

Committee Report

To:	Warden Andrea Matrosovs and Members of Grey County Council
Committee Date:	August 14, 2025
Subject / Report No:	CSR-CW-12-25
Title:	Affordable Housing Funding for Lutheran Social Services Affordable Housing Build
Prepared by:	Anne Marie Shaw, Director of Community Services
Reviewed by:	Niall Lobley, Deputy CAO
Lower Tier(s) Affected:	Owen Sound

Recommendation

1. That report CSR-CW-12-25 regarding Affordable Housing Funding for Lutheran Social Services affordable housing build be received;
2. That Grey County enter into an agreement with Lutheran Social Services Owen Sound Inc for \$1,600,000 in Affordable Housing Funds for 40 units of affordable and market housing;
3. That upon occupancy Grey County enter into an agreement for operating funds totaling \$1,400,000 to be dispersed quarterly from the County for the next 20 years;
4. That the funding letter be signed prior to County Council approval in accordance with Section 26.6 (b) of Procedural By-law 5134-22 and a by-law be prepared authorizing the agreements for Council's consideration.

Executive Summary

On February 23, 2023, Grey County Council approved \$1,600,000 in capital funds from the Affordable Housing Fund and \$1,400,000 in operating funds over 20 years to be used to support a 40 unit affordable and market rent build for seniors by Lutheran Social Service Owen Sound (LSSOS). Lutheran Social Services Owen Sound has been approved for the remaining funding required through the Affordable Housing Fund through Canadian Mortgage and Housing Corporation and requires an agreement with the County of Grey for the approved capital and operating funding.

Background and Discussion

LSSOS is a non-profit housing provider that provides affordable housing for seniors, those with low income or living with disabilities. The organization has been in operation for over 30 years

and is governed by a board of directors. As the waitlist for affordable seniors housing continues to grow, LSSOS became interested in creating more affordable housing on their current non-profit housing site located at 3rd Avenue East Owen Sound.

The proposed 40 units of housing will be for seniors on the Grey County Community Housing Wait List. The build will be a six-floor apartment building. There will be 35 one-bedroom units and 5 two-bedroom units. The land is donated from LSSOS. The units will be energy efficient with the use of energy saving appliances, high levels of insulation in the building to reduce heating and cooling costs, and ground source heat pumps for heating. Universal design will be followed for accessibility and there will be 30 accessible units.

LSSOS worked with local firm G.M. Diemert Architect Inc. to determine a cost estimate for the build. The total cost for the 40-unit apartment building is estimated to be \$17,310,000.

Funding

On February 23, 2023 Grey County Council approved \$1,600,000 in capital funds from the Affordable Housing Fund to be used to support a 40 unit affordable and market rent build by Lutheran Social Service Owen Sound (LSSOS). Council also approved a total of \$1,400,000 to provide an annual subsidy for 20 years to assist with operating costs.

LSSOS has successfully secured the remaining funding required through the Affordable Housing Fund through the Canada Mortgage and Housing Corporation for the 40-unit build.

As part of the National Housing Strategy, the Affordable Housing Fund provides funding to facilitate the construction of new permanent affordable housing units for people and populations who are in severe housing need. The program provides upfront capital in the form of a contribution and a low interest loan for a build so lower rents can be achieved to meet the needs of residents in lowest income brackets.

As LSSOS has qualified for the CMHC funding and is now ready to sign an agreement for the Affordable Housing Funding, LSSOS requires an agreement with Grey County for the approved capital and operating funding.

Staff recommend entering into an agreement with LSSOS for the capital funding dependent on the remaining project funding being secured and the operating funding being forwarded only with proof of occupancy.

Financial and Resource Implications

Capital funds of \$1,600,000 will be disbursed according to timelines of an agreement based on the progress of the build. The agreement will be in the form of a forgivable loan over 20 years and secured by a mortgage registered on title. These funds were unbudgeted for 2025 as it was unknown as to when the project would move forward.

The unbudgeted capital funds will come from the Affordable Housing Fund Reserve. The reserve balance on January 1, 2025 was \$924,438 and is projected to be \$2,046,594 at the end of 2025 before accounting for this transaction.

Staff will also look at the possibility of Canada Ontario Community Housing Initiative funds but cannot supersede the \$1,600,000 due to other commitments for the funding.

Operating funds totaling \$1,400,000 will begin when the building is completed. Funds will be disbursed quarterly from the County for the next 20 years based on an operating agreement and will be included in future operating budgets.

Relevant Consultation

- ☐ Internal (list) Finance
- External LSSOS, CMHC

Appendices and Attachments

None.