



Attachment #1

Rationale for Utilizing Letter of Indemnity Request Letter from BCHMC



Home Office
1701 – 4555 Kingsway
Burnaby, BC V5H 4V8

Phone 604-433-1711
www.bchousing.org

File: 95815 – 10729
Project Address: 68 Sixth St, New Westminster

March 27, 2024

City of New Westminster
511 Royal Avenue
New Westminster
BC V3L 1H9

Attention: Binega Markos, Project Engineer

Re: Rationale for utilizing Letter of Indemnity

Dear Binega,

Per your request, we are providing a rationale for our request to provide a Letter of Indemnity for engineering works for our project at 68 Sixth St.

By opting for a Letter of Indemnity, BC Housing can optimize the allocation of public financial resources in responding to the various needs of affordable housing projects. Unlike a Letter of Credit, which ties up cash deposits or credit for extended periods, a Letter of Indemnity allows us to leverage our bank credit capacity until and unless additional capital injection is required.

Furthermore, the use of a Letter of Indemnity provides a publicly accountable mechanism for indemnification against any outstanding deficiencies that may arise, ensuring transparency and accountability through the project lifecycle.

Should you have any further inquiries, please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sara Jellicoe".

Sara Jellicoe
Development Manager, Lower Mainland, BC Housing