

Attainable Homes Calgary Corporation Loan and Loan Guarantee extensions Bylaws EC2023-0038

2023 February 28

Background/Request

- Attainable Homes Calgary Corporation (Attainable Homes) is a non-profit corporation, created by and is a wholly-owned subsidiary of The City. The loan guarantee from The City has been established since 2009.
- Mission “to provide affordable homeownership options for Calgarians”.
- Since 2009, through its down-payment assistance program, Attainable Homes has helped over 1,100 households attain home ownership.
- In 2023, Attainable Homes will provide housing through its new Perpetual Affordable Program.
- Request: 3 year loan guarantee extension and 3 year mortgage extension to provide adequate financial capacity to develop affordable housing on Attainable Homes’ two remaining land parcels.

Purpose of extensions

Guarantee:

- Attainable Homes Calgary Corporation requires an operating credit facility to manage timing differences between cash outflows and inflows observed during its operating cycle, which involves new home construction, marketing, and new home purchase diligence.

Mortgage

- \$3.2 million extension on two land parcels for construction of two 6-storey (120 total units) apartment buildings in downtown Calgary. The first 70 units, at the 1010 - 6 Avenue SW project, are expected to be completed with all units occupied by the end 2024.

“Attainable Homes is offering a brand-new homeownership program at **1010 – 6 Av SW**. “Affordable For Good” provides access to homeownership at prices much lower than homes in the surrounding area.”





Financial Highlights

Attainable Homes Calgary Corporation

	2023 (Budget) *	2022 (Preliminary)	2021 (Audited)	2020 (Audited)	2019 (Audited)
Number of Homes Sold	90	77	51	61	90
Year End Balance of Operating Facility (\$) (Maximum authorized \$10 million. Guaranteed by The City)	-	30,000	2,516,984	4,001,996	6,251,750
Balance Sheet (\$)					
Total Assets	-	14,415,562	18,955,812	18,030,888	21,632,674
Total Liabilities	-	5,128,063	9,640,871	7,603,249	10,044,603
Net Assets	-	9,287,499	9,314,941	10,427,639	11,588,071
Total Liabilities/Net Assets (Maximum allowed: 3.0 : 1)	-	0.55	1.03	0.73	0.87
Income Statement (\$)					
Sales	25,995,009	19,729,501	12,268,798	14,466,357	20,928,556
Operating Deficiency	2,571	(27,442)	(1,112,698)	(1,160,432)	(2,150,150)

* Total Assets and Liabilities not specifically budgeted. Income Statement amounts are "Base Case".

- Total Assets and Liabilities have declined as inventory has been sold
- Sales increased in 2022 with sell out of Reach Martindale
- Operating Deficiency has effectively been reduced with intentional strategy of business operation surplus covering costs

Recommendations

The Executive Committee recommends that Council:

1. Give first reading to Bylaw 5M2023 (Attachment 2), being the proposed bylaw to amend Bylaw 41M2014, as amended by Bylaw 17M2021, of The City of Calgary (“The City”) authorizing a guarantee of an operating loan facility for Attainable Homes Calgary Corporation (“the Corporation”);
2. Give first reading to Bylaw 6M2023 (Attachment 3), being the proposed bylaw to amend Bylaw 31M2011, as amended by Bylaw 18M2021, of The City authorizing a municipal loan to the Corporation;
3. Withhold second and third readings until the advertising requirements set out in the Municipal Government Act, RSA 2000, c. M-26, have been met; and
4. Direct Administration to amend any existing agreements between The City and the Corporation as applicable and to reflect the Corporation’s credit facility renewal with its financial institution in form and content per the Credit Documentation – Loans and Loan Guarantees Policy and Procedures.