



SOCIAL SERVICES DIVISION

REPORT TO:	CHAIR AND COMMITTEE MEMBERS
DEPARTMENT:	HOUSING SERVICES
PREPARED BY:	Melisa Johnson, Manager
REVIEWED BY:	Melissa Fitzpatrick, General Manager Stéphane Thiffeault, Chief Administrative Officer
MEETING DATE:	November 19, 2025
INFORMATION ITEM:	Maxwell Park Place Affordable Housing Development Update #13

BACKGROUND

As previously directed by Lambton County Council, staff are completing a 24-unit affordable housing development project at 993 Maxwell Street, Sarnia.

Although updates have been provided to Council through the Department's recurring Affordable Housing Update reports, the last dedicated report on this project was shared at the October 2024 Council meeting. The purpose of this report is to provide Council with a further update regarding this project.

DISCUSSION

Contractor

The original contractor is no longer involved with this project due to its failure to perform its contractual commitments. As such, Husky General Contracting Ltd. ("**Husky**") has been selected to finish the project. Husky has been working on completing this project since Fall 2024.

Module Construction and Stacking

Since the last update, all modules were stacked on site in Fall 2024. Once the stacking was complete and onsite construction began, several deficiencies were identified in the modules received from the former contractor. These deficiencies were numerous and included improper window and door installations, improper fire rating assemblies, and various electrical and plumbing issues. Husky has been working with the County to rectify these deficiencies in advance of building occupancy.

The County has commenced civil proceedings against the prior contractor to recover the additional expenses incurred as a result of the identified deficiencies, along with other losses. However, the County has been informed that the prior contractor has filed for bankruptcy, and the impact of that on the County's civil proceedings remains to be determined.

Building Construction

Building construction work includes enclosing the building, constructing the interior common areas and stairwells, installing the elevator, connecting services and all other items required for building occupancy.

The building construction work was delayed due to water infiltration inside the modules after stacking. Additional remediation was required on site as a result; however, this work is nearing completion. Currently, the bulk of the interior construction is complete, with some finishing work underway. Elevator installation and commissioning are in progress, along with the installation of the balconies and balcony railings. Final occupancy is expected in 2025.

Barrier Free Units

March of Dimes Canada ("**MOD**") has secured funding to be able to provide support services for the six barrier-free units included in this modular build. The six tenants have been selected for these units and are expected to move into the units in January 2026.

Tenant Selection Plans

Tenant selection is complete for the remaining eighteen units. An expression of interest occurred for seniors currently living in other County-owned units. The eighteen selected tenants have been contacted and have accepted the offer with an anticipated move-in date of January 2026. This will result in eighteen vacant units in the housing stock. Ten of these units will be filled with individuals from the By-Name List, including eight under the Homeless Priority process and two under the HART Hub process.

Project Costs

With the challenges experienced on this project, there has been an escalation in costs. The current anticipated project cost is between \$13.4 - \$14.5 million. The project costs and current funding sources are as follows:

Capital Cost:	Current Anticipated Costs
Design, Engineering & Soft Costs	\$500,000
Construction Costs	\$12,900,000 - \$14,000,000
Total Capital Costs	\$13,400,000 - \$14,500,000

Source of Funding:	2022 Anticipated Funding	Current Anticipated Funding
Upper-Level Government Funding	\$3,100,000	\$5,400,000
County: Affordable Housing Reserve	\$884,634	\$884,634
County: Debt Financing	\$3,015,366	\$4,757,366
Other: Bond Payment		\$2,720,867
Total	\$7,000,000	\$13,762,867

\$1.1 million in potential cost is associated with the additional remediation work required due to water infiltration. Responsibility for these costs is currently under dispute with Husky. As a result of this dispute, the anticipated costs for this project are expected to range between \$13.4 million and \$14.5 million

Additionally, as noted above, the cost escalations related to the failures of the original contractor are subject to recovery proceedings through litigation that Council has previously authorized. The impact of the prior contractor's bankruptcy proceedings on the County's claims remains unknown.

Staff will continue to provide Council with updates upon project completion once the financials have been completed.

FINANCIAL IMPLICATIONS

The financial implications are unknown at this time as we await the outcome of the dispute with the current contractor and the litigation with the former contractor.

CONSULTATIONS

Consultations have taken place with the Chief Administrative Officer; General Manager, Social Services; County Solicitor/Deputy Clerk; and Manager, Procurement and Projects.

STRATEGIC PLAN

Providing safe affordable housing is in keeping with the County's Mission to promote an enhanced quality of life through the provision of responsive and efficient services accomplished by working with municipal and community partners.

The activities of the Division support the Community Development Area of Effort #3 in the County of Lambton's Strategic Plan, specifically:

- Strengthening the County's advocacy and lobbying efforts with other levels of government to raise the profile of the County and its needs to secure improved senior government supports, funding, grants, and other resources to meet emerging infrastructure and service needs;

- Consulting with the community and stakeholders on ways to increase housing options and affordability, and innovative programs and initiatives that focus on poverty reduction and promote social belonging;
- Supporting the development of a variety of affordable housing to meet demand;
- Implementing, monitoring and updating community health and wellness-related plans and priorities, including, but not limited to, the *Housing and Homelessness Plan*, *Community Safety & Well-Being Plan*, the Long-Term Care division's mission, vision, and values, *Age Friendly Community Planning* framework, Lambton Public Health's strategic priorities, *Lambton Drug & Alcohol Strategy*, *Lambton EMS Master Plan*, and *Child Care and Early Years 5-Year Service System Plan*; and
- Advocating for, and supporting access to, mental health and addiction services.

CONCLUSION

The County of Lambton Housing and Homelessness Plan 2020 - 2024 sets a strategic direction for housing and homelessness work. Adding to the affordable housing stock is a key component of this plan. Staff have worked diligently to advance the construction of the 24 affordable housing units located at 993 Maxwell. Occupancy is expected prior to the end of 2025, with the first residents expected to move in January 2026. This project adds 24 much needed affordable housing units to the community, helping to achieve the goals outlined in the Housing and Homelessness Plan 2020-2024.