



# ATTAINABLE HOMES CALGARY CORPORATION

STRATEGIC PLAN  
2017-2022



## PREAMBLE

The AHCC program has assisted over 750 Calgarians achieve homeownership where they never dreamed possible. The existing model performed well in meeting the original mandate, operating effectively under market conditions that prevailed from conception until recently, and has been replicated by other industry players.

Despite the successes of the program, the original model missed the needs of many individuals with aspirations of homeownership. The limited range of housing forms offered did not match the needs of many would-be buyers. Second, the down payment assistance model worked for families with incomes high enough to qualify for a mortgage but unable to save for an ever-increasing down payment in a rapidly rising market; yet it ignored those with savings but incomes too low to qualify for a mortgage.

Much like any builder/development company, we are exposed to the volatility in the market, potentially leading to lower margins and carrying costs on unsold inventory units. Unlike most builders, however, our shared-equity model offers a future revenue stream, but it too is exposed to market fluctuations. We monitor and mitigate these risks on a regular basis, but acknowledge that any new strategy needs to further isolate us from factors beyond our control.

In light of the above, this strategic plan recognizes the need to address these shortcomings and mitigate these risks. Three strategic pillars provide the foundation for our operations: **resilient clients; quality homeownership models;** and **operational excellence**. This strategic vision will better prepare our clients to responsibly enter homeownership. It will focus on the first principles inherent in our mandate: quality affordable homeownership that provides benefits to Calgarians. It will diversify our product offerings to better meet the needs of our client base. We will research, model, pilot and evaluate as part of our commitment to operational excellence.

In doing so, AHCC will provide affordable housing that is accessible to Calgarians where the greatest need exists and assist more Calgarians to be positively engaged and contribute to a vibrant city.

<b>WHY</b>	<b>We improve life trajectories for Calgarians striving to attain quality homeownership.</b>
<b>HOW</b>	<p><b>People</b> -- We operate from a culture of trust, teamwork, purpose, and achievement.</p> <p><b>Sustainability</b> — Our projects reduce the overall environmental impact in such a way that operating efficiency and long-term value are maximized over the building’s lifecycle.</p> <p><b>Financial Stability</b> — We provide value to our stakeholders by operating efficiently and managing risk to maintain financial stability.</p> <p><b>Innovation</b> – We demonstrate leadership by adopting new approaches and best practices to achieve housing quality that meets the needs of communities and Calgarians now and in the future.</p> <p><b>Diversification</b> – We recognize the diverse needs of clients and seek alternative housing forms, tenures, and financial models.</p>
<b>WHAT</b>	We focus our work around three strategic pillars: resilient clients, quality housing models and operational excellence.

## STRATEGIC PLAN SUMMARY

### **Resilient Clients**

Goal 1: Empower clients to responsibly enter homeownership.

Goal 2: Provide client care and support throughout their participation in the program.

### **Quality Housing Models**

Goal 3: Operate under a diversity of financial models that enable clients to achieve financial well-being while achieving organizational sustainability.

Goal 4: Diversify housing forms to capitalize on market gaps and opportunities.

Goal 5: Develop projects that facilitate a high quality of life with an emphasis on community.

Goal 6: Embed sustainable design and energy efficiency in all projects where it reduces operating and life cycle costs.

### **Operational Excellence**

Goal 7: Ensure organizational financial stability, sustainability, and diversification.

Goal 8: Advocate for affordable homeownership.

Goal 9: Build strong partnerships to ensure we are an exemplar of best practices.

## RESILIENT CLIENTS

We will engage with our clients before and throughout their participation in our program to both improve their homeownership readiness and to learn from their experiences to make our program better.

### **Goal 1: Empower clients to responsibly enter homeownership**

- Create pathways for clients to increase their financial literacy to support a sustainable household budget and build a base of assets. Examples include:
  - Third party financial literacy and budgeting programs/services
- Connect clients to available tools and resources to facilitate addressing their financial goals. Examples include:
  - Mortgage default messaging
  - Credit management
  - Debt reduction/consolidation
  - Household budgeting
  - Equity accumulation
  - Income security

### **Goal 2: Provide client care and support throughout their participation in the program**

- Implement a robust client relationship management program that tracks:
  - Satisfaction
  - Services accessed/required
  - Gains in financial freedom and asset growth
  - Potential referrals
  - Assessment of us achieving our mandate and other key metrics
- Establish client financial data tracking program to evaluate success of program in supporting achievement of financial wellbeing. Examples of data to track include:
  - Mortgage health check – payment tracking and default early warning system
  - Equity tracker – system to track home purchase price less mortgage debt
  - Asset build tracker – system to track household asset growth
- Educate communities on the value AHCC projects provide in their neighbourhoods.

### **MEASURES OF SUCCESS**

- Clients have the opportunity to increase their housing equity to move towards a better financial future.
- Three-year foreclosure rate no greater than 0.3% per annum (foreclosures compared to possessions)
- Clients are building housing equity/assets at a rate greater than the cost of living index (measured in survey or tracking tool).

## QUALITY HOUSING MODELS

We will diversify and improve our product offering to better serve the needs of Calgarians. This will include introducing new housing forms, new financing models and an increased emphasis on sustainable design and community enhancement.

### **Goal 3: Operate under a diversity of financial models that enable clients to achieve financial well-being while achieving organizational sustainability**

- Improve existing model to ensure maximum benefit to AHCC and clients
- Study and evaluate a spectrum of financial models, including different mechanisms of financing, tenure and generating return on investment. Examples include:
  - Tenure – own, rent-to-own, perpetual, co-op, down payment assistance
  - Capital markets – city, debt markets, equity markets, pooled funds, etc
  - Seek AREF/foundation funding for full assessment
- Pilot viable new models

### **Goal 4: Diversify housing forms to capitalize on market gaps and opportunities**

- Assess current housing market product offerings compared to demand by segment and determine gaps to identify opportunities.
- Assess and evaluate alternative housing forms in meeting client needs and AHCC performance measures. Examples include:
  - Locked-off rental
  - Micro-suites
  - Tiny homes
  - Modular housing
  - Adaptable design
  - Co-housing
- Pilot viable new housing forms

### **Goal 5: Develop projects that facilitate a high quality of life with an emphasis on community**

- Establish quality of life checklist. Examples include:
  - Amenities
  - Transit
  - Child and elder care
  - Accessibility / visitability
  - Connection to nature
  - Mixed use
  - Diversity – culture, use, residents
  - Generational diversity
- Develop AHCC projects in manner that contributes to quality of life within our communities and adhere to quality of life checklist

**Goal 6: Embed sustainable design and energy efficiency in all projects where it reduces operating and life-cycle costs**

- Ensure all AHCC projects contribute to quality housing through location, architecture and base specifications that contribute to financial well-being of clients and lower life cycle costs. Examples include:
  - Quality low-maintenance materials
  - High-quality finishes
  - Sustainable materials
  - Energy efficient building systems
- Study and assess optimal design and efficiency elements, including assessment of past projects
  - Pilot viable new design and efficiency features

**MEASURES OF SUCCESS**

- Our model has at least two forms of financial structure (i.e., down payment assistance plus one other purposeful approach) (measured through program offering).
- We monitor the social return on investment of our projects.
- Our clients are satisfied that their homes and communities have increased their quality of life.
- We utilize a balanced scorecard to compare our projects and encourage innovation.
- All homes strive to achieve a leading energy efficiency rating.

## OPERATIONAL EXCELLENCE

We will operate efficiently and effectively to ensure stability long term and through advocacy and leadership will aim for continuous improvement.

### **Goal 7: Ensure organizational financial stability, sustainability, and diversification**

- Continue to maintain a strong financial foundation through good governance and financial oversight
- Gain access to low cost capital through relationships with shareholder, key lender, and financial and capital markets
- Expand loan facilities to include construction financing
- Develop mechanisms to receive charitable contributions of land or money
- Develop mechanism to generate and measure SROI
- Assess and explore AHCC as the lead developer

### **Goal 8: Advocate for affordable homeownership**

- Provide program, policy and regulatory insight and advocacy to decision makers and legislators. Examples of areas to consider include:
  - MGA and City Charters
  - Federal housing rules
  - CMHC
- Act as a leader within the affordable/attainable housing sector locally and nationally through participation in industry groups and government sessions
- Support communities to build diversity through our projects

### **Goal 9: Build strong partnerships to ensure we are an exemplar of best practices**

- Maintain strong industry relationships to enable creation of innovative ventures and approaches
  - Brokering
  - Match-making
  - Leveraging assets
- Encourage and support our partners with sustainable design innovation
- Create connections globally to ensure we are always innovating and using best practices
- Operate as a source of best practices and models for the sector through ongoing research and testing of project, operations, and financial innovation

## **MEASURES OF SUCCESS**

- We have a diverse income stream and consistently cover operating expenses with positive cash flow.
- We exceed bank covenants by at least 10%
- We are regularly invited to present our program across the country.
- Our project partners advocate for AHCC and do repeat business with us on a regular basis.