



STAFF REPORT

to Board of The Blue Mountains Attainable Housing Corporation

MEETING DATE: 26 May 2021

REPORT NUMBER: 2021-03

SUBJECT: Award of Proposal for Development Financing and Management Services

AUTHOR: Sharon McCormick, Executive Director

A. Recommendation

THAT the Attainable Housing Corporation receive Staff Report 2021-03, 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 SHS Consulting, being the second highest scoring proponent.

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 contract was awarded to New Commons Development (NCD). NCD has been working with BMAHC to complete the feasibility phase of work and preliminary business plan. BMAHC has been advised that NCD wishes to step back from the development management role past the feasibility phase and instead proposed a narrower scope solely on the financial strategy.

BMAHC prefers the integration of the development management and financing strategy roles for greater efficiency and alignment with internal capacity. At the May 6 2021 Board meeting, the Board directed the Executive Director and evaluation team to explore a contract with the next highest scoring compliant proponent.

C. Analysis

Following review of an updated Proposal noting progress that has been achieved and an interview with the evaluation team, the evaluation team recommends awarding the contract to SHS Consulting, being the next highest scoring compliant proponent. SHS’s submission met all the



THE BLUE MOUNTAINS
Attainable Housing Corporation

STAFF REPORT

to Board of The Blue Mountains Attainable Housing Corporation

proposal requirements and reference checks have confirmed the experience and capabilities of SHS.

Negotiations of SHS Consulting's financial submission has been successful in achieving a reduction to the percentage fee. The resulting fee structure is as follows:

Percentage Fee: 1.25 % of project cost, excluding land, development consulting fee, any other consulting fees and HST.

- Percentage Fee payment terms are 15% of percentage fee paid at commitment of project financing; 35% paid at close of construction financing; 45% of percentage fee to be paid in equal monthly payments from start of construction until approval of substantial completion; 5% of fee upon completion of project close-out.

D. Financial Impact

This reduces the planned development fee in the preliminary project budget by 1.75%. The deferred payment schedule of the percentage fee offered by SHS Consulting will minimize cash flow requirements for BMAHC prior to the close of construction financing.