

## Report HDR-SS-13-15

**To:** Chair Dwight Burley and Members of the Social Services Committee  
**From:** Anne Marie Shaw, Director of Housing  
**Meeting Date:** June 25, 2015  
**Subject:** **Housing Department 2016-2020 Draft Five Year Capital Budget**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC66-15; Endorsed by County Council per Resolution CC97-15;

### Recommendation(s)

**THAT report HDR-SS-13-15 regarding the Housing Department 2016-2020 Draft Five Year Capital Forecast be received as presented and forwarded for inclusion in the corporate Five Year Capital & Extra-Ordinary Expenditures Forecast for consideration by County Council.**

### Background

Attached is a summary of the Housing Department Five Year Capital Forecast for 2016-2020 along with detailed capital project forms for each of the proposed projects.

The proposed capital budget submissions are important as they set out proposed plans for future capital spending and attempt to provide sufficient information for Councilors to make informed decisions. 2013 Building Condition Assessments along with input from Property Supervisors, Custodians and our Technical Supervisor was used in the development of the capital forecast. Costing for proposed projects has been adjusted to reflect needs and current market value for the products.

The 2016-2020 Five Year Capital Forecast being presented to the Committee requires a levy commitment of \$1,253,598, which is an increase of \$59,695 to the approved 2015 capital budget.

Grey County Housing has a very large capital project that will span over two years to complete. The eight floor high rise building located at 305 14<sup>th</sup> Street West, Owen Sound requires new cladding. The project is required due to the condition of the exterior masonry causing leaks throughout the building faces. No expansion joints were provided and bricks have started to crack allowing water to enter into the building envelope. The project consists of sealing the brick then adding insulation for greater

building envelope efficiency, adding needed steel strapping then installing the new siding. The product has a hidden clip fastener that will allow the steel to expand and contract with the changes in temperature. This wall system will help reduce heating costs of the building as well the product life cycle is 25 years. This job does qualify for an energy grant from union gas at an estimate of about \$50,000-\$75,000; this has not been included in the budget as the amount will not be known until the project is fully completed and the information submitted to the energy provider. Any funds received will be transferred to the Housing Reserve to assist with funding other capital projects.

This project was tendered in 2015 but came in at \$1,200,000 the estimated amount of the project was \$800,000. Garland Canada is consulting on the project and suggested the project be retendered. The project has been added to the proposed capital budget and will be retendered in 2016 with \$786,402 funded from the Housing Reserve. The high rise is our largest asset in Grey County Housing, has 187 units and was built in 1977, the youngest of the Grey County Housing apartment buildings in Owen Sound. The building condition assessment states smaller repairs such as exterior lighting, flooring and other interior projects are needed over the next 10 years.

Capital projects over the next few years will focus on energy efficiencies and savings. There are a number of programs available until 2018 for social housing units through Ecofit and other rebate programs. In 2015 and 2016 all family units are being insulated at no cost through the Ecofit program. The free work completed to date has been estimated at \$133,226 in cost and Grey County can save a potential of 47,899m<sup>3</sup> of gas each year. There are still approximately 75 units out of 172 to be completed. Other projects such as windows and doors will also qualify for rebates.

The proposed capital budget also includes the use of Federal Gas Tax funding for the replacement of windows, air-make up units and work to the water treatment plant at Flesherton as well as the five year update to the Building Condition Assessment for the apartment buildings and non profit housing providers that Grey County provides subsidy.

With an aging infrastructure in Grey County Housing stock a revitalization plan is needed to reduce costs and sustain the current stock of Grey County Housing. A specific example is the Westmount detached housing located at 7<sup>th</sup> Avenue West, 7<sup>th</sup> Avenue A West and 8<sup>th</sup> Avenue West in Owen Sound. These 40 units consist of two and three bedroom homes built in 1954, Grey County's oldest housing stock. The homes are in need of approximately \$1,200,000 in upgrades in next four years according to Building Condition Assessments (BCA) and some homes are experiencing other problems not identified in the BCA's such as leaky basements. A regeneration scan looks at the type of housing needed, a facility condition index, end of operating agreements, capital reserves, building condition assessments and project viability

testing to develop recommendations for revitalizing the housing stock. In 2016 a consultant will be engaged to do a full assessment of the 172 units of family housing and provide recommendations as to cost effective ways of managing and replacing units and still meet service delivery standards as set by the Province. \$25,000 has been set aside to cover the cost of this assessment and is included in the budget for consulting fees.

A reoccurring line for bath and kitchen replacements at our family housing has been moved from general repairs in the operating budget to capital. At move out a number of our units are in need of rebuilds of the kitchen and bathroom due to the age of the buildings and that some families have lived in the units for more than 20 years. This line will provide better tracking of costs associated with move out repairs for family units and allow planning for future costs.

The water system at the building in Holstein is being upgraded to meet legislative requirements. Water pipes are being replaced due to reoccurring pin holes and the age of the pipes. The system also needs to be organized to distinguish between potable and non-potable water lines to meet ministry guidelines. This project has been moved up from 2018 to 2016.

## Financial / Staffing / Legal / Information Technology Considerations

The Housing capital forecast as presented to the Social Services Committee totals a 2016 net levy amount of \$1,253,598, requiring a net levy increase of \$59,695 or a 5.0% increase over the 2015 approved capital budget. This \$59,695 increase would reflect a 0.11% increase to the corporate net levy requirement for 2016.

## Link to Strategic Goals / Priorities

Goal 1.6 of the Corporate Strategic Plan. The goal identifies the importance of accelerating Council's commitment to lifecycle planning for the long term investment of county owned capital assets.

## Attachments

[Attachment to HDR-SS-13-15 2016-2020 Housing Draft Five Year Capital Forecast](#)

Respectfully submitted by,

Anne Marie Shaw  
Director of Housing