



STAFF REPORT

to Board of The Blue Mountains Attainable Housing Corporation

MEETING DATE: 6 August 2020

REPORT NUMBER: 2020-01

SUBJECT: Award of Proposals for Development Financing and Management Services

AUTHOR: Sharon McCormick, Executive Director

A. Recommendation

THAT the Attainable Housing Corporation receive Staff Report 2020-01, entitled “Award of Proposal for Development Financing and Management Services”;

AND THAT the Blue Mountains Attainable Housing Corporation award 2020-01-P-BMAHC Development Financing and Management Services to New Commons Development, being the highest scoring proponent following evaluation of the qualified submitted bids.

B. Background

On April 16, 2020, the Blue Mountains Attainable Housing Corporation (BMAHC) Board approved a Request for Proposal for Development Financing and Management Services be issued. The Executive Director, with representation from the BMAHC Board and Town staff, reviewed the submissions received and make the recommendation contained herein.

The Request for Proposals 2020-01-P-BMAHC was issued on May 26, 2020 and closed on June 10, 2020. Three (3) qualified submissions were received.

C. Analysis

Following evaluation of the Proposals, the evaluation team recommends awarding the bid to New Commons Development (NCD), being the highest scoring proponent. NCD’s submission met all the proposal requirements.

Negotiations of NCD’s financial submission has been successful in achieving a reduction to both the fixed fee and percentage fee. The resulting fee structure is as follows:

Fixed Fee:

\$3500/month for Pre-Development phase activities

Percentage Fee:

3% shared development fee to NCD



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2% shared development fee to BMAHC

Percentage Fee payment terms are 50% of percentage fee paid at close of construction financing; 25% of percentage fee to be paid at substantial completion; 25% paid at stabilized occupancy.

D. Financial Impact

The deferred payment schedule of the percentage fee offered by NCD will minimize cash flow requirements for BMAHC and eliminates financial impact should projects delays up front be encountered.

Sharing of the development fee generates a mechanism for BMAHC to earn a fee for their work on the project. With limited revenue sources available until such time as rent is being generated, this provides financial capacity to cover BMAHC costs and give consideration to initiating concurrent projects. This will assist in building longer term financial strategy and portfolio of housing.