

The Caradoc Housing Corporation

The Corporation of the Municipality of Strathroy-Caradoc
52 Frank Street
Strathroy
N7G 2R4

October 13, 2023

To Mayor Grantham & Members of Council,

In 2022 The Caradoc Housing Corporation began construction on the second affordable and market rent housing development for Strathroy-Caradoc. Located at 22645 Adelaide Road, Mount Brydges, the 37-unit project of studio, one and two-bedroom apartments is nearing completion. The Housing Corporation also received a grant of \$2,775,000 from CMHC, which is comprised of \$75,000 per unit, this is based on a minimum of 40% of the units will be rented out at 70% of the Minimum Market Rent, and the building is built to a 35% reduction in annual energy consumption and GHG emissions. The Housing Corporation and the Municipality has made minimal contributions to the equity.

At the present time the Housing Corporation is facing a timing challenge in processing payments. The funds for the project are allocated and secured. Payments received from the First National mortgage, the delay of HST Rebates and the prime interest rate has increased approximately by 4% since the beginning of the project, are creating outstanding accounts with the vendors and the Housing Corporation now incurring interest charges. First National has to increase their reserve for interest charge on the final mortgage, which comes from the construction draws. This is done in order to maintain the current amount of the mortgage of 7.7 million.

As a result, at the October 13, 2023 Special Meeting of the Caradoc Housing Corporation the Board made the following motion.

Moved by: Councillor Frank Kennes

Seconded by: Mayor Colin Grantham

That the Caradoc Housing Board of Directors request that the Municipality pay vendors of the Affordable Housing project through their recoverable account in order for the Housing Corporation to avoid interest payment to those vendors, and further;

That the Housing Corporation direct all grants, mortgage draw payments, and all other funds received by the Housing Corporation in relation to the Affordable Housing project to the Municipal recoverable account.

CARRIED

The Caradoc Housing Corporation

Moved: Member Heather Martineau

Seconded: Councillor Frank Kennes

THAT: The Board recommend to Council that an independent financial audit and an independent project management audit be undertaken on the current Caradoc Housing Corporation affordable housing project.

CARRIED

The Housing Corporation is requesting support from Strathroy-Caradoc's Council by having the Municipality pay the vendors directly, with the Housing Corporation refunding those payments from payments received from the Monthly First National mortgage construction draws, and any other funds they receive for the Affordable Housing project.

With the construction project nearing completion, the Housing Corporation is excited to be recruiting for a Property Manager and the securing of tenants. The Housing Corporation looks forward to providing affordable and market rent housing to the Strathroy-Caradoc community.

Sincerely,

Caradoc Housing Corporation Board