

OWEN SOUND HOUSING COMPANY LIMITED

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July 4, 2019

Bill Walker
Associate Minister of Energy
MPP, Bruce-Grey-Owen Sound
920 1st Avenue West
Owen Sound, Ontario, N4K 4K5

Dear Mr. Walker:

On behalf of Owen Sound Housing Company Limited, thank you very much for taking the time to meet with members of our Board, the Warden of Grey County, the Mayor of Owen Sound, the Director of Housing for the County of Grey and myself.

In 2015, our Board of Directors purchased a 5 acre piece of property on the east side of Owen Sound and, after much work and cooperation from the City of Owen Sound and the County of Grey, a site plan was approved to build 90 rental accommodations on the property in three phases. The site plan calls for 36 townhomes and a 54 unit apartment building.

As you can appreciate, funding of an endeavor of this size is always challenging. The County had been receiving funding on an annual basis for affordable housing builds and had agreed, from the onset and based on that annual funding level, to work with our company to complete all phases of this site.

In 2018, the first phase was completed and 28 persons were housed. In 2019, an additional 8 units and community room were completed.

The final phase of this development is a 54 unit apartment complex that was scheduled to commence by the end of 2019. Unfortunately, the funding levels for affordable housing builds through the Ontario Housing Priorities Initiative (OPHI) were substantially reduced in 2019 and even further in 2020 and 2021 which puts the third stage of our build in serious jeopardy. While we are not clear on the current funding proportions between the Federal and Provincial bi-lateral agreement, we understand that the Provincial funding of the former Investment in Affordable Housing program provided more financial support for the building of affordable housing than the current programs.

The infrastructure for the entire site plan was completed during phase 1 of this development which caused stress to the capital build and hence the initial mortgage required. With each phase that opens, the infrastructure costs start to proportion across the site. Without completion of the final phase of this site, the operating budgets of the first phases will face financial challenge.

The apartment building phase of this development had planned on 20 affordable housing units being assisted by the County over 2 years at a cost of \$2.5 million. Instead, the County can only fund 7 units over the next 2 years at a cost of \$1,050,000.

Our concern is the upfront funding. The current funding amounts through the OHPI program do not provide enough funding to provide a manageable mortgage payment to make this project viable.

The County of Grey provided a commitment of relief from development charges for this site. The County is also providing rent subsidies to guarantee rents for the development.

The City of Owen Sound provided a commitment of relief from development charges for this site as well.

We recognize the funding decreases are to assist with reducing Ontario's deficit but our community is in need of affordable housing immediately. There are well over 500 households waiting for affordable housing in Owen Sound and it continues to grow monthly. It is well documented that persons living precariously tend not to thrive in their day to day lives. Offering affordable housing to a person can allow them the opportunity to improve their lives in other ways. With less stresses, their health may improve, their sense of community may improve and their employability may improve. These improvements in their life could translate into less need to access health care, less involvement with law enforcement and/or social services, and finally pay more employment taxes. All of those improvements definitely assist with reducing Ontario's deficit.

We kindly request that if there are surplus funds at the end of 2019 that Owen Sound Housing Company be approved for these funds. Our project is shovel ready, we have a proven track record for building and managing affordable housing and our community is in need.

Thank you for your consideration



Shari Huber
Executive Director

Cc Board of Directors
Director of Housing, County of Grey
Warden Selwyn Hicks, County of Grey ✓
Mayor Ian Boddy, City of Owen Sound