



BUILDING FUTURES

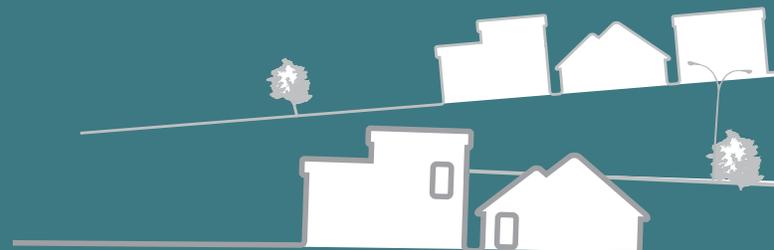
Attainable Homes Calgary Corporation

2011 Business Plan



Table of Contents

Building Futures	1
Vision, Mission, Mandate	1
Building Solutions: Our Approach	2
Building Change: The Marketplace	3
Building Action: Defining our Target Market	4
Building Access: Putting Keys in the Hands of Homeowners	6
Building Futures: 2011 Goals	8
Building a Community: Partners and Volunteers	10
2011 Financial Strategy	11
Projected Cash Flow	12



Building Futures

Attainable Homes Calgary Corporation (AHCC) is a non-profit, wholly-owned subsidiary of The City of Calgary, created to deliver and implement the Attainable Home Ownership Program (AHOP). We empower moderate-income individuals and families who have historically been priced out of the housing market, by offering the opportunity to buy well-made, entry-level homes at an affordable price.

Our client base is diverse and ranges from single parents and young professionals, to skilled/trades workers and mature couples. Our clients are nurses, teachers, truck drivers, plumbers, police officers website designers, carpenters and more.

Our approach is as unique as our client base. We offer homes at an attainable price, down payment assistance and home ownership education programs, allowing more individuals and families to buy homes, build equity and create financial stability.

In 2010, AHCC laid the foundation for the Attainable Home Ownership Program. Moving forward in 2011, it is only natural that our focus will continue to build upon this foundation. We will launch the first of many projects and continue to attract buyers. We will foster and establish partnerships that allow homeowners to build home equity and improve their financial stability. We will continue to protect public investment in AHCC and our long term financial sustainability. Our determination and passion will guide us to do more than just build houses. We will play a critical role in building futures for hundreds of individuals and families in Calgary.

“This program seems like something Calgary has been waiting for.”

(Mount Royal University Research Study, December 2010)

Vision

To encourage and advance attainable home ownership for Calgarians by delivering innovative programs and well-made entry-level housing.

Mission

To serve as a catalyst for private and public sector development of entry-level housing to meet the home ownership needs of moderate-income Calgarians.

Mandate

To implement and administer the Attainable Home Ownership Program by providing stewardship of lands, management of financial resources, leadership to the private sector and attracting and educating potential homeowners.





Building Solutions: Our Approach

Attainable Homes Calgary Corporation (AHCC) has a pressing and essential mandate, a perfect combination of opportunity and challenge – to address the housing affordability gap in Calgary. We were created to deliver home ownership opportunities that benefit individuals and families currently priced out of the Calgary housing market and thereby improve the quality of life in our city as a whole.

At AHCC, we are not just creating attainable home ownership solutions; we are building a better community. Over the past decade the cost of housing has outpaced wage increases. As a result, many individuals and families are priced out of home ownership due to a lack of affordable homes on the market, combined with the challenge to save for a down payment.

We have taken the best ideas and most innovative solutions for attainable housing from across North America and Europe and turned them into the cornerstones of the Attainable Home Ownership Program. Over the next five years, our goal is to build 1,000 well-made, entry-level homes and offer down payment assistance to help moderate-income families and individuals become homeowners.

Creating the opportunity for individuals and families to move into home ownership not only contributes to a vibrant city and local economy, it creates vacancies for hundreds of Calgarians who require rental or subsidized rental accommodation. This approach arises from Calgary's 10-Year Plan to End Homelessness, a plan that presents a vision to help move

Calgarians through the continuum of housing and ultimately end homelessness in our city.

We are inspired by those Calgarians who are striving for home ownership and are overcoming significant obstacles to achieve this goal. Dreams and ideas drive us, while dedicated directors, staff, and partners allow us to achieve our vision.

“This sounds like a really good program. I feel any program that gives more people the opportunity for home ownership benefits a city.”

(Mount Royal University Research Study, December 2010)

Housing Costs in Calgary



\$460,144

100% increase in ten years



\$289,697

70% increase in ten years

Calgary Real Estate Board, December 2010

Building Change: The Marketplace

Last year, Calgary was ranked as the fifth most livable city in the world by *The Economist*. Sustaining a dynamic local economy and focusing on a good quality of life for all Calgarians is imperative in maintaining this ranking. Calgary is entrepreneurial, imaginative and has a willingness to do things differently. Our Attainable Home Ownership Program is a true example of this philosophy.

In the past 10 years, growth pressures have strained Calgary's residential real estate market and, as a result, the city has some of the highest average housing prices in Canada. Conversely, household incomes have not kept pace with housing appreciation, making it difficult for moderate-income buyers to enter the housing market.

According to the Calgary Real Estate Board, the average cost of a single-family home in Calgary in December 2010 was \$460,144, an increase of more than one hundred per cent in just over a decade! The average price of a condominium in the city of Calgary in December 2010 was \$289,697, an increase of over seventy per cent since 2000. TD Financial Bank forecasts that Calgary's economy is expected to reach 3.5 per cent growth in 2011 and a subsequent average of 4.2 per cent growth each year between 2011 and 2014 (TD Bank Financial Group, September 2010). This projected growth will likely increase housing costs further, resulting in additional pressure.

The average cost to rent in Calgary is also exceptionally high. Many working individuals and families are unable to purchase a home as high priced rents hinder their ability to accumulate savings. According to the Canada Mortgage and Housing Corporation, improvements in labour market conditions and recent gains in provincial net migration have contributed to higher rental demand. In October 2010, the average two-bedroom apartment unit was \$1,069 per month with the average two-bedroom rent expected to move higher in 2011 (CMHC, Fall 2010). The Attainable Home Ownership Program offers monthly payments often equal to or less than current rental rates, enabling participants to not only own a home but build home equity and improve their financial stability.

In 2011, AHCC will lead the way by continuing to deliver a community solution to address the growing affordability gap and will support individuals and families in achieving home ownership. We will capitalize on the relationships we have established with our preferred builder, banks, lawyers and insurance companies, seek out new opportunities for partnership, and leverage the impact of the current economic climate on construction costs, such that new homes can be offered at an attainable price to our clients.



“ I am a single parent of 4 children and I am working day and night to make ends meet. It’s a cycle, once you rent, you can’t really afford to get out of it and buy your own home.”

(Calgarian, Expression of Interest, June 2010)

Building Action: Defining our Target Market

At Attainable Homes Calgary Corporation (AHCC), what we do brings value to this city and to the lives of the moderate-income individuals and families who live and work here. Key segments of Calgary’s workforce, including trades, skilled labour, service industry, public services, essential services, industrial sectors and non-profit professionals, are critical in ensuring the city’s sustainability and economic vitality. Individuals within these segments are responsible citizens, well-respected, and essential contributors to the quality of life in our community. Our ultimate goal is to bridge the homeownership affordability gap and place moderate-income Calgarians in a position to purchase a home and build financial stability for themselves and their families.

To date, 370 people have expressed interest in AHCC’s Attainable Home Ownership Program and we expect that number to increase dramatically in 2011 as we launch our sales campaign. What we have learned through conversations with interested homebuyers is that the challenge in becoming a homeowner affects many people from all walks of life. In fact, there are more than 75,000 households that earn in AHCC’s income bracket of 80 to 120 per cent of area median income (currently \$53,000 to \$80,000). These are young professionals, mature singles and couples, families, and single parents.



Young professionals typically between the ages of 22-35, single or married, and recently graduated from a post-secondary school. They have little or no credit history, short work history, possibly some student debt and minimal savings.

Brian recently graduated from the Culinary Institute at SAIT and was hired as a sous-chef at one of Calgary's hottest restaurants. He is currently renting a basement suite and is trying to pay off his student loan. Brian would love to live in the downtown core so that he can walk and cycle to work.



Mature adults single or married, who may have experienced a major life setback, such as divorce or medical issue, and are significantly less economically well off than in the past.

Amy and John are married and are both in their mid 50's. This is the second marriage for both of them. Their divorces were significant financial set-backs and they are worried about having enough money for their retirement. Owning a home would allow them to begin to build equity in something for their future together.



Skilled/trades people whose education is primarily in the trades and employment is often seasonal/sporadic.

Dan works in the construction industry and earns approximately \$55,000 per year. His wife, Carol, is a stay-at-home-mom who takes care of their three children. Because Dan's employment is seasonal and dependent on weather and economic factors, his income is irregular. They dream of owning a home that is close to schools and other amenities.



Subsidized renters who could vacate subsidized rental housing sooner if attainable home ownership options were made available to them. Rental payments could be turned into home equity offering a sustainable home ownership solution.

Margaret is a 38 year old single mom to 10 year old Patty. Margaret works as an administrative assistant in a small medical clinic and earns \$45,000/year. She also receives \$8,000 per year in child support. Margaret currently lives in subsidized housing and is looking for an additional job to boost her income but after school care is beyond her financial reach.



“ We are a young, newly married couple who would love to buy our first home. We both have university degrees and full time jobs and still can’t afford to buy a house in Calgary.”

(Calgarians, Expression of Interest, June 2010)

Building Access: Putting Keys in the Hands of Homeowners

Attainable Homes Calgary Corporation (AHCC) was created at an interesting time in Calgary’s history – a time when there is a growing awareness amongst municipal and business leaders about the lack of adequate housing in our city and the desire to find innovative ways to do something about it. The result is an organization focused on building a true community solution to expanding home ownership, including key partnerships and developments throughout the city.

OUR BUILDER

Cidex Developments is a highly respected developer in the Calgary community with extensive experience building inner-city developments and multi-family projects. Cidex has showcased its industry leadership in residential, commercial and mixed-use properties since 1987. Dedicated to building high quality homes, Cidex possesses a keen sense of social responsibility, and their commitment to customer service and creating lasting value in every home they build is evident. Cidex was selected through a competitive process by an evaluation committee, overseen by PricewaterhouseCoopers who acted as a fairness monitor.

As a fully integrated development company, Cidex delivers operational efficiencies, creative design solutions, cost savings and exceptional quality control. Their creative approach and focus on design excellence have already proven to be invaluable assets to AHCC. To demonstrate their commitment, Cidex has contributed homes from two of their projects, in Deer Ridge and Beacon Heights, allowing the Attainable Home Ownership Program to get off the ground two years ahead of its anticipated launch.

OUR PROJECTS

Treo at Beacon Heights 1540 Sherwood Blvd., NW

The Treo at Beacon Heights is located in the northwest community of Sherwood overlooking Symons Valley. Phase one has started construction and will be completed in early 2012. The site is located next to a low density residential neighborhood, and is connected to a major commercial centre via a pathway system. The community is contemporary, offering every amenity and accessibility to all quadrants of the city. This project will eventually unfold in four phases and, when complete, will offer a total of 258 modern units, comprised of one and two bedroom apartment style condominiums.

Deer Ridge 125 Deer Ridge Lane, SE

The Deer Ridge project is an existing townhouse development located in the southeast quadrant of the city. Deer Ridge is a well-established community, with access to all amenities and boasting the added benefit of being situated within the beautiful and tranquil Bow River Valley. The development was built in the early 1980's and has been recently renovated with new flooring, paint, appliances and fixtures. Up to 60 units, comprised of an assortment of two and three bedroom townhomes, are available.

Homes currently in the design phase:

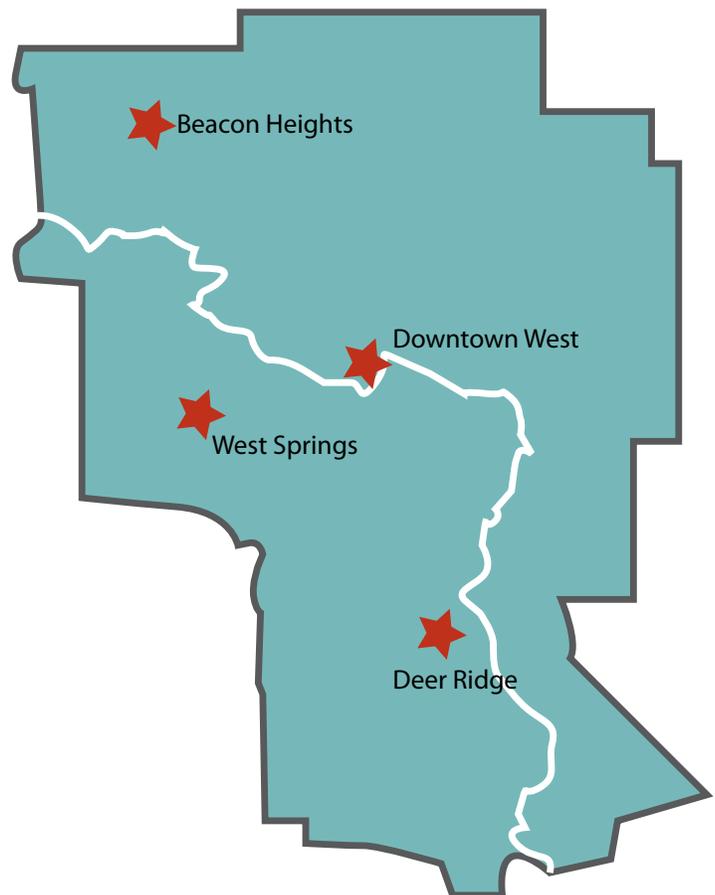
The Attainable Home Ownership Program (AHOP) also has two other sites that will soon become available, offering our clients an even broader choice of locations in which to purchase a home.

Downtown West 1007 – 6 Avenue, SW

A unique and dynamic characteristic to this development of approximately 60-80 units will be its future streetscape presence in Calgary's city centre. This development in the downtown core will provide homeowners with great access to city transit and a close walk to downtown workplaces. The residential component will feature apartment condos with integrated commercial space on the lower level. Design development meetings commenced in late 2010 with construction expected to commence in the spring of 2011. Occupancy is expected to take place in the fall of 2012.

West Springs 156 – 89th Street, SW

The West Springs site is located in the southwest quadrant of the city. Construction of these homes will commence in the spring of 2011 with a forecasted completion date of summer 2012. This community offers many amenities, vast green space, a quick commute to downtown or to the Rocky Mountains, and all of the benefits of being situated within an established community.



Building Futures: 2011 Goals

Building a great community takes vision, drive and a focused plan. Throughout 2011, Attainable Homes Calgary Corporation (AHCC) will act with purpose and as we move forward in making a positive difference in our city. To accomplish this, we have established four critical goals.



EXPANDING HOME OWNERSHIP

For hundreds of hard-working Calgarians, buying a home means not only starting a new stage in their lives, but fostering a true sense of belonging with their community. Through the Attainable Home Ownership Program (AHOP), and our developments located through the city, AHCC will help turn the dream of owning a home for moderate-income individuals and families into reality. We will work toward our initial goal of developing 1,000 well-made, entry-level homes at an attainable price.

This critical target of AHCC will be measured by the total number of homes available for purchase at an attainable price, the total number of qualified buyers in the AHOP and the total number of homes sold.



CREATING LONG-TERM FINANCIAL SUSTAINABILITY

A key focus of AHCC is to ensure effective and responsible management of financial resources in implementing and administering the AHOP. This year, our financial strategy creates revenue streams independent of government funding sources. As such, our goal in 2011 is to continue working towards long-term and sustainable financial independence through such means as high velocity sales, seeking and managing new opportunities for revenue generation, responsible budgeting and deepening the relationships with our builder and other preferred partners.

In order to measure the successful implementation of this goal, we will track and analyze the total number of sales of entry-level homes to qualified buyers in the program. This ensures we meet our objectives of providing an opportunity for our participants to build equity through home ownership and the capacity for AHCC to recover costs that will be reinvested into further continuation of the program. We will also look for creative opportunities to make the most prudent



use of our assets.

PROTECTING PUBLIC INVESTMENT

As a wholly owned subsidiary of The City of Calgary, with initial funding from both the municipal and provincial governments, AHCC is cognizant of the need to protect the public's investment in our business. We will achieve this through open and transparent communication with our Shareholder and effective stewardship of lands provided to AHCC. Moreover, we intend to demonstrate a positive return on investment over the life of our program to our Shareholder, The City of Calgary, long term return on both social and economic levels to the community, and return to our clients in the form of building home equity.

Open and transparent communication with our stakeholders, effective stewardship of land, and demonstrated return on investment will be measured

most effectively by the impact on new homeowners assisted by AHCC. Specifically, we will look at an improved quality of life, defined by the capacity of new homeowners to build equity and improve their financial stability.

CONSTRUCTING WELL-MADE HOMES AT AN ATTAINABLE PRICE

Building 1,000 well-made attainable homes is a team effort. AHCC intends to focus on the relationships we have with our key building stakeholders – Cidex Developments and The City of Calgary. Together, through the provision of land and the delivery of construction services, The City of Calgary and Cidex are delivering entry-level homes to Calgarians at below market pricing. Our goal is to nurture these relationships, to ensure ongoing, clear alignment of our collective objectives and shared values – all with the aim of successful implementation of the Attainable Home Ownership Program.

To measure the success of this goal, we will look at the affordability of home price for our target market of buyers, the length of time AHCC homes remain available for purchase (absorption rate) and the rate at which our home inventory is selling (velocity of sales). Our target is to see maximum home sales (high velocity) to qualified homebuyers in the shortest timeframe possible (high absorption rate).



“ I have been working in a professional field but there has been little hope for me to buy a home until now.”

(Calgarian, Expression of Interest, May 2010)

Building a Community: Partners & Volunteers

Attainable Homes Calgary Corporation (AHCC) is community-focused. We work hard to build pathways for engagement and communication with the community, as well as like-minded partnerships with organizations interested in helping moderate-income Calgarians into attainable home ownership.

ADVISORY COMMITTEE

Advisory Committee members act as ambassadors for the Attainable Home Ownership Program (AHOP) within their respective industries and communities, and play a key role in promoting the AHOP to potential buyers and business partners.

MEMBERSHIP

Käthe Lemon, Editor, Avenue Magazine

Elsbeth Mehrer, Director, Research, Workforce & Strategy, Calgary Economic Development

Martina Jileakova, Vice President Housing, Calgary Homeless Foundation

Vivien Lok, Settlement Coordinator, Immigrant Services Calgary

Catherine Stotschek, Manager, Calgary Housing Company

Tausha Milner, Realtor, Royal LePage

Jennifer Wagar, Graduating Student, Mount Royal University

Marg Pollon, Executive Director, Bridges of Love

ATTAINABLE HOME OWNERSHIP PROGRAM PARTNERS

Builder

- Cidex Developments

Government

- The City of Calgary
- Government of Alberta

Insurance

- Genworth

Legal

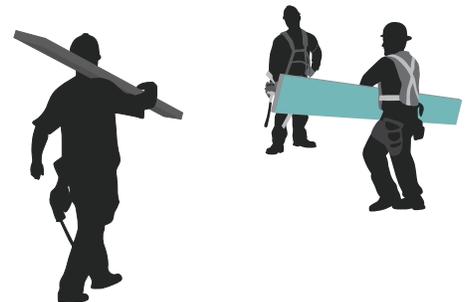
- Brian Lester
- Clements Tilleman
- Kahane Law

Lenders

- Bank of Montreal
- Canadian Western Bank
- CIBC
- First Calgary Financial
- Royal Bank of Canada

AHCC CORPORATE SUPPORTERS AND SUPPLIERS

- Bennett Jones
- Brunn Associates
- Calgary Transit
- Francomedia.com
- Lasso
- Marina Mason & Associates
- PricewaterhouseCoopers
- Primal Painting
- Six Real Estate Consulting
- Source Media Group
- Western Sky Creative



2011 Financial Strategy

The 2011 Financial Strategy for Attainable Homes Calgary Corporation (AHCC) is designed to ensure long-term financial sustainability of the organization. Analysis of key elements of this financial strategy is provided below. This information is current as of February 2011.

REVENUE

Shared Appreciation Model

The Attainable Home Ownership Program (AHOP) is based on a model of shared appreciation. This model offers the opportunity for moderate-income individuals, couples and families, working in Calgary, to step into homeownership and begin building equity that helps secure their future. Proceeds from the shared appreciation at the time of property resale provide revenue that allows AHCC to continue to create home ownership opportunities for other hard-working Calgarians and to meet its financial obligation to The City of Calgary, namely repayment of the loan and value of the land sites. While shared appreciation is the primary source of funding for AHCC in the upcoming years, other revenue sources have also been created to help achieve AHCC's goal for being a financially self-sustaining organization.

Optimized Land Value

Following City Council's approved transfer to AHCC of the sites slated for attainable housing developments, the book value of those properties is to be repaid to The City of Calgary within a 10-year time period and the net land value once the land has been developed will contribute revenue to fund AHCC's ongoing operations and development of attainable homes. In 2011, a budget of \$425,000 is needed to optimize sites for development, including rezoning.

Marketing and Sales

In addition to this, revenue is also generated through the marketing and sales of homes built and sold through the Attainable Home Ownership Program (AHOP). In order to meet pre-sale targets for new construction, the marketing and sales expenses are incurred prior and recuperated at the time of closing.

EXPENSES

Attainable Home Ownership Program Commencement

In just one short year since AHCC began operations, the AHOP will kick off in 2011 and commence sales of the initial projects contributed by its building partner. As shown on the Projected Cash Flow, AHCC will fund its 2011 operations in part by a loan approved by City Council, as revenue generation will commence following the closing of the first sales in early 2012.

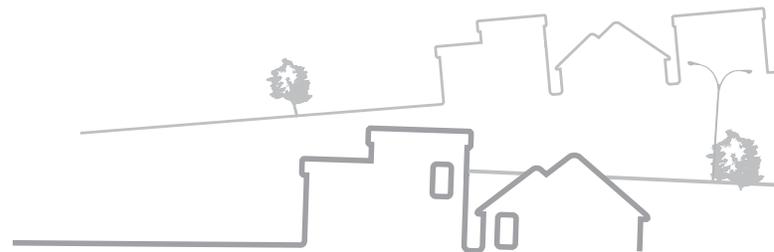
Operational Expenses

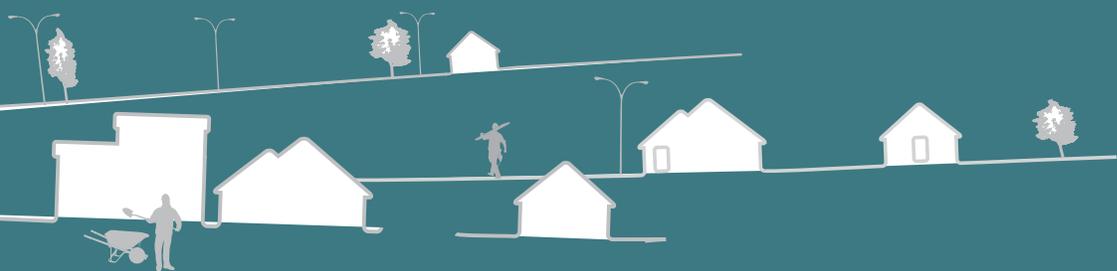
As with most corporate entities, the most significant expense is associated with general administration costs, such as salaries and benefits. Another substantive expense is directed towards marketing and sales of the homes as AHCC launches a sales and marketing campaign on the first AHOP project in 2011.

PROJECTED CASH FLOW

For the Years Ending December 31, 2010 and 2011

	ESTIMATED 2010	PLAN 2011
OPENING CASH POSITION	\$ -	\$ 1,174,847
CITY CONTRIBUTION	1,891,813	-
REVENUES		
Sponsorship	10,000	10,000
Interest Income	1,326	4,000
TOTAL REVENUE SOURCES OF CASH	11,326	14,000
BORROWINGS FROM CITY		
Loan - Operating	-	1,200,000
Loan - Land Transfer	-	6,123,003
TOTAL BORROWINGS	-	7,323,003
TOTAL CASH INFLOW	1,903,139	7,337,003
INTEREST EXPENDITURES	-	25,000
PROJECT EXPENDITURES		
Land	-	6,123,003
Development Expenditures	-	425,210
TOTAL PROJECT EXPENDITURES	-	6,548,213
TOTAL SALES AND MARKETING	60,420	588,950
GENERAL AND ADMINISTRATION EXPENDITURES	667,872	860,640
TOTAL EXPENDITURES	728,292	8,022,803
END CASH POSITION	\$ 1,174,847	\$ 489,047







Attainable Homes Calgary Corporation

1010 – 6th Avenue SW
Calgary, AB T2P 4H5

Tel: 403.265.9935

Fax: 403.265.9937

www.attainablehomescalgary.ca