

July 25, 2024

Mr. Paul Skinner
Housing Programme Manager
Social Services Department
County of Wellington
138 Wyndham Street North
Guelph ON N1H 4E8

Re: Support for UpBuilding! Non-Profit Homes Inc. Expansion Project

Dear Mr. Skinner:

On behalf of the UpBuilding! Board of Directors, we are contacting you regarding the proposed 18-unit affordable housing expansion project at 50-60 Fife Street, Guelph.

Since receiving the news that they were not successful under the last proposal call for capital funding for new affordable housing, the Board has continued to explore the development of much needed, affordable, accessible, and sustainable housing in Guelph. As you are aware, the demand for affordable housing in the community continues to significantly outpace the supply.

Discussions over the past months have focused on how to continue moving ahead with the project without additional capital funding support from the County or province. This has not been easy; however, land ownership and Upbuilding's commitment to the project has assisted in moving forward. The expansion project will further need to obtain CMHC Co-Investment financing. As you are aware, while this CMHC program provides helpful low interest rates, it only provides a very modest amount of capital contribution. And that contribution generally is not flowed until after construction has begun. Furthermore, increases in interest rates, while not currently at their peak, have further stressed the project's financial viability.

The Board would like the County to consider offering some assistance to help offset the pre-development soft costs related to the remaining studies and work required for the required minor variances and Site Plan Application approval. If Upbuilding is able to reach a Class B Cost Estimate, which requires 80% completed drawings, it is likely that the project would be successful in seeking funding through CMHC's Affordable Housing Fund sufficient to cover project costs.

UpBuilding! Nonprofit Homes has received \$14,850 in CMHC SEED Funding in previous years but that has already been spent on this project. In March 2024 UpBuilding applied again for CMHC Seed Funding and received only \$7,200 in additional grant funding.

About \$123,233.06 will be required to complete the remaining preliminary work, more detail is provided in the table below.

A breakdown of the estimated pre-development costs are as follows:

Company	Scope of Work	Estimated Cost (plus HST)
Grinham Architects (Design and Engineering)	Building design, coordination of Mech, Civil, Elec. designs.	\$61,550
Tim Welch Consulting	Project Management, including procurement. File Site Plan Application, Minor Variance application, CN Rail Easement Agreement.	\$9,750
Other consultants	ESA Phase I, Noise Consultant, Quantity Surveyor etc.	\$20,000
Legal Fees	For agreement reviews, registrations, etc.	\$10,000
Municipal Fee's (Site Plan application, Minor Variance etc.)	If required.	\$10,730.05
		Sub-Total: \$112,030.05
		Contingency (10% of total): \$11,203
		Total: \$123,233.06

TWC has been working with Service Managers that provide this type of pre-development support to allow projects to advance – this has been a valuable tool that has ensured that projects can move forward without delay to the development stage.

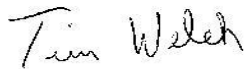
The RFP issued by Wellington County in October 2023 required the proposed development to be ready to begin construction within four months of signing a Contribution Agreement. This project requires a second Minor Variance Application and other pre-development work that prohibit moving closer to submitting a Site Plan Application or an application for the Affordable Housing Fund. Without committed funding, UpBuilding! is unable to continue to fund pre-development work out of their organization's reserve funds. With sufficient pre-development funding, UpBuilding! would be able to move forward with pre-development work and secure CMHC funding quickly to create new affordable housing in Wellington County.

UpBuilding Non-Profit Homes, would appreciate meeting with you soon to discuss the potential of obtaining pre-development funding to support the project. Please feel free to contact Mia Trana at mtrana@twcinc.ca to coordinate a time for a virtual meeting.

We recognize that these decisions may ultimately require Council approval, and if it is helpful the board is prepared to make this request directly to the County Council in the near future.

Thank you in advance for considering this request. We look forward to meeting with you soon.

Sincerely,

A handwritten signature in black ink that reads "Tim Welch". The signature is written in a cursive, slightly slanted style.

Tim Welch
Principal, TWC Inc.

Copy: Howard Kennedy, President, UpBuilding! Non-Profit Homes Inc.