



BUSINESS PLAN

2012



TABLE OF CONTENTS

One Key – Endless Possibilities	1	Unlocking Key Segments	7
Vision, Mission and Mandate	2	Key Roles – Civic Engagement	8
Key Factors in the Marketplace	3	Key Projects – Our Approach	9
Keys to Success – Corporate Goals 2012	4	Financial Strategy	12
AHCC Performance Measures	6	Budget	13

ONE KEY

Endless Possibilities

To have “the key” is to have privileged access to something valuable, something desirable, something you can call your own. It is a powerful symbol of safety and security. It is the way into your home.

At Attainable Homes Calgary Corporation, we are helping hundreds of people get the keys to their own homes thanks to our strategy of combining innovative financing, buyer assistance and ownership education programs.

We are making home ownership attainable through partnerships with our current valued home builders, Cidex Developments Ltd. and Unity Builders Group, and our many suppliers. Savings offered to us by current and future building partners are passed along to our clients creating instant equity in the homes that they are purchasing. When the homes are eventually sold, the appreciation in the homes will be shared between the homeowner and AHCC, with AHCC reinvesting its portion back into the Attainable Home Ownership Program (AHOP).

We are in the business of empowering individuals and families who would not otherwise be in a position to purchase their own home. The people we help are honest, hard-working and reliable. They just need a little help bringing together all of the resources that will make the purchase of a home affordable and attainable. AHCC gives them that “hand up”.

We are their key to home ownership.

THE KEY TO HOME OWNERSHIP

AHCC is aware of the lack of entry level, attainable housing for moderate-income earners in our city and we’ve found an exciting way to do something about it.

For many, there is a very limited opportunity to move from renting a home to owning one. Our program’s goal is to develop up to 1,000 well-made, entry-level homes to help moderate-income families and individuals become homeowners.

Almost two years in operation and we are well on our way to working towards that goal. In the coming year, as the work evolves so will AHCC. We will take on higher sales targets, begin developing projects on our land, ramp up community engagement and start creating our perpetual home ownership program. With this being said, AHCC has remained smart about our internal growth and will be adding two new staff members next year, in marketing and sales, to ensure that we have the resources to deliver on our goals for 2012. Growing to keep pace with our sales margin will aid in ensuring the long-term sustainability of AHCC.

This business plan covers our goals for 2012 to further realize the potential of AHCC and successfully empower thousands of Calgarians to achieve home ownership.

"Thank you AHCC. It would have been years before I could ever do anything like this, before I could even think about buying a home for me and my son."

—Megan, AHCC home buyer

VISION

Moderate-income Calgarians will be able to purchase homes and build for their future.

MISSION

We provide community solutions that will bridge the affordability gap and create a choice of quality, entry level housing to empower moderate-income Calgarians with the ability to purchase their own home.

MANDATE

Foster relationships and collaboration between the public, private and non-profit sectors to create attainable housing solutions within the city of Calgary.



KEY FACTORS *in the* Marketplace

It is often said Calgary's energy, power and wealth are palpable. Indeed, Calgary is considered one of the most affluent cities in the country.

Calgary is poised for a robust expansion in 2012 and it is expected to lead the country in both economic and employment growth.¹ With the creation of jobs and the attraction of more people to the region, demand for housing is expected to further increase next year. It is projected that the average employment rate will rise by 2.4 per cent.²

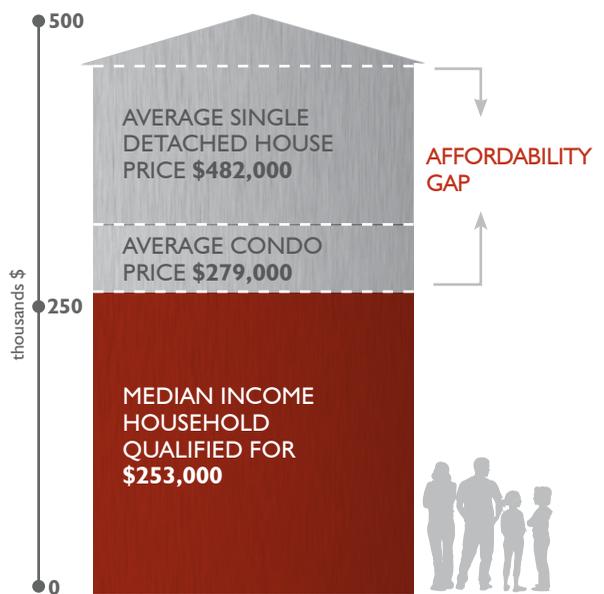
As the city grows, it must continue to attract and retain a talented and skilled workforce – a vital factor to sustaining a vibrant city and coping with growth. Unfortunately, our growth over the past decade has come with a widening housing affordability gap. Those with moderate-incomes have been left behind. From 2000-2010, housing prices have soared 126%³ while incomes have increased only 34%⁴ over that same approximate time frame.

At the end of 2011, the average price of a single family home was \$482,000⁵ and is anticipated to rise in 2012. Even though Calgary will experience economic recovery in 2012, housing prices will continue to increase as well. As a result, the need to create entry level housing and the need for AHCC becomes even more pressing.

Current economic figures indicate housing in Calgary is still out of reach for most moderate-income families which are AHCC's target customers.

It is expected that the economic growth forecasted for 2012 will result in a shrinking vacancy rate for apartments in Calgary, although developers are expected to respond by building 11.4 per cent more multi-family dwellings (3,900 in total) next year than in 2011⁶—making this the right time for AHCC to establish strategic relationships with the building and development industry.

To date, AHCC has been able to provide home ownership to 103 households from diverse backgrounds all of whom would not have otherwise been able to purchase a home in Calgary. The over 2,900 families in our database who have expressed interest in the Attainable Home Ownership Program, demonstrates the need for our organization and the AHOP.



Based on AHCC's required average income, Calgarians who qualify for the program would be priced out of the open housing market. Based on a \$67,200 average median income, a family would qualify for a purchase price of \$253,000, with the average condo price in Calgary being \$279,000.

- 1 Calgary Chamber of Commerce 2012 Outlook, November 2011
- 2 CMHC, Housing Market Outlook – Calgary CMA, Fall 2011
- 3 Re/MAX Housing Evolution Report, November 2011
- 4 The City of Calgary – www.calgary.ca
- 5 CREB, Monthly Housing Summary – December 2011
- 6 CMHC, Housing Market Outlook – Calgary CMA, Fall 2011

Develop and deliver innovative programs to respond to our market needs

AHCC will begin researching and developing a perpetual home ownership program, design and develop marketing and sales strategies for each site suited to address client needs, maintain product mix and respond to market demand. We will evolve and grow our program so that our organization continues to offer opportunities for people to move out of affordable housing, which will free up much needed space for hundreds of Calgarians who need the rental or subsidized rental accommodation.

AHCC will deliver on this goal by having 190 homes available for purchase under the AHOP, expand expressions of interest (EOI) in the database to 6,000 and have 1,200 eligible participants complete our education sessions by the end of 2012 to ready them for home ownership. AHCC will also target to gain 10% of EOI's coming from the affordable housing sector.

I

KEYS TO SUCCESS

Corporate Goals 2012

Hard work and talent can take you a very long way. But it's equally important to have clear goals so you know where you are going, what you want to achieve and what you need to achieve it.

Our 2012 business plan has four goals:

Ensure long term sustainability of AHCC

AHCC will consistently work towards long-term and sustainable financial independence. We will do this by identifying and securing partnerships with reputable local builders as well as developing new relationships, and maintaining the ones we already have with the business community. We will engage sponsors to bolster our community investment in attainable housing and review our marketing and sales strategies to ensure they always meet our organization's changing needs. AHCC will continue to be mindful of cost controls and effective money management and ensure that we are maximizing the skills, knowledge and attributes of all of the members of AHCC's team.

AHCC will leverage our assets to the greatest potential and target raising 3% of its operating budget from short term revenue. We will secure \$15,000 in sponsorships to make up part of our short term revenue. AHCC staff will also work hard to ensure that there are no significant gaps in the number of units available in inventory to offer our clients.

2

Provide high quality service and continual improvement to best serve our clients

AHCC will continue to be a highly visible, well-respected non-profit organization known for its leadership in attainable housing. We will ensure that our ongoing improvement is monitored by effectively measuring and tracking key performance indicators. In addition, we will continue to engage and work with complementary and like-minded agencies that will contribute to integrating AHCC's program where appropriate.

Our target for reaching this goal will be to position AHCC as a thought leader on attainable and affordable housing. This will be achieved by raising our profile at appropriate affordable housing and industry forums and continuing to develop our expertise in Calgary's housing market.

3

Protect public investment

AHCC understands it must take great care to protect investments made by the public. Land will be developed to its best and highest potential to achieve our objectives. We are committed to conducting business in a responsible and transparent manner and to provide financial and social returns both to the community and our sole shareholder, The City of Calgary.

This will be achieved through optimizing the number of units planned for development on AHCC land and ensuring we leverage our sites to garner contributions from the private sector. AHCC's target is to have 35% of homes available for purchase by households with \$60,000 annual income or less and by converting 30% of our EOIs to purchasers.

4

AHCC PERFORMANCE MEASURES

Performance measures have been put in place to aide AHCC in evaluating our success for 2012.

1

We will monitor and track changes in appreciation on the homes sold under the AHOP versus market value.

2

Through the savings created by the builders, AHCC will maintain home affordability by creating immediate equity in the homes.

3

The total number of homes made available for purchase at an attainable price.

4

AHCC will use the results of our staff engagement survey to foster all of the attributes of a learning organization and high performance team.

5

Post occupancy and education surveys will be analyzed to determine if AHCC has provided: overall client satisfaction; an enhanced feeling of financial security and satisfaction with the information and knowledge offered at our education sessions.

6

Our absorption rate using the number of homes available versus the number of homes sold.

Unlocking

KEY SEGMENTS

Creating attainable housing opportunities for thousands of Calgarians will contribute to the vibrancy our city. At AHCC, we are empowering individuals and families with the means to build equity and create greater financial stability.

Although their stories and situations are different, all of our clients have the same goal – the immediate means to begin planning and building financial security for themselves and their families.

In 2012, our focus will be on our target markets; working middle-income Calgarians earning less than \$80,000, including market renters and affordable housing tenants.

We will partner with immigrant communities, faith based groups, and affordable housing landlords to disseminate our message through direct marketing sources in order to break down the skepticism and other barriers that affordable housing tenants may have, and face, in regards to taking the steps towards home ownership. This approach is another avenue to ensure that we are reaching all Calgarians that fall within our target market, thereby keeping us on track to achieving our corporate goals.

MIDDLE-INCOME CALGARIANS EARNING LESS THAN \$80,000, INCLUDING MARKET RENTERS



They are either individuals, couples, single parents or couples with children. They have little or no credit history; possibly have debt and likely minimal savings. These Calgarians may have experienced a major life setback such as a divorce or health issues. They want to own their own home but are having a hard time achieving it on their own.

AFFORDABLE HOUSING TENANTS



Lower income earners who could easily turn their rental payments into home equity and likely have minimal savings. A majority of these Calgarians are families, but they also include single parents, couples and individuals. They have a more difficult time trusting 'traditional' marketing; they are leery of risk and respond more positively if they are getting their information from what they deem to be a credible, trustworthy source.

KEY ROLES

Civic Engagement

As a community-focused organization, AHCC works on building relationships with various stakeholders to help us carry out our work to the greater community.

The following list identifies and acknowledges the members of our Advisory Committee who are committed to offering their guidance and who continue to play an important role in our work in the coming year.

AHCC Advisory Committee

The Committee is comprised of a group of talented and diverse leaders who will continue to share their strategies, ideas and experience with us. Their involvement will broadcast a positive message of attainable home ownership to the wider community and facilitate new business opportunities to further advance our mandate.

Advisory Committee members include:

- Kathë Lemon, Editor, Avenue Magazine
- Martina Jileckova, Vice President Housing, Calgary Homeless Foundation
- Vivien Lok, Settlement Coordinator, Immigrant Services Calgary
- Catherine Stotschek, Manager, Calgary Housing Company
- Marg Pollon, Coordinator, Bridges of Love
- Jennifer Wagar, Public Relations Professional
- Bob Jablonski, President-Elect, CREB

Attainable Homes Calgary helped us immensely with becoming home owners instead of just renters. It changed everything and gave us one less thing to worry about."

–The Howards, AHCC home buyers

KEY PROJECTS

Our Approach

EMPOWERING OTHERS IS KEY

AHCC has always been in the business of giving a “hand up” to its clients by creating opportunities for middle-income Calgarians to move into home ownership.

Our organization demands that all our projects show a “community benefit” – a net benefit, in other words. That’s because our responsibility lies with all our stakeholders – a term we define as anyone affected by our projects, from our clients and staff to people living next to or near our projects, local business and employers. Effectively, that means everyone in Calgary. We look at our projects from a community-wide perspective to ensure anyone affected by them is consulted and respected.

With the resounding success that we have experienced in 2011 with the sales of our Beacon Heights and Deer View Village projects, we expect to see 190 more attainable homes become available for moderate-income Calgarians in 2012. AHCC will ensure that we are serving Calgarians financial and geographical needs and their family composition. We will do this by providing quality housing and a broad selection of locations through optimizing the number of units we build on AHCC land and acquiring projects from our building industry partners.

These new homes will become key in meeting the increasing demand of home ownership for many deserving people in our community.

AHCC DEVELOPMENTS

West Springs

The first project to be developed on AHCC land, the West Springs development will consist of approximately 70 townhouse units to be built in the sought after South West community of West Springs. Project design work will start in May of 2012, with pre-sale of units anticipated for September of 2012, and possessions starting in summer of 2013. This South West location is walking distance to local shopping, schools, and nearby community parks.

Mount Pleasant

This development is anticipated to feature an apartment condominium project consisting of 30 units in the well established community of Mount Pleasant. The site offers great access to major transportation corridors (only one block from the Trans Canada Highway) and educational & employment centres, with the Southern Alberta institute of Technology (SAIT) just down the road. In addition, access to the LRT system is located at nearby SAIT, allowing owners quick access to the downtown core. The design phase is intended to begin in June of 2012, with pre-sale of units projected for October of 2012 and the possession of units in early 2014.

Downtown West

The first of AHCC's two sites located in the downtown core, this project is anticipated to begin the design stage in May of 2012, with pre-sales becoming available in October of 2012 and completion projected for spring of 2014. The project will consist of 60-80 units of apartment condominiums located above ground-floor commercial space, and feature great access to the downtown core, LRT stations, and local shopping in the nearby beltline district. This development will be a great option for those Calgarians working in the core or for those wanting easy access to all of the amenities available in an urban setting.

BUILDER PARTNER PROJECTS

Deer View Village — Phase II

In November of 2011 the second phase of the Deer View Village project came on stream. This project by Cidex Developments consists of 38 renovated 2 bedroom townhouse units which can be available for occupancy within 60 days from purchase. This project features a great location with its close proximity to shopping, Fish Creek Park, and major transportation routes within the established South East community of Deer Ridge. The townhouses feature fully renovated interiors, and undeveloped basements, allowing for future development flexibility by the home owner.

Origins at Cranston

This project is a new townhouse/apartment condominium development that AHCC has partnered with Unity Builders Group to be able to offer to Calgarians. The first phase of the Origins at Cranston development consists of 24 townhouse units to be made available in December of 2011. The anticipated second phase, consisting of 48 apartment condominium units, will be made available in February of 2012. These units will be all new construction, are located in the South East community of Cranston, and are walking distance to shopping, schools and local parks, as well as featuring a playground facility on site. The development is also very close to the newly constructed South Calgary Hospital, providing health services, and a large potential employment centre for residents.

ADDITIONAL UNIT ACQUISITIONS

In order to achieve the sales goals set out by AHCC for 2012, the organization will be pursuing a mixture of project development, land use amendment (to ready sites for development), and unit acquisition that will expand the geographic diversity in our inventory. To facilitate this, AHCC will be seeking the ability to offer an additional 20 – 30 units in 2012. These units may be apartment condominiums, townhouses, or semi-detached in design, and preference will be given to projects that offer good access to transit services, employment centres, schools and local access to required shopping. The development industry has shown a strong interest in working with AHCC, and we expect that interest to grow stronger as AHCC continues to expand our builder partnerships in 2012.

OUR 2012 PROJECTS



FINANCIAL STRATEGY

The 2012 Financial Strategy for Attainable Homes Calgary is designed to ensure long-term financial independence and sustainability of the organization. For 2012, this is to be achieved largely by revenue generated from the marketing and sales fee and from sale of the land. Shared appreciation will provide a future revenue stream to reinvest into the program and augment longer term sustainability. We are committed to remaining focused on the scope of services required by AHCC's mandate and we will continue to align our resources with the volume of sales and programs required. Analysis of key elements of this financial strategy is provided below. This information is current as of December 2011.

REVENUE

AHCC employs a modest marketing and sales fee that is generated at the closing of homes. With the revenue that is created from this fee, we will have sufficient financial resources. As a result of doubling the volume of sales in 2012, we anticipate recovering all of our costs and expenses ahead of our projected timeframe. Two units of land will be made ready for development in 2012; one closing in 2012 and the second closing in 2013.

Revenues from the shared appreciation at the time of property resale, will provide revenue that allows AHCC to continue to create home ownership opportunities for moderate-income Calgarians, and the ability to repay outstanding loans. No home resales are projected in 2012.

OVERHEAD EXPENSES

2012 will mark a big thrust in business at AHCC as we will double the sales volume from 2011 to reach to close 200 homes sold under the AHOP. AHCC will continue to work hard to produce and convert qualified potential homes buyers by offering units in multiple locations throughout the city. This can be achieved, in part, by working with industry to ensure a variety and diversity of projects that we build on our land, through projects acquired from local builders, and by beginning the process of developing our perpetual home ownership program. AHCC will continue to work with communities relative to the development of the various properties to ensure a smooth process, from fruition to completion. A need for legal and consulting costs will be required for the development of the perpetual home ownership program. Staff will need to increase by two positions in the marketing and sales area keeping in line with the margin generated by doubling the volume of sales.

CITY CREDIT FACILITY

The credit facility provides assurance that AHCC can maintain responsibility for its sustainability in the event of cash flow or unanticipated issues. This was put in place on the approval of City Council to recognize that, as with any new organization, time is needed to develop its business and be prepared for some unanticipated potential costs that can affect the corporation. For example, some buyers may be unable to close on their purchases, unforeseen land servicing issues or unanticipated circumstances that may come up throughout day-to-day operations.

No further draw-downs are anticipated in the 2012 projections due to the cash generated from the substantial number of closings that will occur early in the year.

LAND LOAN

Land transferred in 2011 created a loan payable of \$5,188,000. This is projected to increase to approximately \$7,000,000 with additional transfers in 2012. The loan is to be repaid as funds are received from developers. Any amount over and above that value will be kept by AHCC to, in turn, reinvest a substantial portion of the lift from the sale of the land into acquiring future land and/or homes for the AHOP.

DEVELOPMENT COSTS FOR PROPERTIES

AHCC will continue to work on preparing its sites for future development of attainable housing and aim to have a continuous stream of inventory available. Soon to celebrate its second anniversary, AHCC has established strategic relationships with the development and building industry and the broader business community to be able to achieve our goals. As a young organization, we will be agile, flexible and open to opportunities that can further our mandate in helping Calgarians achieve their dream of owning a home and help others who are in need of affordable housing as vacancies are created.

BUDGET

BALANCE SHEET

AS AT DECEMBER 31	2010 ACTUAL	2011 PRELIMINARY (before auditor adj.)	2012 PLAN
	\$	\$	\$
ASSETS			
Cash And Cash Equivalents	1,174,847	988,924	3,066,447
Other Current Assets	4,042	1,400,023	177,984
Total Current Assets	1,178,889	2,388,947	3,244,431
Equipment And Leasehold Improvements (Net Of Amortization)	88,277	65,285	49,914
Land	-	5,277,380	6,542,678
Equity Loans	-	388,500	3,424,082
TOTAL ASSETS	1,267,166	8,120,112	13,261,105
LIABILITIES			
Accounts Payable	20,348	97,180	100,000
Other Current Liabilities	-	134,000	130,000
Total Current Liabilities	20,348	231,180	230,000
City Credit Facility	-	1,200,000	1,200,000
City Loan - Land	-	5,511,462	6,516,457
TOTAL LIABILITIES	20,348	6,942,642	7,946,457
EQUITY	1,246,818	1,177,470	5,314,648
TOTAL LIABILITIES AND EQUITY	1,267,166	8,120,112	13,261,105

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31	2010 ACTUAL	2011 PRELIMINARY (before auditor adj.)	2012 PLAN
	\$	\$	\$
REVENUES	1,906,180	8,318,358	45,882,541
COST OF SALES	-	6,990,000	39,985,573
GROSS MARGIN	1,906,180	1,328,358	5,896,968
EXPENSES			
Salaries And Benefits	309,558	573,771	895,989
Marketing And Sales	60,443	408,258	368,000
Administration	289,362	415,677	495,801
Total Expenses	659,363	1,397,706	1,759,790
NET INCOME	1,246,817	-69,348	4,137,178

