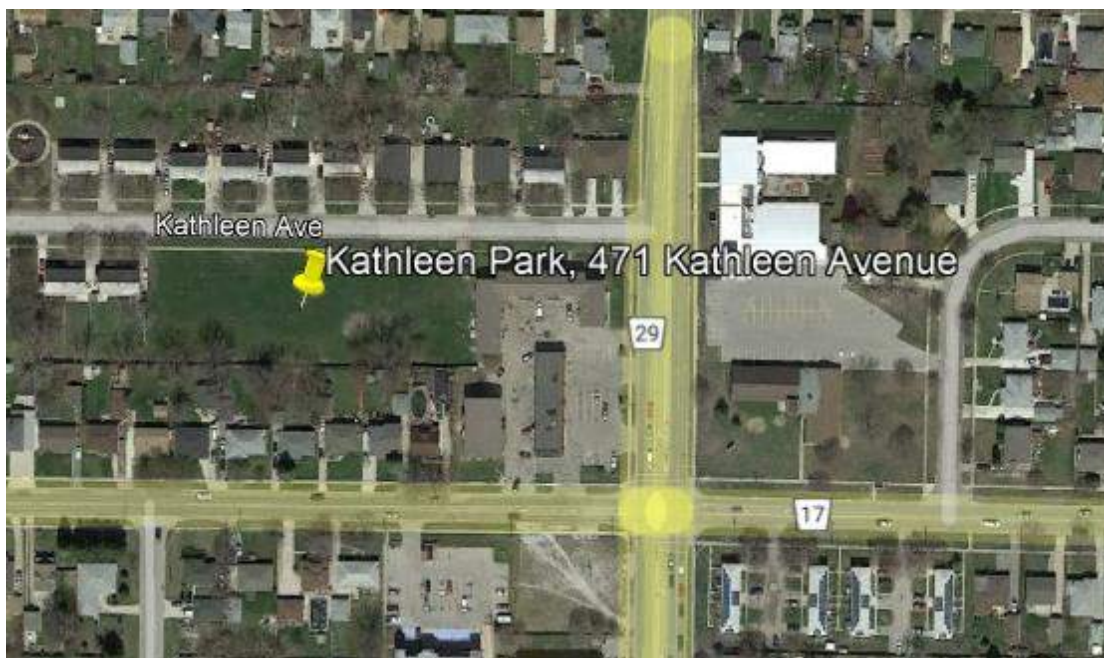


Figure 2. 471 Kathleen Avenue, Sarnia - proposed Supportive and Affordable Housing on County Sites
(extracted from Google Earth)

The site is surrounded by family-size community housing duplexes, with few options for older adults looking to downsize. Flourish sees the potential for two buildings on the site of 18 and 28 units respectively, all one-bedrooms. They could be developed at once, or in phases. This would offer housing alternatives for tenants who are over-housed in their current home, while allowing them to remain near their existing social support community. In this development proposal, Flourish has included only the 28-unit building within the financial scenarios to allow for more flexibility with County investments in the near future.

587 Ontario Street, Wyoming: Affordable Housing Prioritized

587 Ontario Street, Wyoming currently has vacant land – zoned Residential R3(4).

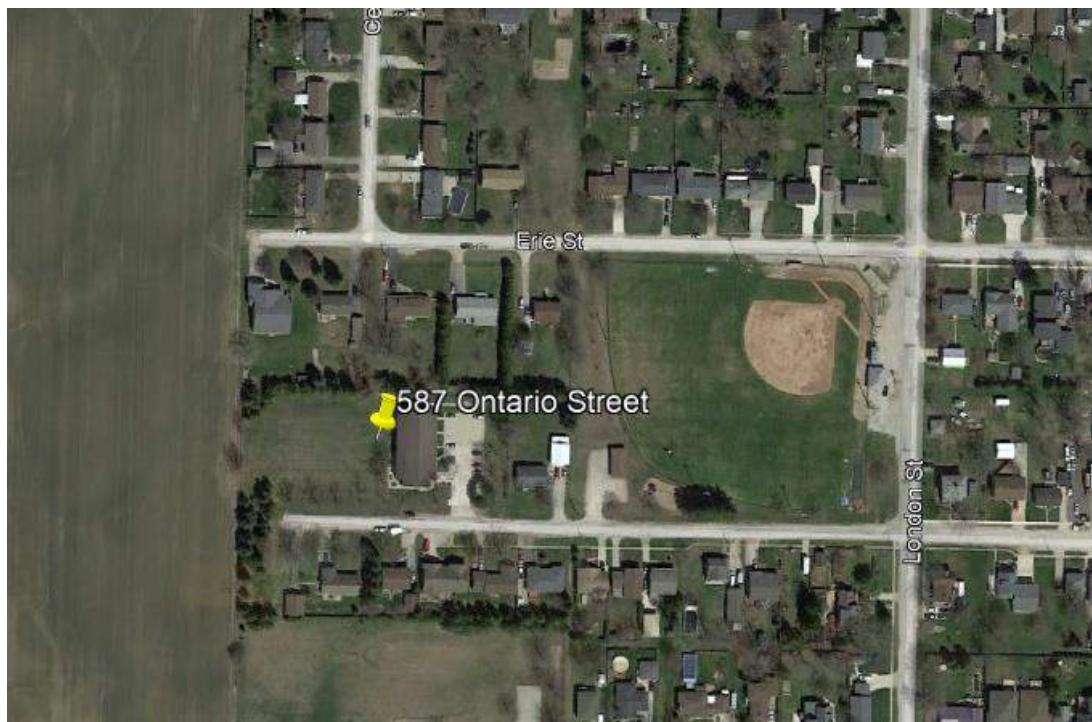


Figure 3. 587 Ontario Street, Wyoming - proposed Supportive and Affordable Housing on County Sites (extracted from Google Earth)

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 a denser development on this site under another scenario, adding a broader range of units and accessibility within a three-storey design.

3.3.1 Summary of Site Development Proposals

Table 1, below, provides a summary of the buildings proposed on the five staff identified sites. For further details, refer to Appendix A and B showing the preliminary concepts and *pro formas*. In summary, across the staff identified sites, Flourish has proposed a total of 490 units, of which 300 units are supportive, 79 units are affordable, and 111 units are at market rate.

Table 1. Summary of Site Development Proposals.

	Victoria St N Apt A, Sarnia	Victoria St N Apt B, Sarnia	Project A	Project B	471 Kathleen Ave, Sarnia	571 Ontario St, Wyoming
Program/Type	Enhanced + Affordable + Market (meets 40% of units at less than 70% MMR)	Specialized + Standard OR Enhanced + Standard	Supportive – Standard	Supportive – Standard	Affordable	Affordable
Commercial Space (sq.ft.)	None	5,877	None	2,260	None	None
Storeys	12	4	4	4	2	2
Total Units	40 + 33 + 111 = 184	15 + 68 = 83 OR 41+42=83	70	107	28	18
Total Bachelor	40	0	6	0	0	0
Total 1BR	144	83	64	107	28	12
Total 2BR	0	0	0	0	0	6
% 2BR	0%	0%	0%	0%	0%	33%
Total parking spaces	22 on 1st floor/grade	36 site wide	25	80 site wide	12	23
Parking ratio	0.09	0.43	0.36	0.75	0.43	1.22
Total Project Cost (excl. tax)	\$48,900,935	\$26,827,220	\$20,302,627	\$31,750,381	\$9,104,000	\$6,273,260
Total cost/unit	\$265,766	\$323,220	\$290,038	\$296,733	\$325,143	\$348,514

3.4 Rationale for Recommended Actions

Street homelessness cannot be addressed without creating housing with integrated healthcare services delivered on site. The staff identified sites hold great potential for such developments, but based on Indwell's experience we recommend two additional sites:

1. A Specialized program (15 to 20 tenants) on a stand-alone site specifically targeted at post-encampment/high-acuity tenants.
2. An additional Enhanced Support program (40 to 50 tenants) focused on long-term stabilization of health and recovery gains.

The spectrum of supportive housing programs detailed in this report totals 300 units including the privately-owned sites, which could functionally address the current By-Name Priority List. It would provide the breadth of services to enable individuals to move from living rough and with high acuity towards long-term life stability. Indwell is currently undertaking this sort of strategy in developing a spectrum of supportive housing in various communities including St. Thomas and London. All indicators suggest this approach is effective, with increases in personal wellness alongside decreases in hospitalizations, police enforcement activities, and EMS utilization.

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 leaders to follow its investments in this supportive housing strategy. Decisive action combined with aligning advocacy through elected officials, community leaders, and other connections is critical to bringing the senior government investments to bear locally. Indwell's experience with the Ministry of Health is that decision-making is tied to annual budget-year cycles, whereas housing developments are multi-year. This misalignment is one of the key issues to overcome in advocacy across Ministries. It should be anticipated that construction will need to start to meet development and funding milestones without a commitment of annual operating funding.

The County should consider partnering with a not-for-profit organization such as Indwell in launching development projects, 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 the County should consider contingency plans should these agreements be delayed.

3.5 Funding

The Affordable housing *pro formas* attached outline a strategy to invest County funds in projects that could deliver either County-owned housing or catalyze projects led by non-profit proponents through being a “Co-Investor.” The latter strategy is key for community housing providers; without a co-investor, CMHC defers reviewing or awarding any COI funding to otherwise eligible projects. From our experience with various clients, lack of a co-investor has left many projects stalled, excluded from Federal funding programs.

We have not assumed any Provincial funding for the Affordable housing projects which include mixed-rent units, as there is currently no set ratio of contributions between CMHC and MMAH programs (unlike former Investment in Affordable Housing programs). It may be feasible to apply for Provincial funding towards the 40% of units that are at 70% MMR if that value is less than 80% AMR (Ontario's threshold).

For the Supportive housing portfolio, we have assumed a municipal investment in each project, along with a uniform contribution of \$150,000 per unit from MMAH. This does not reflect an existing Province-wide housing investment program. However, it is based on what we have seen MMAH announce to supportive housing projects across the province throughout the past two years, funded through various programs including the Social Services Relief Fund (SSRF), Ontario Priorities Housing Initiative (OPHI), Canada-Ontario Community Housing Initiative (COCHI), and Homelessness Prevention Program (HPP).

Under the HPP, Service Managers now have added flexibility in how they allocate funding. Capital contributions to new supportive housing are permitted alongside services and other immediate interventions. In the short-term, funding capital projects is high, however building and maintaining supportive housing is necessary to address the root drivers of homelessness.

There is strong Federal and Provincial rhetoric about improving access to affordable housing. Service Managers should make a direct capital request proactively to MMAH with the support of the local Member of Provincial Parliament (MPP). The speed and potential to receive funding will increase by making the request early and having the sustained support of the MPP.

Community donations and investments show local support for issues and are impact amplifiers for County investments. 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. Additionally, the City of Sarnia's desire to have supportive housing developed on the Victoria Street site reinforces the local commitment.

Table 2 summarizes the funding sources and financial contributions required to develop the five sites proposed in Section 3.3 of this report for the County of Lambton. 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.

Contribution Sources	Amount (\$)
MMAH Request	\$39,000,000
County of Lambton	\$30,782,007
CMHC Grants & Seed Funding	\$37,470,000
Donations	\$3,600,000
Loans/Debentures	\$32,306,415
GRAND TOTAL	\$143,158,422

4 Privately Owned Sites with Potential for Development

The County plays a key role in promoting affordable housing developments by other proponents. This is particularly important for non-profits, as they need a “co-investor” to attract CMHC’s investments. Several privately owned sites were brought to Flourish’s attention during our research. County staff are already aware of some of these sites, while others could be introduced into the overall strategy based on our initial assessments.

There are many projects under development by Non-Profit agencies and the private sector. Although a complete picture of these projects is not known, it is anticipated that another potential 500 units are available based on further business plan development.

The key to developing significant quantities of below-market rental apartments is co-operation between all levels of government and the proponent to maximize government investments in housing as public-benefit infrastructure.

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:
 - o Supportive housing is the most sustainable way to address the homelessness problem in the County. Municipal funds should 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 are considered under CMHC's Co-Investment Fund stream. 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. Edmonton has created a [new municipal investment framework](#) that bears consideration.
 - o 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 without additional ongoing rental subsidies. This is a key opportunity for staff identified sites to advance new development.
 - o 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.)
 - o Municipal credit capacity should be closely assessed for the ability to invest with minimal direct levy impacts. It may be that affordable housing projects could be feasible using County borrowing versus using CMHC financing. A close review of the debt-carrying capacity of each project is important to ensure financing from the most appropriate source.

5.2 Applications to CMHC

The County should try to maximize CMHC's grant contributions. The current Co-Investment Fund criteria (Winter 2024) provides a baseline grant of \$25,000 per unit. An additional \$25,000 is available for projects with a minimum of 40% of units at 70% MMR. And \$25,000 per unit is granted across the project for meeting higher efficiency thresholds. All County projects should be designed to meet these thresholds as all are readily achievable.

The Auditor General has noted CMHC's difficulty allocating funding, with an annual average of \$645M being returned to the Treasury over the past five years. 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 Co-Investment Fund stream.

5.3 Additional Funding Contributions

The County of Lambton may be able to attract additional investments into this housing strategy. There is, however, little formal coordination between funding programs and each has its own priorities, but each opportunity should be explored:

- 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 in their application. Check for this likely alignment.
- Ontario's new Building Faster Funds 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. We have seen a slight shift in Provincial focus with HPP to prioritizing permanent supportive housing projects as a more sustainable response to homelessness. We recommend the Service Manager make a specific direct request to the Province for capital funding of \$150,000 per unit towards building the supportive housing projects.

This request to MMAH should be linked with advocacy for sustainable operating funding from MOH, MCSS, or alternate Ministries. This is crucial to ensuring that supports – particularly addressing mental health and addictions, are integrated within the new supportive housing. This is the only sustainable route to funding the supports that enable people to break the cycles of poor health and poverty resulting from homelessness.

Note: the development pro formas for the supportive projects included in this report do not include the operating support costs or revenues in order to reflect the reality these funds are not committed up front.

Mobilizing community backing for the County's supportive housing strategy is key. Allies like the Bluewater Health system, the Canadian Mental Health Association, advocacy groups, faith communities and other agencies are necessary to amplify the calls for Provincial and Federal funding. Engaging an experienced supportive housing provider such as Indwell as a development or operating partner could be feasible with some type of commitment by Ontario to backing an integrated homelessness strategy.

5.5 Proceeding with Developments

There is a risk to proceeding with the suggested supportive housing projects without either Provincial capital or operating funds. The worst-case scenario is that neither funding materializes, in which case the housing may not be feasible to operate as supportive housing, missing the homelessness-addressing outcomes. But without moving forward, the County risks standing on the sidelines while action-oriented communities attract funding.

It is feasible to use a portion of existing MMAH-provided funds, e.g. HPP dollars, to fund supports. We understand that there may be some MMAH-provided funds that could be earmarked for this use. This has merit, but we caution that an underfunded program may not deliver the needed results and could lead to questioning whether supportive housing is an effective intervention. Council should consider the possible need to supplement HPP-type funding if the acuity of tenants exceeds the capability of a smaller support team. The risks to launching an under-funded support program include overstretching the staff team, or not delivering hoped for results leading to public or agency loss of confidence in the effectiveness of supportive housing.

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. The key financial risk for the County would be

that its up-front capital investment may be roughly \$150,000/unit higher. This fallback business plan should be considered from the outset, rather than midway through a project.

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.

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 developments. It may be advantageous to develop Mixed Rental buildings using CMHC's current breakdown of 40% affordable/ 60% market 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 structures or 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 allies through a municipal "co-investment" is an important way to get non-market housing built while minimizing the financial and operating responsibility on 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. % with social assistance incomes)
- any rent supplements available, County or otherwise
- environmental and energy efficiency targets (should reflect CMHC COI level)
- types of supports expected (target populations, acuity measurement tools used)
- which County priority lists or referral streams are anticipated as measuring results

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.

In order to maximize the leverage capacity of County investments, attention should be paid to how much CMHC or Provincial funding has been secured by an applicant, and

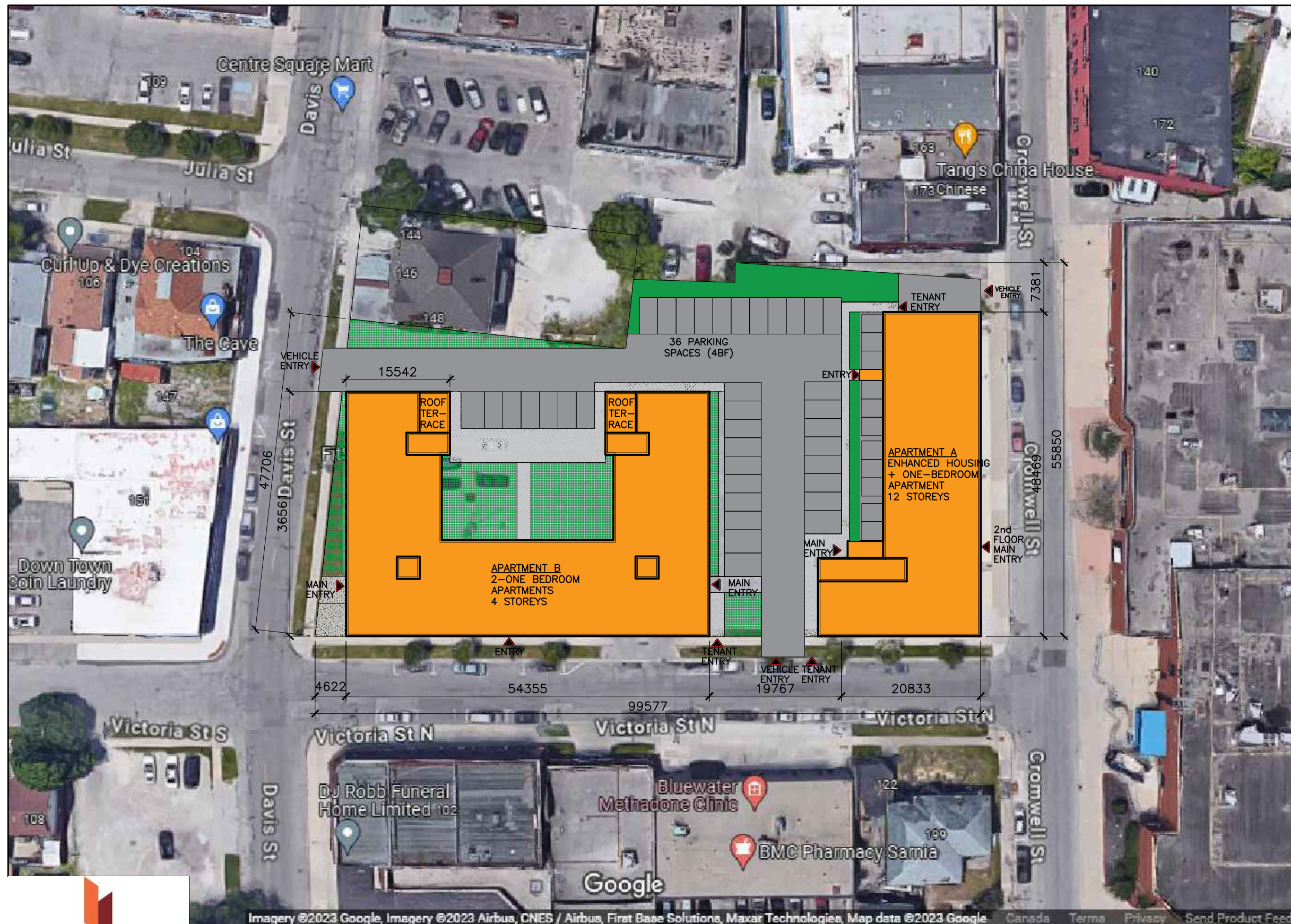
how much they anticipate would be needed for the supportive housing portfolio. These funds will unlikely be secured at time of bidding but could be identified based on the past performance of the proponent. This could include both capital and operating funding streams.

6 Conclusion

The County of Lambton's ambition to address the housing and homelessness crisis is commendable, and this leadership can yield compelling results. We trust that this report will provide a useful framework for shaping a supportive housing strategy that could effectively address the needs of people on the By-Name Priority List. Spurring development of new affordable housing is also key – and rental housing generally, so maximizing contributions from all sources is necessary.

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

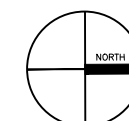
Appendix A: Preliminary Concepts for Staff Identified Sites



PRELIMINARY SITE PLAN

SCALE

1:600



APARTMENT A
 (ENHANCED HOUSING + ONE BEDROOM APARTMENT)
 FLOOR AREA = 835m²
 GFA = 9,387 m²

GROUND FLOOR
 –STAFF OFFICE,
 –TENANT AMENITY SPACE
 –22 UNDER BUILDING PARKING

2nd~3th FLOORS
 –20 STUDIO UNITS/FLOOR
 –TOTAL 40 UNITS
 –STAFF OFFICE,
 –TENANT AMENITY SPACE

4th~12th FLOORS
 –16 ONE BEDRM UNITS/FLOOR
 –TOTAL 144 UNITS

TOTAL 184 UNITS

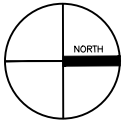
APARTMENT B
 (ONE BEDROOM APARTMENT)
 FLOOR AREA = 1,439m²
 GFA = 5,701 m²

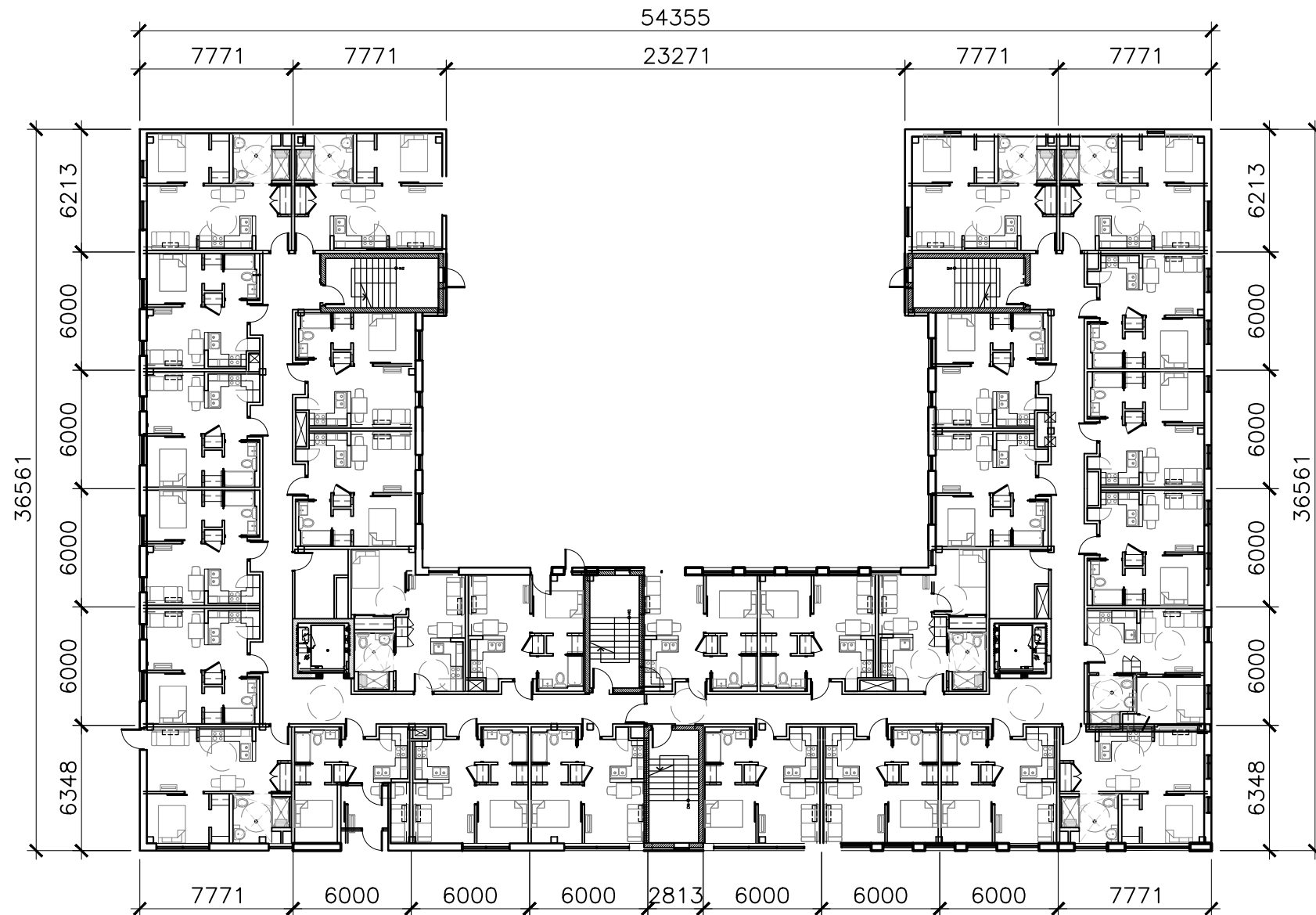
GROUND FLOOR
 –STAFF OFFICE,
 –TENANT AMENITY SPACE
 –RETAIL AREA,
 –BIKE STORAGE, WASTE ROOM

2nd~3rd FLOORS
 –29(14+15) UNITS(6BF)/FLOOR

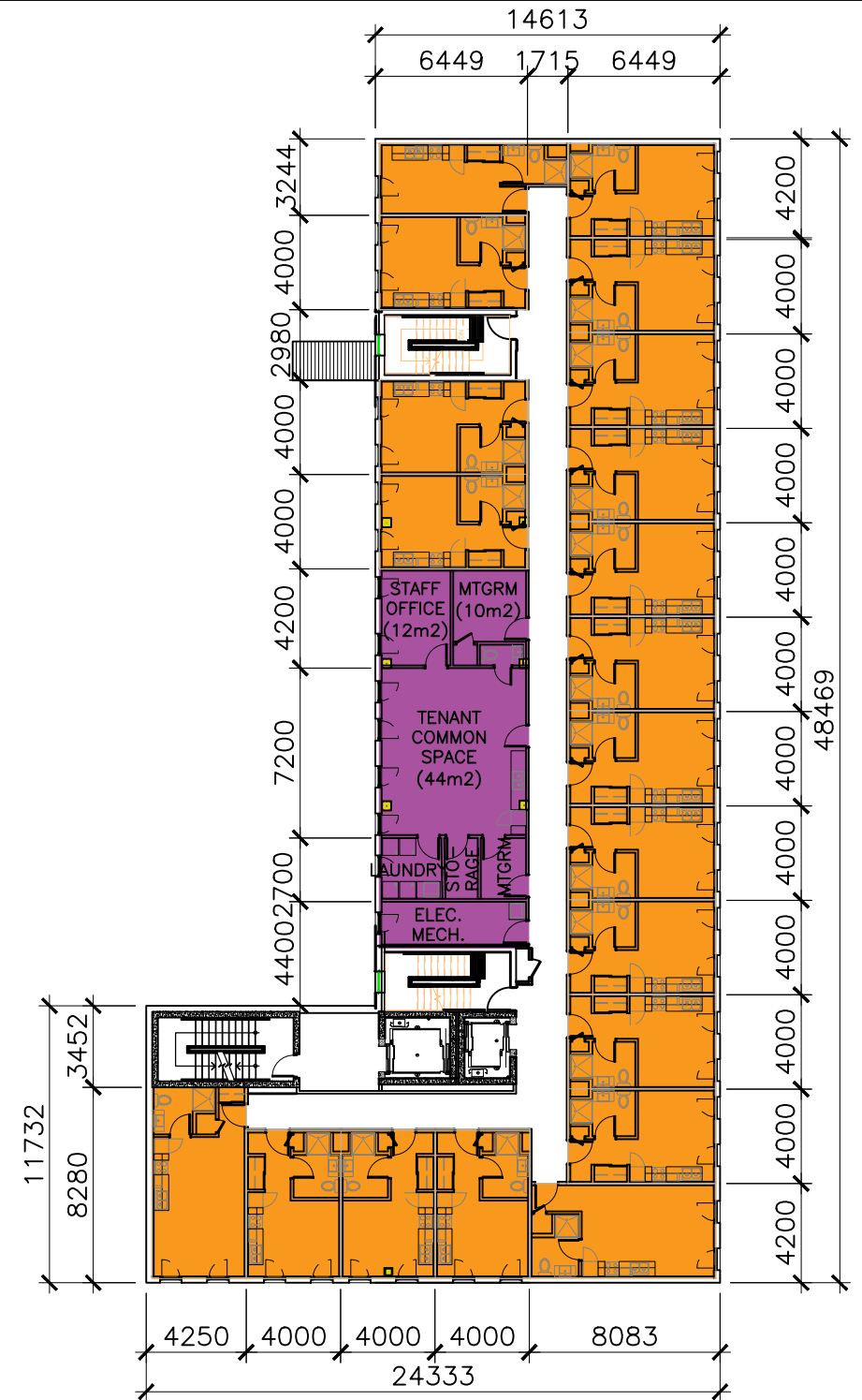
4th FLOOR
 –25(12+13) UNITS/FLOOR
 –2–TENANT COMMON AREAS

TOTAL 83 UNITS
 36 PARKING SPACES (4BF)





APARTMENT-B
 2nd~3rd FLOOR PLANS
 FLOOR AREA = 1,439 m²
 29(14+15) ONE BEDRM UNTS/FLOOR (35m²),(6BF-46m²)
 TOTAL 29*2 = 58 UNITS

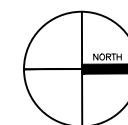


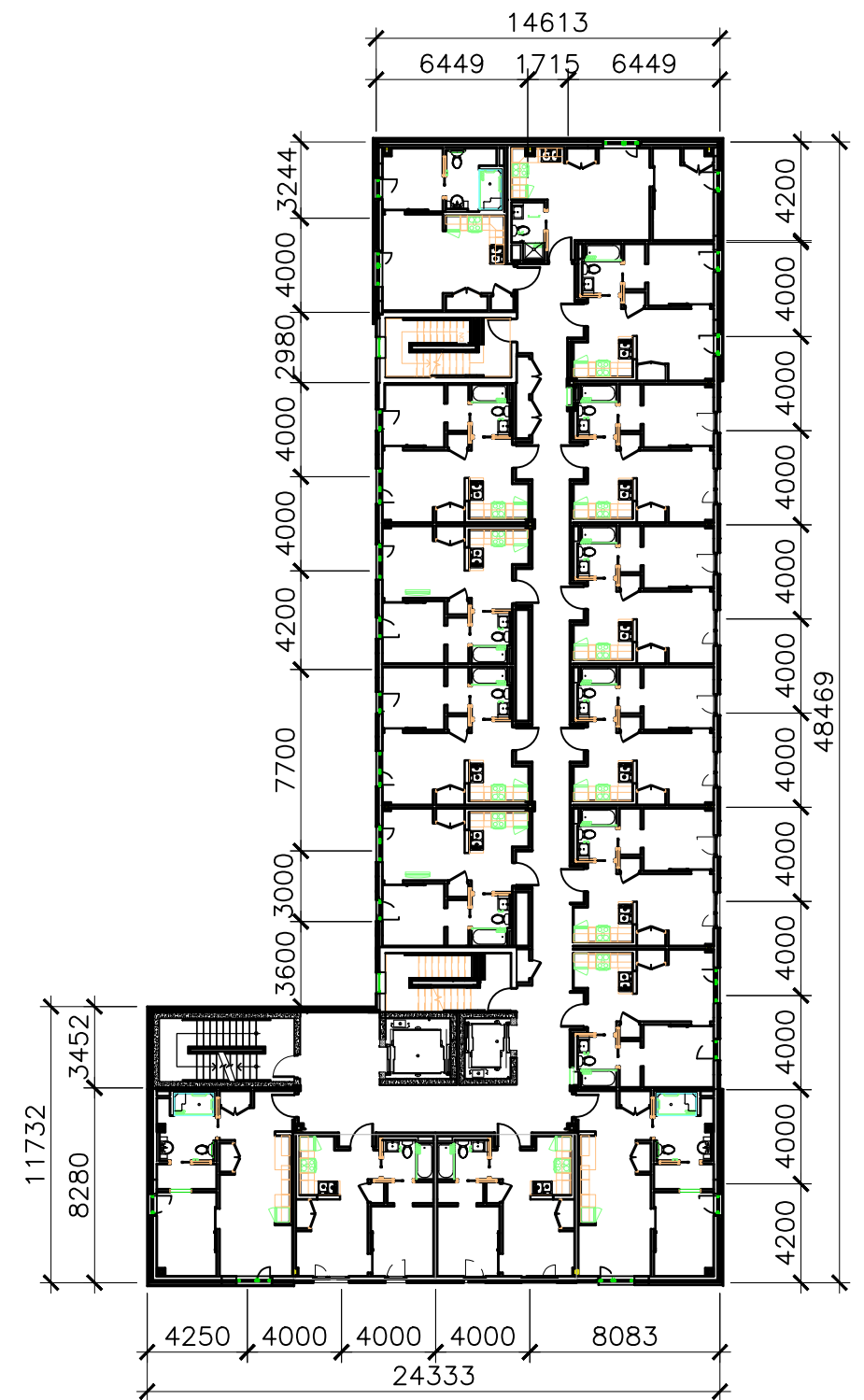
APARTMENT-A
 2nd~3th FLOOR PLANS
 FLOOR AREA = 822 m²
 20 STUDIO UNTS(25m²),(3BF-31m²)/FLOOR
 TOTAL 40 UNITS (9BF)
 TENANT AMENITY+OFFICE AREA (102m²)

PRELIMINARY 2nd~3rd FLOOR PLANS

SCALE

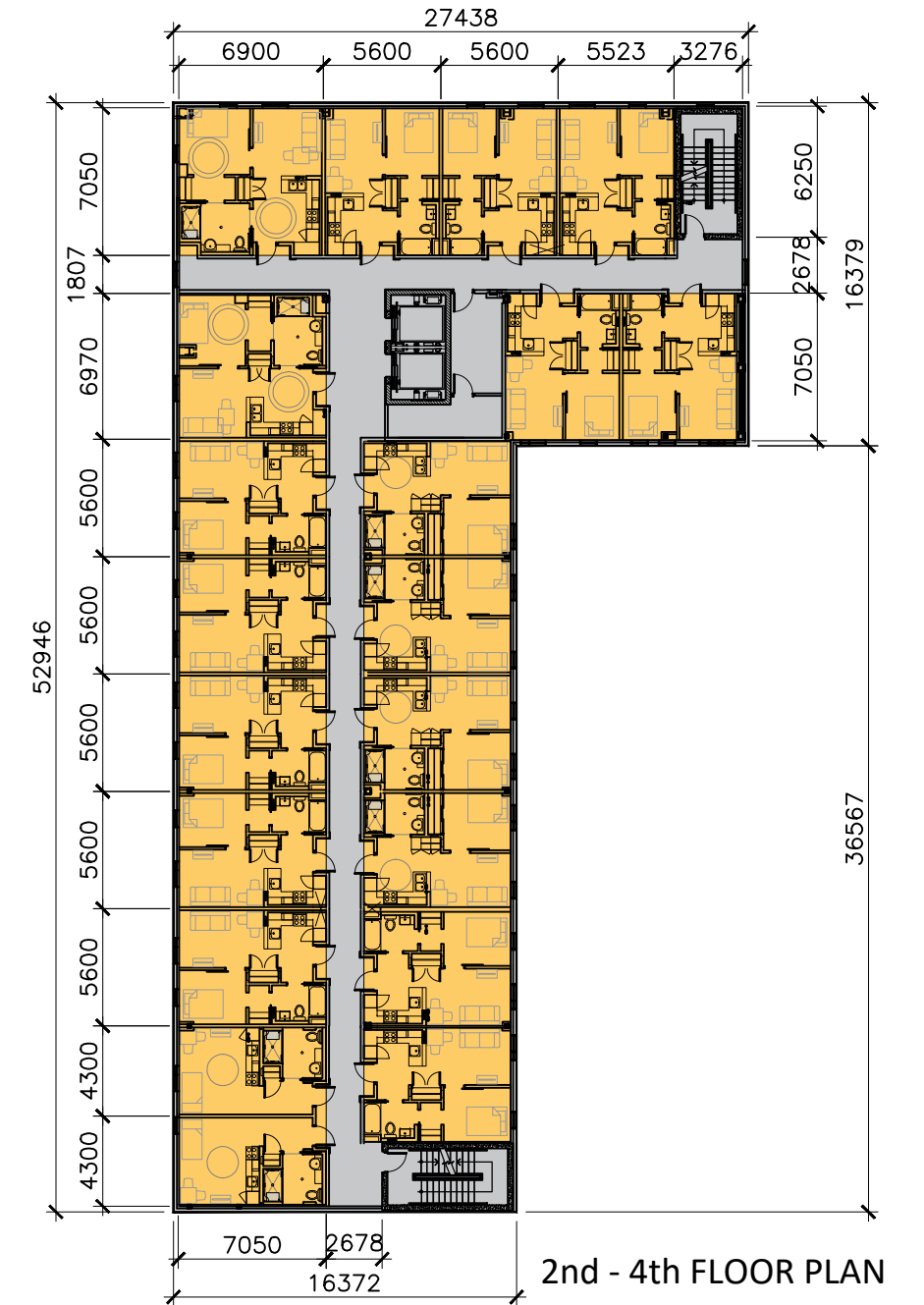
1:300





4th~12th FLOOR PLANS
FLOOR AREA = 822 m2
16 ONE BEDRM UNTS(35m2),(3BF-48m2)/FLOOR
TOTAL 144 UNITS (24BF)

Page 23



4-STOREY BUILDING

FLOOR AREA = 1,048 m²

GFA = 4,192 m²

TOTAL 70 UNITS

GROUND FLOOR - 10 ONE BEDRM UNITS(2BF)

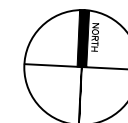
-OFFICE SPACE(78m²)+AMENITY SPACE(293m²)

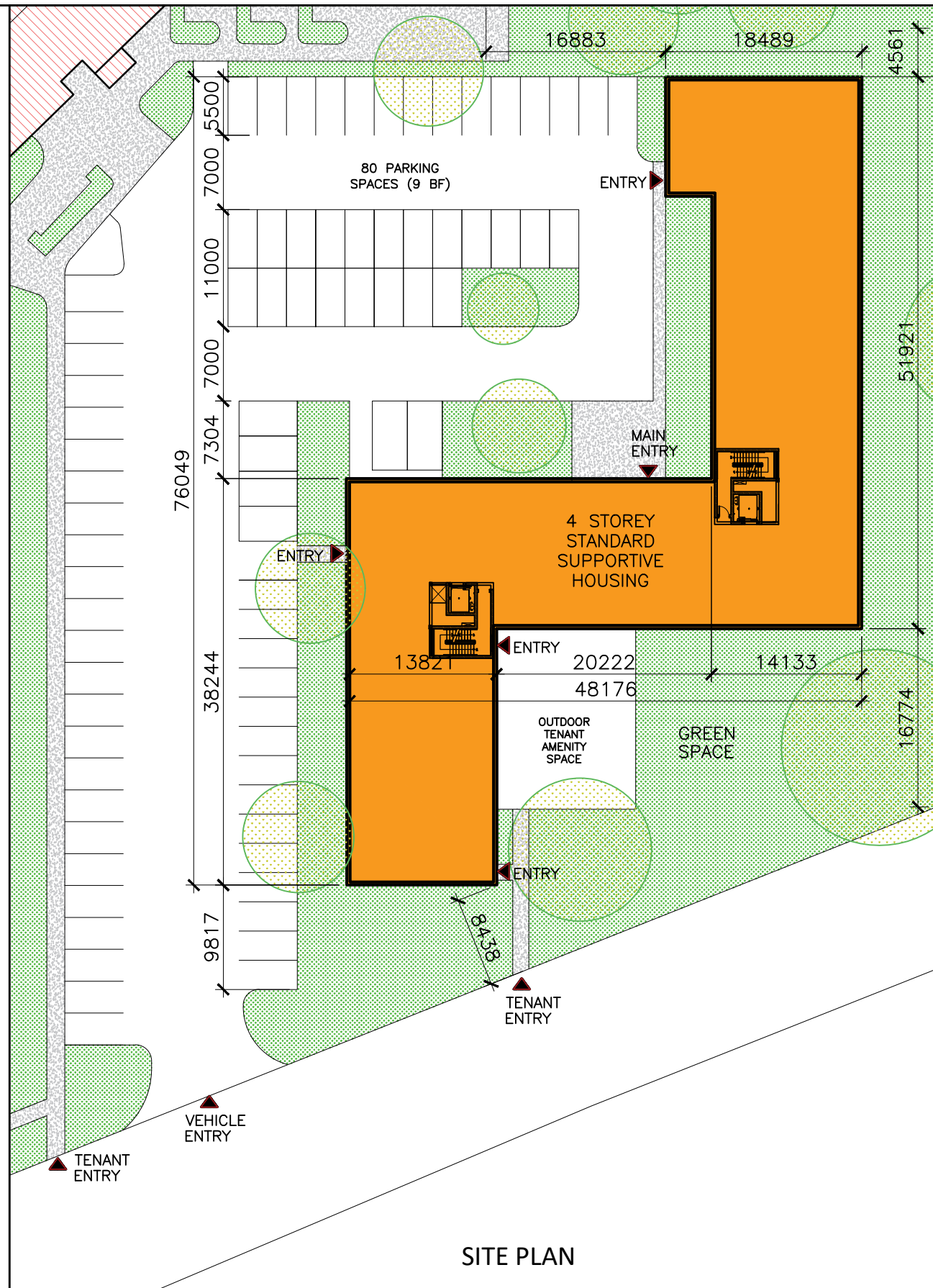
2nd~4th FLOOR - 60 UNITS APARTMENT

-2 STUDIO UNITS/FLOOR = 6 UNITS(BF)

-18 ONE BEDRM UNITS/FLOOR = 54 UNITS(6BF)

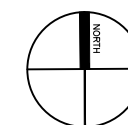
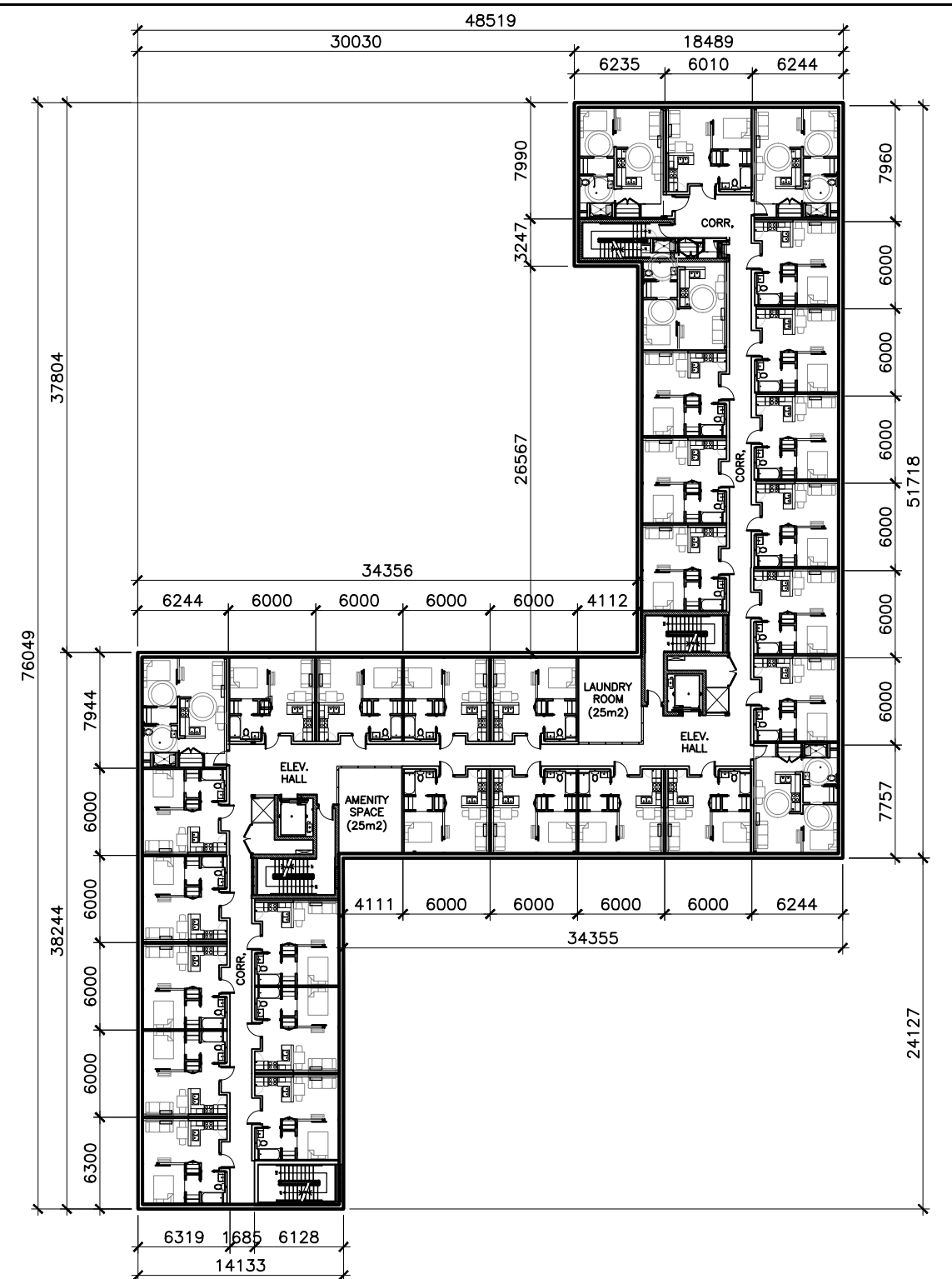
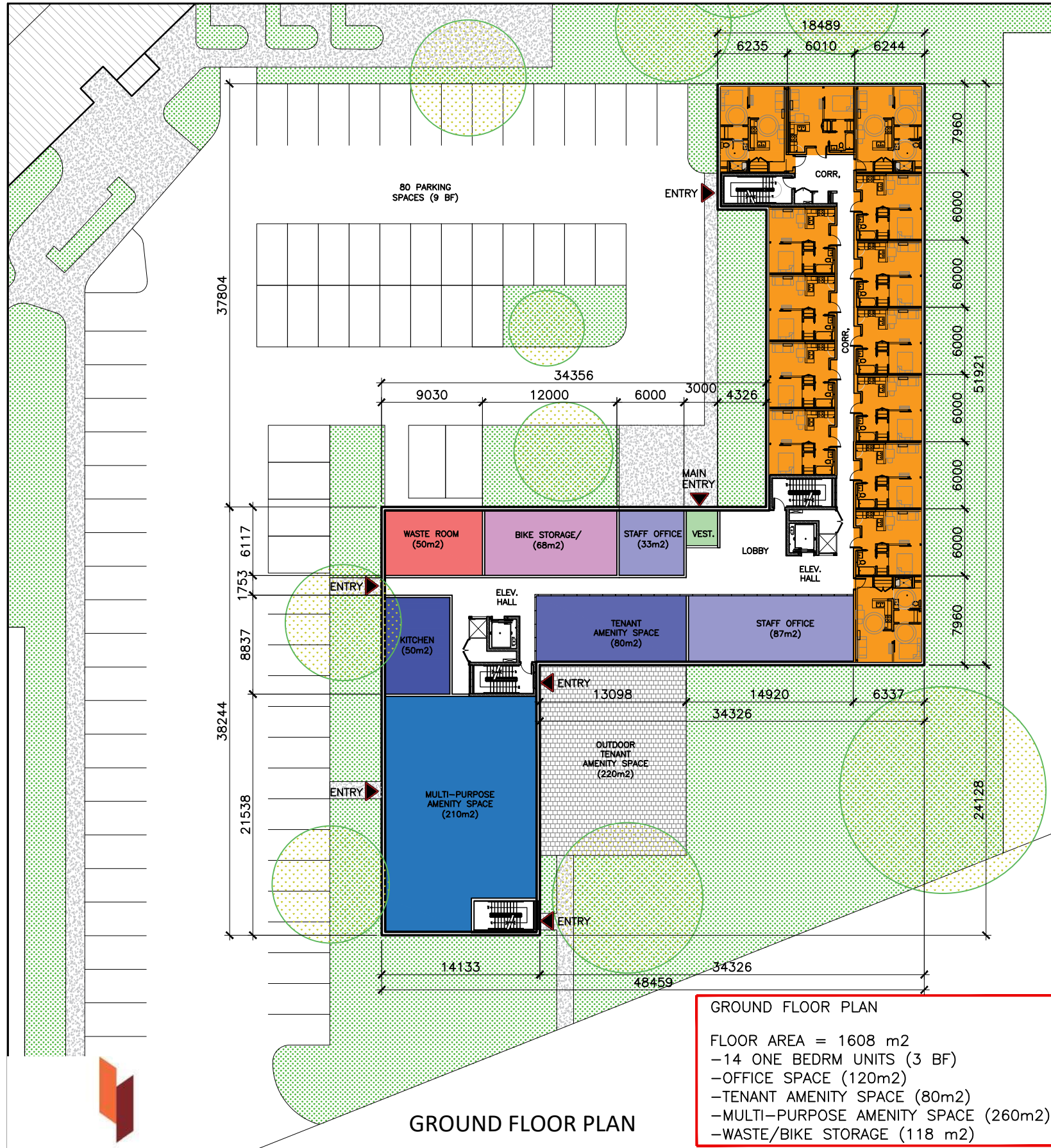
25 PARKING SPACES(3BF)

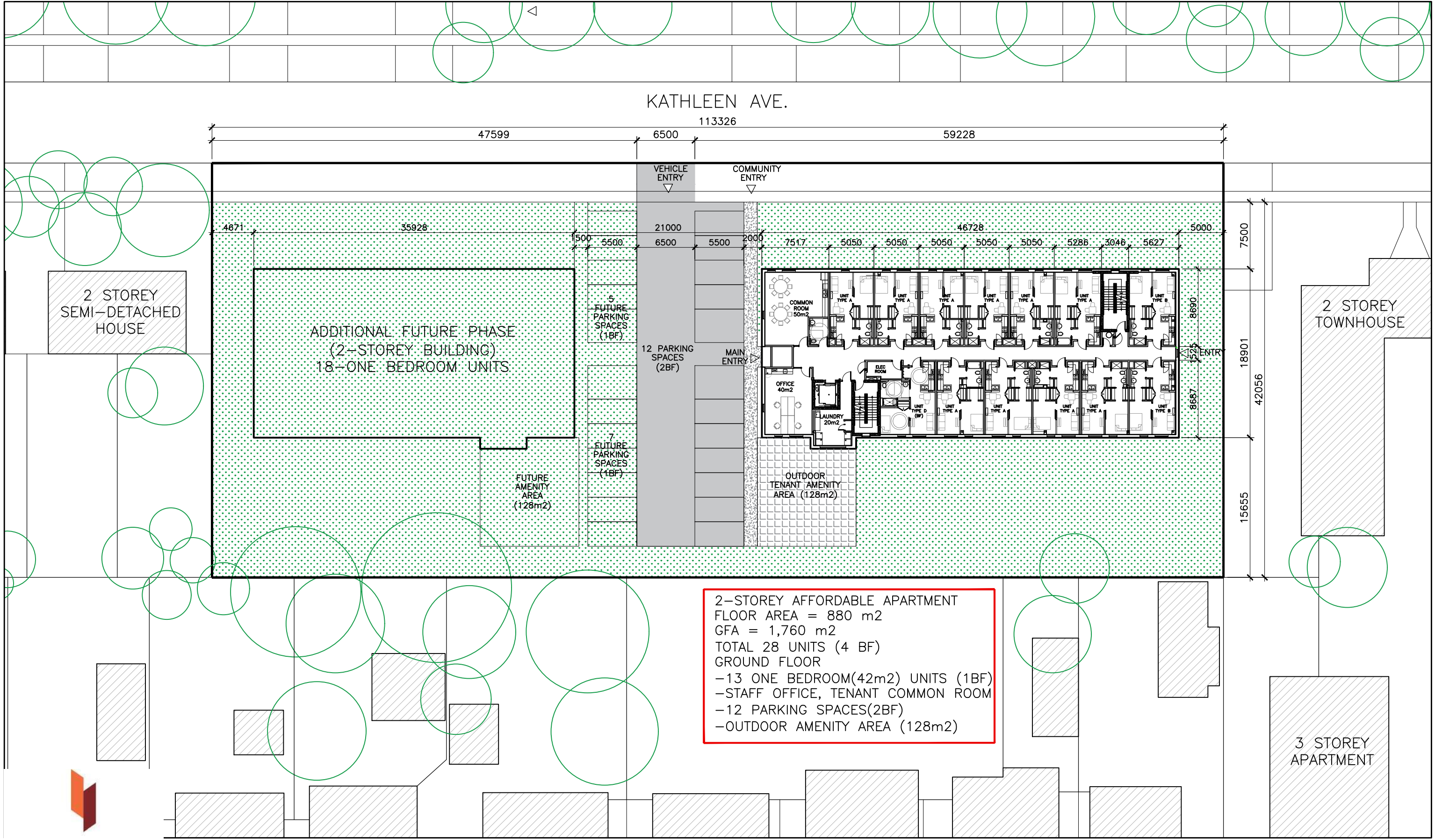




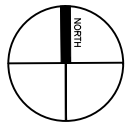
4-STOREY BUILDING

FLOOR AREA = 1608 m²
 GFA = 6,432 m²
 TOTAL 107 UNITS (15 BF)
 GROUND FLOOR – 14 ONE BEDRM UNITS (3 BF)
 –OFFICE SPACE (200m²)
 –TENANT AMENITY SPACE (260m²)
 –WASTE/BIKE STORAGE (118 m²)
 2nd~4th FLOOR – TOTAL 93 UNITS
 –31 ONE BEDRM UNITS/FLOOR
 –TENANT AMENITY SPACE + LAUNDRY = 50 m²

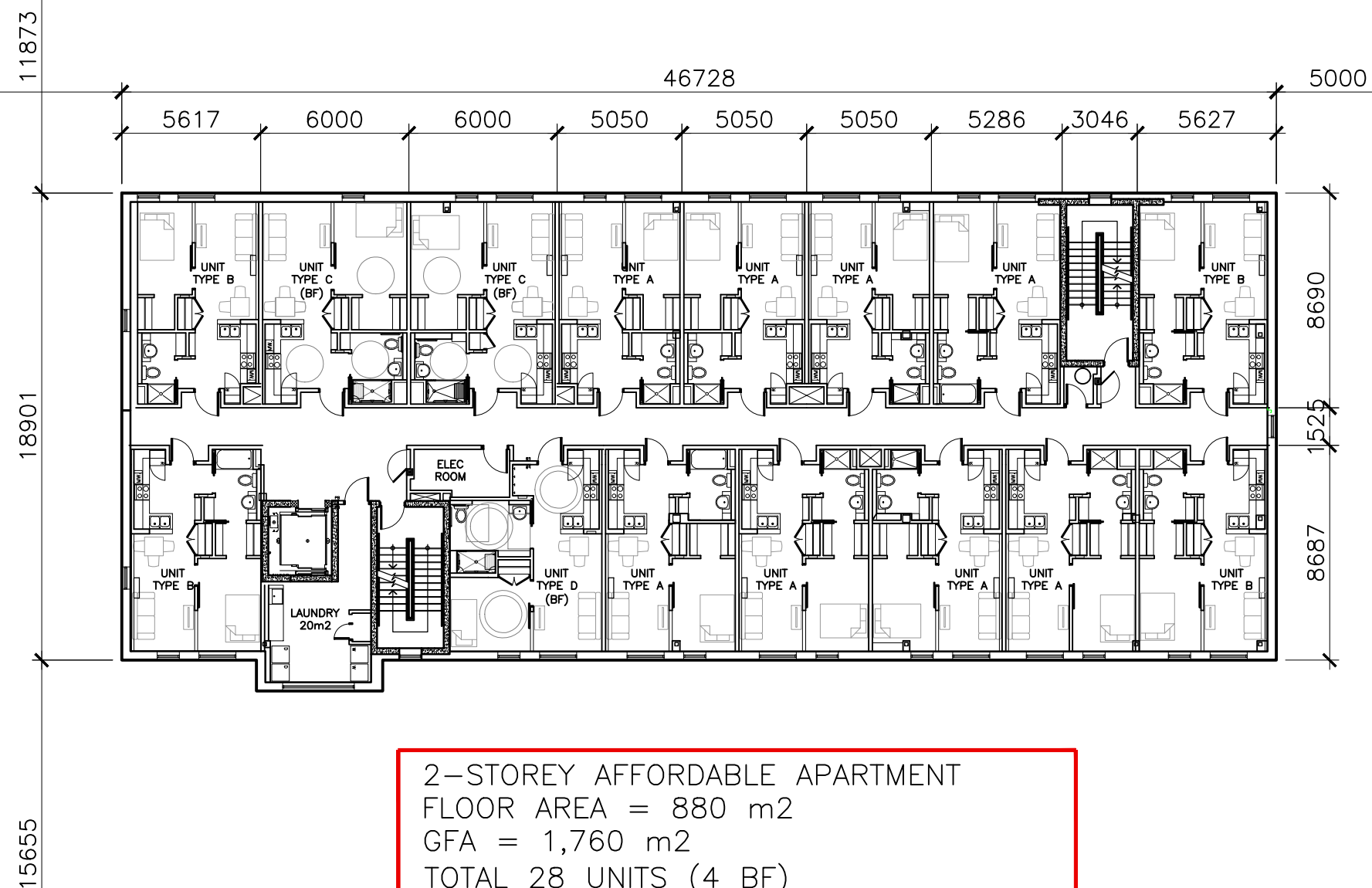




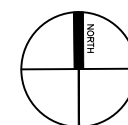
2-STOREY AFFORDABLE APARTMENT
 FLOOR AREA = 880 m²
 GFA = 1,760 m²
 TOTAL 28 UNITS (4 BF)
 GROUND FLOOR
 -13 ONE BEDROOM(42m²) UNITS (1BF)
 -STAFF OFFICE, TENANT COMMON ROOM
 -12 PARKING SPACES(2BF)
 -OUTDOOR AMENITY AREA (128m²)

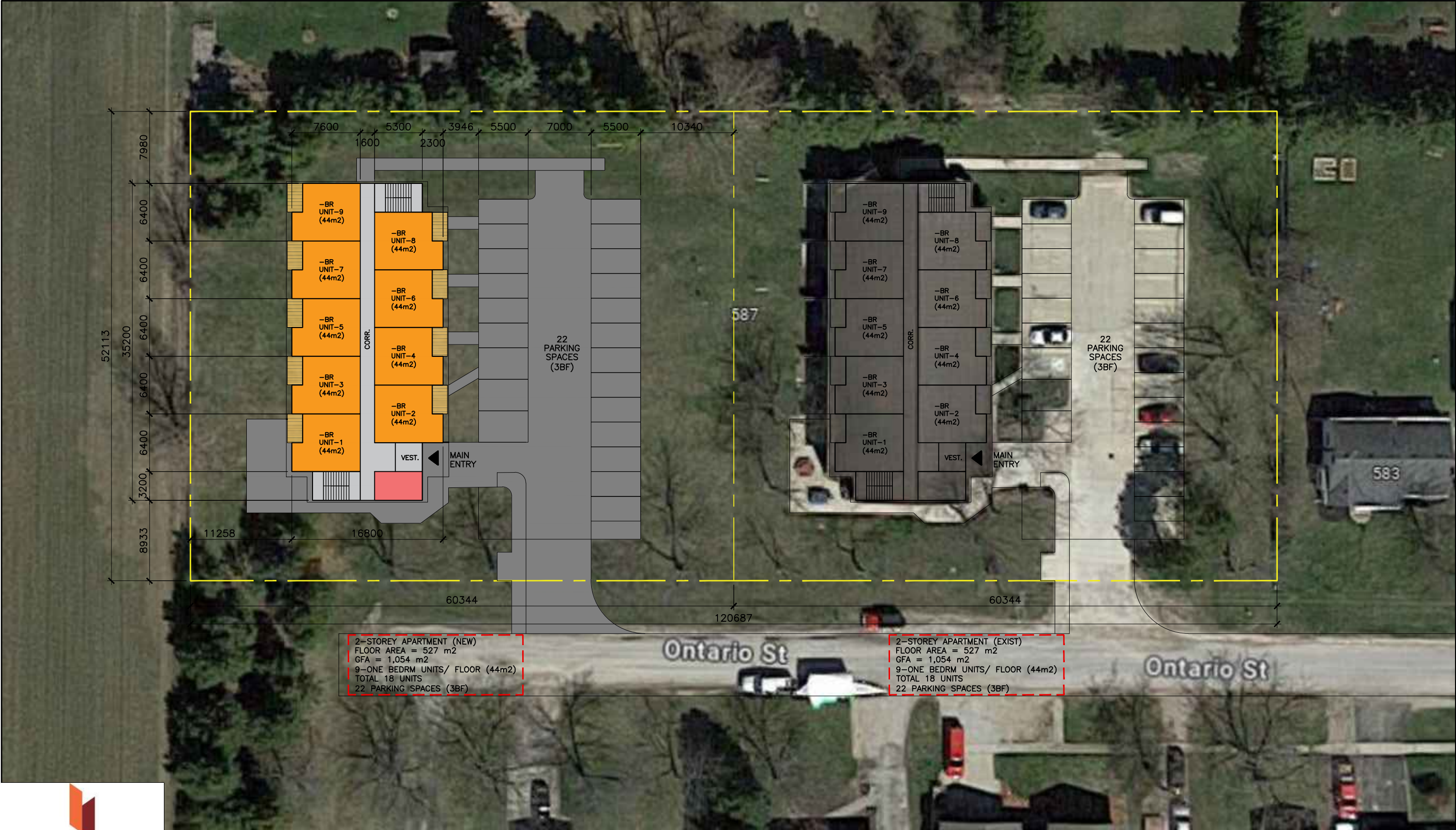


ADDITIONAL
FUTURE
PHASE
18 UNITS



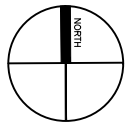
2-STOREY AFFORDABLE APARTMENT
FLOOR AREA = 880 m²
GFA = 1,760 m²
TOTAL 28 UNITS (4 BF)
2nd FLOOR
-15 ONE BEDROOM (42m²) UNITS (3BF)
-LAUNDRY ROOM (20m²)





2-STOREY APARTMENT (NEW)
FLOOR AREA = 527 m²
GFA = 1,054 m²
9-ONE BEDRM UNITS/ FLOOR (44m²)
TOTAL 18 UNITS
22 PARKING SPACES (3BF)

2-STOREY APARTMENT (EXIST)
FLOOR AREA = 527 m²
GFA = 1,054 m²
9-ONE BEDRM UNITS/ FLOOR (44m²)
TOTAL 18 UNITS
22 PARKING SPACES (3BF)



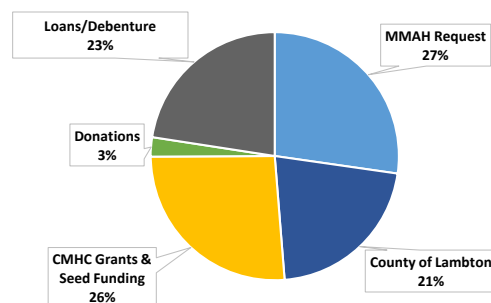
Appendix B: *Pro formas* for Buildings Proposed

Total Supportive Units	300
Total Affordable Units	79
Total Market Units	111
Total Units	490

Contribution Sources	Budget	Total Funding for County-Identified Sites
Donations	\$5,000,000	\$3,600,000
County of Lambton	\$36,725,000	\$30,782,007
Province of Ontario (MMAH)	N/A	\$39,000,000

Total Contribution Sources	Amount (\$)
MMAH Request	\$39,000,000
County of Lambton	\$30,782,007
CMHC Grants & Seed Funding	\$37,470,000
Donations	\$3,600,000
Loans/Debenture	\$32,306,415
GRAND TOTAL	\$143,158,422

Contribution Sources



Rents					
	Supportive Units	CMHC MMR in Sarnia	CMHC AMR in the County of Lambton	Market Rents Used	
Bachelor	\$560	\$841	\$873	N/A	
1 bed	\$580	\$950	\$1,011	\$1700 in Sarnia	\$1500 in Wyoming
2 bed	\$825	\$1,100	\$1,221	\$2000 in Sarnia	\$1800 in Wyoming

Main Modelling Assumptions:

- 1 Cost of residential construction ranging from \$325/sqft to \$340/sqft
- 2 Arch fees 5%-7% of construction cost
- 3 Rent supplements for supportive units - assuming 40% of units topped up to 70% MMR (approx. \$85/unit) and 60% of units supplemented by \$100-\$130
- 4 Project costs exclude HST
- 5 For Affordable units, assuming tenants pay for hydro and water
- 6 Assuming \$150,000 per unit ask for MMAH Funding for supportive units only
- 7 Assuming \$1.2MIL of donations per supportive program
- 8 Commercial space rent set at \$10/sqft/yr (low estimate)
- 9 For affordable buildings, targeting 40% of units at 70% MMR to meet CMHC COI requirements and 60% of units at 80%AMR rents to reflect County of Lambton's RGI rent model
- 10 Assumed debenture/loan interest rate at 5% for capital financing
- 11 MMR Rents are taken from CMHC's Rental Market Statistics from October 2022
- 12 Market Rents used were based on extractions and review of common rental sites including Rentals.ca, Kijiji and Facebook Marketplace.
- 13 AMR Rents are taken from CMHC's 2022 Rental Market Survey
- 14 Operating Revenue for Supportive housing buildings do not include MoH funding, thus Operating Costs associated with such programs are not included in the pro formas
- 15 For Project B, includes estimated cost of land

Summary of Pro formas						
	Victoria St N Apt A	Victoria St N Apt B	Project A	Project B	471 Kathleen Ave	571 Ontario St, Wyoming
Program/Type	Enhanced + Affordable + Market	Specialized + Standard OR Enhanced + Standard	Supportive - Standard	Supportive - Standard	Affordable	Affordable
Commercial Space (sq.ft.)	None	5,877	None	2,260	None	None
Storeys	12	4	4	4	2	2
Total Units	184	83	70	107	28	18
Total Bachelor	40	0	6	0	0	0
Total 1BR	144	83	64	107	28	12
Total 2BR	0	0	0	0	0	6
% 2BR	0%	0%	0%	0%	0%	33%
Supportive Units	40	83	70	107	0	0
Affordable Units	33	0	0	0	28	18
Market Units	111	0	0	0	0	0
% of Affordable units	40%	100%	100%	100%	100%	100%
Total parking spaces	22 on 1st floor, 36 site wide	0	25	80 site wide	12	22
Parking ratio	0.32	0.00	0.36	0.75	0.43	1.22
Total Project Cost	\$48,900,935	\$26,827,220	\$20,302,627	\$31,750,381	\$9,104,000	\$6,273,260
total cost/unit	\$265,766	\$323,220	\$290,038	\$296,733	\$325,143	\$348,514
Contribution Sources						
Donations	\$0	\$1,200,000	\$1,200,000	\$1,200,000	\$0	\$0
County of Lambton	\$5,152,000	\$6,474,000	\$3,232,627	\$6,355,381	\$5,572,000	\$3,996,000
Province of Ontario (MMAH)	\$0	\$12,450,000	\$10,500,000	\$16,050,000	\$0	\$0
CMHC Seed Funding	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
CMHC grants	\$13,800,000	\$6,225,000	\$5,250,000	\$8,025,000	\$2,100,000	\$1,350,000
Debenture	\$29,828,935	\$358,220	\$0	\$0	\$1,312,000	\$807,260
Total Contribution	\$48,900,935	\$26,827,220	\$20,302,627	\$31,750,381	\$9,104,000	\$6,273,260
Operations per Annum						
Total Operating Revenue	\$2,994,960	\$745,015	\$577,320	\$958,640	\$276,864	\$190,080
Total Operating Expenditures	\$1,352,036	\$721,103	\$567,917	\$940,664	\$202,456	\$144,375
Net Operating Income	\$1,642,924	\$23,912	\$9,403	\$17,976	\$74,408	\$45,705
Total project financing	\$1,625,577	\$19,522	\$0	\$0	\$71,500	\$43,993
Operating Net	\$17,347	\$4,390	\$9,403	\$17,976	\$2,908	\$1,712

Notes

residential cost/sq ft of \$340, reflecting recent PQS on similar local project

Notes

residential cost/sq ft of \$340, reflecting recent PQS on similar local project

Notes

residential cost/sq ft of \$340, reflecting recent PQS on similar local project

Notes

residential cost/sq ft of \$340, reflecting recent PQS on similar local project

Notes

residential cost/sq ft of \$340, reflecting recent PQS on similar local project

Notes

residential cost/sq ft of \$325, assumes relative efficiency of plans and local market conditions



Scenario Name Co-Investment; Enhanced Supports, Affordable and Market units

Address

Project Name Victoria St N Apartment A
Street Name Cromwall and Victoria St N
City + Postal Code Samia, ON

High-Level Pro-Forma Summary

Capital Stack

Donations / Fundraising	-
County of Lambton	5,152,000
Province of Ontario (MMAH)	-
CMHC - Seed Funding	120,000
CMHC - Contribution	13,800,000
Debentures	29,828,935
Total Capital Stack	\$ 48,900,935

Capital Cost

Professional Fees	\$ 4,211,466
Site	102,500
Legal and Organizational	205,000
Financing Cost	815,388
Fees and Permits	1,189,114
Soft Cost Contingency	978,520
Construction Costs	37,058,557
Hard Cost Contingency	4,303,390
Land / Property Acquisition Costs	37,000
Total Capital Cost	\$ 48,900,935

Project Surplus (Deficit)	\$ -
----------------------------------	-------------

Operating Pro-Forma

Total Operating Revenue	\$ 2,994,960
Total Operating Expenditures	1,352,036
Net Operating Income	\$ 1,642,924

Financing Charge Summary

Total Financing Charge	\$ 1,625,577
-------------------------------	---------------------

Operating Net	\$ 17,347
----------------------	------------------

Notes

\$28000/unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
Property Appraisal, phase 1 & 2 environmental, etc.
Legal fees other than land, project audit, Insurance, etc.
Interest during construction etc.
Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
15% contingency based on soft costs.
Including construction contract, suite appliances, unit furnishings, etc.
12% Contingency based on construction contract value.
Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

Rent, laundry, etc. MOH funding not included here as CMHC does not allow for unsecured funding to be included
4 FTEs, utilities, maintenance, etc.

Calculated as: Net Operating Income - Total Financing Charge



Scenario Name Co-Investment; Enhanced & Standard OR Specialized & Standard

Address
Project Name Victoria St N, Apartment B
Street Name Cromwall & Victoria St N
City + Postal Code Sarnia, ON

High-Level Pro-Forma Summary

Capital Stack		
Donations / Fundraising		1,200,000
County of Lambton		6,474,000
Province of Ontario (MMAH)		12,450,000
CMHC - Seed Funding		120,000
CMHC - Contribution		6,225,000
Debentures		358,220
Total Capital Stack	\$	26,827,220

Capital Cost		
Professional Fees	\$	1,871,050
Site		102,500
Legal and Organizational		205,000
Financing Cost		231,443
Fees and Permits		153,000
Soft Cost Contingency		384,449
Construction Costs		21,382,704
Hard Cost Contingency		2,460,075
Land / Property Acquisition Costs		37,000
Total Capital Cost	\$	26,827,220

Project Surplus (Deficit)	\$	-
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Operating Pro-Forma		
Total Operating Revenue	\$	745,015
Total Operating Expenditures		721,103
Net Operating Income	\$	23,912

Financing Charge Summary		
Total Financing Charge	\$	19,522

Operating Net	\$	4,390
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Notes

\$78000/ unit
\$150,000/unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
Property Appraisal, phase 1 & 2 environmental, etc
Legal fees other than land, project audit, Insurance, etc.
Interest during construction etc.
Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
15% contingency based on soft costs.
Including construction contract, suite appliances, unit furnishings, etc.
12% Contingency based on construction contract value.
Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

rents, laundry, rent supplements etc., MOH funding not included here as CMHC does not allow for unsecured funding to be included
2 FTE, maintenance, utilities, vacancy etc

Calculated as: Net Operating Income - Total Financing Charge



Scenario Name Co-Investment; Standard Supports

Address

Project Name Project A
City + Postal Code Samia, ON

High-Level Pro-Forma Summary

Capital Stack

Donations / Fundraising	1,200,000
County of Lambton	3,232,627
Province of Ontario (MMAH)	10,500,000
CMHC - Seed Funding	120,000
CMHC - Contribution	5,250,000
Debenture	-
Total Capital Stack	\$ 20,302,627

Capital Cost

Professional Fees	\$ 1,458,327
Site	102,500
Legal and Organizational	205,000
Financing Cost	221,099
Fees and Permits	148,000
Soft Cost Contingency	320,239
Construction Costs	15,969,471
Hard Cost Contingency	1,840,990
Land / Property Acquisition Costs	37,000
Total Capital Cost	\$ 20,302,627

Project Surplus (Deficit)	\$ -
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Operating Pro-Forma

Total Operating Revenue	\$ 577,320
Total Operating Expenditures	567,917
Net Operating Income	\$ 9,403

Financing Charge Summary

Total Financing Charge	\$ -
-------------------------------	-------------

Operating Net	\$ 9,403
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Notes

\$46180/ unit
\$150,000/unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
Property Appraisal, phase 1 & 2 environmental, etc
Legal fees other than land, project audit, Insurance, etc.
Interest during construction etc.
Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
15% contingency based on soft costs.
Including construction contract, suite appliances etc
12% Contingency based on construction contract value.
Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

rents, rent supplements, laundry, etc; MOH funding not included here as CMHC does not allow for unsecured funding to be included
1 FTE, utilities, maintenance, vacancy etc

Calculated as: Net Operating Income - Total Financing Charge



Scenario Name Co-Investment; Standard Supports

Address

Project Name Project B
 Street Name
 City + Postal Code Samia, ON

High-Level Pro-Forma Summary

Capital Stack

Donations / Fundraising	1,200,000
County of Lambton	6,355,381
Province of Ontario (MMAH)	16,050,000
CMHC - Seed Funding	120,000
CMHC - Contribution	8,025,000
Debentures	-
Total Capital Stack	\$ 31,750,381

Capital Cost

Professional Fees	\$ 2,249,555
Site	140,500
Legal and Organizational	205,000
Financing Cost	363,619
Fees and Permits	198,000
Soft Cost Contingency	473,501
Construction Costs	24,282,892
Hard Cost Contingency	2,800,313
Land / Property Acquisition Costs	1,037,000
Total Capital Cost	\$ 31,750,381

Project Surplus (Deficit)	\$ -
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Operating Pro-Forma

Total Operating Revenue	\$ 958,640
Total Operating Expenditures	940,664
Net Operating Income	\$ 17,976

Financing Charge Summary

Total Financing Charge	\$ -
Operating Net	\$ 17,976

Notes

\$59396/ unit
 \$150,000/unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
 Property Appraisal, phase 1 & 2 environmental, etc
 Legal fees other than land, project audit, Insurance, etc.
 Interest during construction etc.
 Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
 15% contingency based on soft costs.
 Including construction contract, suite appliances, etc.
 12% Contingency based on construction contract value.
 Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

rents, rent supplements, laundry, commercial rent etc; MOH funding not included here as CMHC does not allow for unsecured funding to be included
 3 FTEs, utilities, maintenance, vacancy etc.

Calculated as: Net Operating Income - Total Financing Charge



Scenario Name Co-Investment - Affordable

Address

Project Name Kathleen Ave, Sarnia
Street Name 471 Kathleen Ave
City + Postal Code Sarnia, ON

High-Level Pro-Forma Summary

Capital Stack

Donations / Fundraising	-
County of Lambton	5,572,000
Province of Ontario (MMAH)	-
CMHC - Seed Funding	120,000
CMHC - Contribution	2,100,000
Debentures	1,312,000

Total Capital Stack	\$	9,104,000
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Capital Cost

Professional Fees	\$	842,907
Site		90,500
Legal and Organizational		205,000
Financing Cost		113,188
Fees and Permits		113,000
Soft Cost Contingency		204,689
Construction Costs		6,724,781
Hard Cost Contingency		772,935
Land / Property Acquisition Costs		37,000

Total Capital Cost	\$	9,104,000
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Project Surplus (Deficit)	\$	-
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Operating Pro-Forma

Total Operating Revenue	\$	276,864
Total Operating Expenditures		202,456

Net Operating Income	\$	74,408
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Financing Charge Summary

Total Financing Charge	\$	71,500
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Operating Net	\$	2,908
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Notes

\$199000/unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
Property Appraisal, phase 1 & 2 environmental, etc
Legal fees other than land, project audit, Insurance, etc.
Interest during construction etc.
Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
15% contingency based on soft costs.
Including construction contract, suite appliances, etc.
12% Contingency based on construction contract value.
Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

rent, laundry etc
0.25 FTE, maintenance, utilities, vacancy etc

Calculated as: Net Operating Income - Total Financing Charge



Scenario Name Co-Investment; Affordable
Address
 Project Name Ontario Street, Wyoming
 Street Name 587 Ontario St
 City + Postal Code Wyoming, ON

High-Level Pro-Forma Summary

Capital Stack

Donations / Fundraising	-
County of Lambton	3,996,000
Province of Ontario (MMAH)	-
CMHC - Seed Funding	120,000
CMHC - Contribution	1,350,000
Financing/Debentures	807,260
Total Capital Stack	\$ 6,273,260

Capital Cost

Professional Fees	\$ 621,885
Site	90,500
Legal and Organizational	105,000
Financing Cost	71,124
Fees and Permits	69,500
Soft Cost Contingency	143,701
Construction Costs	4,611,488
Hard Cost Contingency	523,061
Land / Property Acquisition Costs	37,000
Total Capital Cost	\$ 6,273,260

Project Surplus (Deficit)	\$ -
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Operating Pro-Forma

Total Operating Revenue	\$ 190,080
Total Operating Expenditures	144,375
Net Operating Income	\$ 45,705

Financing Charge Summary

Total Financing Charge	\$ 43,993
Operating Net	\$ 1,712

Notes

\$222000/ unit

Based on CMHC updates Oct 2023; \$75,000/unit

Includes architectural, engineer fees and development consultant, etc.
 Property Appraisal, phase 1 & 2 environmental, etc
 Legal fees other than land, project audit, Insurance, etc.
 Interest during construction etc.
 Planning fees for rezoning and predevelopment, site plan approval, building permit fee, etc.
 15% contingency based on soft costs.
 Including construction contract, suite appliances, etc.
 12% Contingency based on construction contract value.
 Includes survey fee and legal fees.

Calculated as Capital Stack - Capital Cost

rents, laundry etc
 0.25 FTE, maintenance, utilities, vacancy etc

Calculated as: Net Operating Income - Total Financing Charge