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March 25, 2019

Karen Brodeur
Board Member, Compass NS
202 Brownlow Avenue, Unit 405
Dartmouth, NS B3B 1T5

**Re: Land Commitment Offer
Compass Nova Scotia Cooperative Homes**

Dear Ms. Brodeur:

We are pleased to advise the Compass Nova Scotia Cooperative Homes (the "Recipient") of the commitment by the Town of Shelburne to provide property to assist with development of new affordable housing units in the Shelburne area. The Town of Shelburne's assistance, hereinafter called "assistance" consists of the property at 28 John Street, PID 80146764.

The Recipient is to use the assistance for the purposes indicated in this Commitment Offer.

A. CONDITIONS

(1) DURATION

The duration of this agreement is from March 25, 2019 to March 25, 2020 with the transfer of the property occurring on March 26, 2020.

(2) ADVANCING THE ASSISTANCE

The Assistance will be advanced on March 26, 2020 provided and subject to the recipient providing the Town with a detailed plan and proposal including but not limited to construction and financing satisfactory to the Town for the development of new affordable housing units on the property. The advancement of the assistance will also be subject to the Town following the necessary steps prescribed by the Municipal Government Act as well as the Recipient executing an agreement with the Town setting out conditions for the return of the property to the Town in the event of failure by the Recipient to comply with the conditions.

(3) ASSIGNMENT

This Commitment Offer and the proceeds of the Assistance may not be assigned, transferred or

otherwise disposed of by the Recipient. The commitment is binding for the duration, and that the assistance can be used as collateral or security for the purposes of securing financing for the construction of rental housing on the property.

(4) RESPONSIBILITIES OF THE RECIPIENT

The Recipient will work to develop a proposal for growth of the co-operative housing sector through new development of cooperative units in the Tri-County area (Shelburne, Yarmouth and Digby) and to,

- Identify and engage consultants to assist with the development proposal in relation to the assistance provided
- If feasible proceed with the development of housing

B. GRANT CONTRIBUTION

The property assistance offered in this letter provides the Recipient the opportunity to develop affordable housing units. The principle goal of the partnership is to increase the number of non-profit co-operative homes in Nova Scotia.

This Commitment Offer is open for acceptance by you until May 31, 2019, by which time the **original** letter properly signed by you must be received by the Town of Shelburne, failing which this Commitment Offer shall be null and void.

Yours truly,




Darren Shupe
Chief Administrative Officer
Town of Shelburne

We accept the above terms and conditions of this Commitment Offer.

COMPASS NOVA SCOTIA COOPERATIVE HOMES

Per _____ Date _____

TOWN OF SHELBURNE

Per  _____ Date March 25/19



COMPASS NS

**207-59 Inglis Place
Truro, NS B2N4B5**

April 21, 2020

Town of Shelburne

Attention: Darren Shupe, CAO

Dear Mr. Shupe,

RE: 28 John Street, Shelburne (Heritage Hall) Conversion

Compass Nova Scotia Co-operative Homes Ltd. (Compass NS) would like to thank the Town for their commitment in partnering on this project. Although construction work has not commenced, we feel an update to council is warranted at this time. We are also looking to council with a request for an exemption on permit fees and property taxes, and an opinion/ agreement that rents being proposed are affordable for the Town of Shelburne.

Please find below information regarding pre-development work on the conversion project:

- Preliminary drawings completed
- An energy assessment has been completed in conjunction with Efficiency Nova Scotia
- Legal and topographical survey quotes have been obtained, contract awarded, and work being carried out
- Environmental site assessment quotes obtained, contract awarded, and work being carried out. Report is forthcoming
- Appraisal quotes obtained, award to follow upon review/ approval by New Commons Development (funding/ operational partner)
- Financial pro-formas being completed in conjunction with New Commons Development
- Application for CMHC SEED funding complete and funding received
- Request for funding sent to Housing Nova Scotia with no concrete response to date. Critical for moving ahead with project

Developing affordable housing is extremely challenging given the expense of the pre-development and construction costs. In an attempt to create a viable project



COMPASS NS

*207-59 Inglis Place
Truro, NS B2N 4B5*

Compass NS is hereby making a request to the Town for an exemption on permit fees and property taxes.

Also, as part of our funding application to Housing NS, we require an acknowledgement from the Town that the housing charges (rents) we are proposing are deemed to be affordable. This is being requested as there is little information available through the CMHC rental market analysis reports.

Currently we are proposing to develop (3) one bedroom apartments, and (2) two bedroom apartments. The maximum housing charges being proposed for a one bedroom apartment is \$652 (not including heat/ utilities), two bedroom \$720 (not including heat and utilities). The units are to be energy efficient with the expectation of low operating costs. In addition, we are requesting rent supplement subsidies from Western Regional Housing Authority for two of the units, for those on lower incomes.

Again , we would like to thank the Town for their ongoing co-operation and commitment towards this challenging, yet exciting project. I am available for a call, ZOOM meeting, or email if there are any questions or concerns. Compass NS is currently not meeting in person given the Covid-19 restrictions. We hope that you and your Town is staying safe, and wish you all the best during these challenging times.

Co-operatively ,

Earl J. Mielke
Managing Director
Compass NS Co-operative Homes Ltd
(902)324-3404