

OWEN SOUND HOUSING COMPANY LIMITED

c/o Unit 1, 700 Twenty-First Street East
Owen Sound, Ontario.
N4K 6W1

Telephone: (519) 376-0573
Email: information@nphousing.ca

City of Owen Sound
808 2nd Avenue East
Owen Sound, Ontario
N4K 2H4

Attn: Kate Allan
Director of Corporate Services

Dear Kate:

In follow up to our request for construction financing, dated May 12, 2020 and my conversation with the Director of Housing last week, the following is an update on construction and construction financing timelines.

On August 17, 2020, Owen Sound Housing opened tenders for the construction of the Odawa Heights Apartment Complex. The lowest tender bid was submitted by Allen-Hastings Limited at a cost of \$12,543,800 + HST. There was no contingency line included in this submission. The Board of Directors accepted this tender and a CCDC has been signed.

Our original budget was based on an estimated construction cost of \$10,197,180 + HST. The original budget also included a contingency of an additional \$329,250.

A capital budget was revised to reflect the actual tender submission plus a \$500,000 contingency line.

Construction commenced at the end of September, 2020. Allen-Hastings has stated that they believe the apartment complex will be open for December 2021.

Our original request for construction financing was also based on the estimated construction costs of \$10,197,180. Based on that estimate, our original request for construction financing in the amount of \$3,250,000 was submitted.

Would there be any way to revise our request to reflect the additional construction costs? It would translate into a revised construction finance of \$4,000,000.

Finally, as discussed, we believe that there will be a need to flow a portion of the construction financing in March, 2021 (\$2,000,000) and the balance in August, 2021.

We have commenced work with People's Trust (our mortgagor) and CMHC for take out financing in the amount of \$8,500,000. The City construction financing as well as the County financing would be repaid from this mortgage as soon as it is finalized once construction is complete.

If you require any further information, please do not hesitate to contact me.

Thank you again for the support that the City continues to provide to support housing initiatives like ours.

Sincerely

Shari Huber
Executive Director