



Board Report

To: Warden Mitch Twolan
Members of the Bruce County Housing Corporation

From: Christine MacDonald
Director of Human Services

Date: July 2, 2020

Re: Kincardine Housing Build Project Update

Staff Recommendation:

That the revised Kincardine Housing Build Project Budget be approved.

Background:

The Kincardine Housing Build is a major Initiative in the 2020 Human Services Business Plan. The project will provide additional units of community housing in a new purpose-built development. The project will include 35 community housing units (25 one-bed units; 6 two-bed units and 4 three-bed units) and an office 'hub' for Human Services.

On April 16, 2020 staff provided an update on the Kincardine Housing Build Project which identified the preliminary construction schedule and identified that any refinements or revisions would be provided with each update.

Construction Update:

Throughout April 2020, work on the structural steel continued and installation of precast concrete floor slabs were installed. This allowed the contractor to begin framing interior and exterior walls on the second and third floors.



During April and May, underground services were installed throughout the building in preparation for the pouring of the floor slabs in both the apartment and office. Services such as electrical and plumbing were placed under the slab.



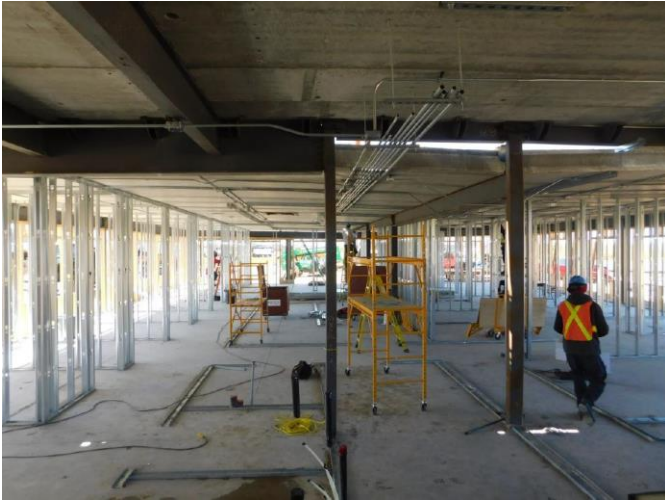
During April and May, the concrete floor slabs were poured on the ground floor in the apartment and office areas of the building. As soon as these slabs were complete, work was able to start on the ground floor for framing both the interior and exterior walls.



In late May, wood roof trusses were installed in the sloped roof section of the building, which completed the majority of the building's structure. The flat roof section of the building was previously installed using precast concrete slabs which is the same as the building's floor systems.



Throughout April, May and June, work on framing interior partitions and loadbearing walls has been underway. The office floor slab was poured first so framing in that area is now complete. Wiring and sound batt is being installed within the wall cavity and will be ready for sheeting in the near future.



Through late May and into June, work on the exterior of the building has been a focus. Exterior walls have been framed and sheathing has begun. All of the roof trusses are installed, and sheathing is ready to start. Waterproofing is also underway on the flat roof sections of the building.



Status Update

On December 5, 2019, staff presented the Kincardine Housing Build Project Update Report. At that time, it was noted that the road access culvert design for the property entrance was not yet resolved as it related to the site plan agreement with the Municipality of Kincardine. Given that the remaining portion of the surrounding parcel of land did not have a final development plan, there was outstanding decisions regarding the final sizing and placement of the driveway culvert which impacted decisions on the depths/placement of site servicing. It was anticipated that further direction would be received from the municipality by the spring of 2020. This item had no impact for the construction schedule. The requirements have since been received from the Municipality regarding stormwater capacity that needs to be conveyed through the property's entrance driveway culvert. Once this information was received, civil engineering was able to complete the culvert design.

Given the timeline restrictions for the provincial funding and the nature of the land acquisition at the new development parcel/area on Gary Street, assumptions regarding the stormwater management plan were required to be made to get the project to tender. At the time of tender closing, site plan approval had not yet been received from the Municipality of Kincardine. Final site approval has now been received which has resulted in additional work and costs for this project. Below is a table demonstrating the additional costs of \$385,288 related to receiving final site plan approval. Staff have endeavored to work within the existing budget approval and contingencies to manage these extra costs, however that is not possible. The table below demonstrates the additional costs related to the conditions that were set in receiving site plan approval.

Site Plan Agreement Conditions	
Architectural & Engineering	
Culvert & Retaining Wall Design	\$10,450.00
Off Site Grading Design	\$27,500.00
Total Architectural	\$37,950.00
Contractor	
Temporary Culvert	\$26,924.17
Fencing	\$39,170.81
North Retaining Wall	\$51,757.20
Off Site Grading	\$222,821.43
Total Contractor	\$340,673.61
Total Project Expenditure	\$378,623.61
HST	\$49,221.07
HST Rebate (86.46%)	-\$42,556.54
Total Cost	\$385,288.14

In addition to the above costs, there are additional outlays required in order to qualify for an anticipated \$350,000 contribution (grant) and long-term low-cost financing through the CMHC Co-Investment Funding.

CMHC Funding Requirements	
ESA Phase 1	\$3,500.00
New Building Appraisal	\$4,000.00
Quantity Surveyor (Includes Additional HSC for RFP)	\$65,000.00
Total Project Expenditure	\$72,500.00
HST	\$9,425.00
HST Rebate (86.46%)	-\$8,148.86
Total Cost	\$73,776.15

There have also been additional revenue sources to assist with the overall cost of the build. Since the original budget was drafted, the project has received \$56,125 in CMHC Seed Funding and the surplus housing units have sold at a higher price than originally included in the budget. As such, a conservative addition of \$200,000 in revenue has been included in the revised budget. The application for the CMHC Co-Investment Fund is underway and it is anticipated that the project may be eligible for a \$350,000 contribution (grant). However, timing of confirming grant receipt is not in line with the cash flow requirements for the project.

Staff are recommending a revised approval for the project expenditure which is an increase of \$448,852 to cover the balance of the completion of the project. Should the approval be granted for the CMHC Co-Investment Contribution as anticipated, that would reduce the requirement on the County by that same amount.

Project Workplan

Phase 1 - Planning & Design - COMPLETE

Phase 1 involved the acquisition of land, planning and permit approvals and confirmation of site plan. The procurement of project management; design consultant for architectural and sub-consultants; and confirmation of project scope and tender for construction. Bidders for the construction tender will be required to pre-qualify.

Phase 1 - Major Tasks	May	Jun	Jul	Aug	Sept
Award Consulting Agreement					
Conceptual Design					
50% Design Documents					
Site Plan Approval					
90% Design Documents					
Building Permit					
Tender Ready Documents					
Construction Tender Close					
Construction Contract Award					

Phase 2 - Construction

Construction will be the longest phase of the project and the detailed timelines will be scoped based on the Design and Tender ready documents in Phase 1 as well as the specific construction schedule defined by the contractor awarded the tender. It is anticipated that staff will be able to provide a construction schedule at December’s Board meeting.

Phase 2 - Major Tasks	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4
Site Prep	█							
Site Service	█	█	█	█	█	█		
Footings & Foundations		█	█					
Structural Steel & Roofing			█	█	█			
Windows & Exterior Finishing					█	█	█	
Interior Walls, Doors & Hardware					█	█	█	█
Flooring								█
Elevator				█	█	█	█	
Mechanical, Plumbing, Electrical					█	█	█	█
Curbs, Asphalt, Landscaping							█	

Phase 3 - Inspection

Inspection will occur periodically throughout the construction phases as per the Design Consultant Schedule, with final inspections occurring at project closeout in Q3 to Q4 of 2020. The detailed timelines will be scoped based on the Design and Tender ready documents in Phase 1 and further updates will be provided to the Board.

Phase 4 - Tenant Occupancy

Tenants will occupy the building late 2020. Housing Services staff will provide support and assistance to tenants that will be moved from existing stock to the new stock. Staff have been providing communication to impacted tenants and will continue to do so through the length of the project.

Financial/Staffing/Legal/IT Considerations:

In consultation with the Corporate Services Finance Division, staff are tracking and monitoring the project budget. The Director of Corporate Services presented the financing plan for the project via the Corporate Services Committee and will work with the project team to ensure the project cash flow is in alignment with the project expenditures.

The provincial allocations of Investment in Affordable Housing (IAH), Social Infrastructure Fund (SIF), and Ontario Priorities Housing Initiative (OPHI) committed to this project is \$1,778,720 million and will be received in draws upon completion of securities documents by legal and in accordance with the provincial requirements. The additional approved seed funding from CMHC has been included in the revised budget in this report. The CMHC Co-Investment application is moving through review and it is anticipated that that project will receive approval for contribution (grant) and long-term financing.

Kincardine Housing Build Project Budget Variance			
	Approved Budget	Revised Budget	Variance
Expenditures			
Construction Costs			
35 Unit Apartment Building and 6,000 sf Office, Site development, services, parking and landscaping.	\$11,204,958	\$11,204,958	\$0
Construction contingencies and allowances	\$1,295,000	\$1,752,018	\$457,018
Total Construction Expenditure	\$12,499,958	\$12,956,976	\$457,018
Soft Costs			
Ancillary Costs (Design Fees, Engineering, Permits, Legal, Land Development)	\$600,000	\$985,464	\$385,464
Project Management, Housing Services	\$197,547	\$197,547	\$0
FF&E - New office equipment allowance	\$60,000	\$60,000	\$0
Tenant moving costs	\$38,250	\$38,250	\$0
Design Contingency Allowance	\$200,000	\$50,300	\$(149,700)
Total Soft Costs Expenditure	\$1,095,797	\$1,331,561	\$235,764
Total Project Expenditure	\$13,595,755	\$14,288,537	\$692,782
HST	\$1,767,448	\$1,857,510	\$90,062
HST Rebate (86.46%)	\$(1,528,135)	\$(1,606,003)	\$(77,868)
Net Expenditure	\$13,835,067	\$14,540,044	\$704,977
Revenues			
Provincial (SIF, IAH)	\$1,328,230	\$1,328,230	\$0
Own Funds	\$200,000	\$200,000	\$0
Estimated Revenue for Sale of Surplus Units	\$1,600,000	\$1,800,000	\$200,000
Ontario Priorities Housing Initiative (OPHI)	\$450,490	\$450,490	\$0
CMHC seed funding	\$0	\$56,125	\$56,125
Revenue	\$3,578,720	\$3,834,845	\$256,125
Estimated Liability for Debentures of Surplus	\$29,884	\$29,884	\$0
Net Requirement	\$10,286,231	\$10,735,083	\$448,852

Housing Services Corporation (HSC) is providing project management for this project with the oversight of the Housing Facilities Manager and Director of Human Services. Legal has finalized the purchase of the land and provided their reporting letter. There are no IT considerations associated with the project.

Interdepartmental Consultation:

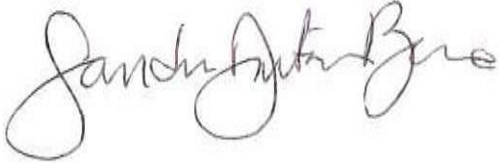
Human Services staff continue to work in consultation with Corporate Services staff through the course of this construction project.

Link to Strategic Goals and Elements:

The development of new affordable housing aligns with Bruce County's Long-Term Housing Strategy (2013-2023) target of the development of 445 new affordable units in Bruce County.

Written by Tony Ban, Housing Facilities Manager

Approved by:

A handwritten signature in black ink, appearing to read "Sandra Datars Bere". The signature is written in a cursive style with a large initial 'S'.

Sandra Datars Bere
Chief Administrative Officer