

ATTAINABLE HOMES CALGARY CORPORATION LINE OF CREDIT – DEFERRAL REQUEST

EXECUTIVE SUMMARY

Administration is requesting a deferral to report back to the Priorities and Finance Committee on this matter by 2014 May. Additional time is required in order for Attainable Homes Calgary Corporation (AHCC) to present its business plan to its Board of Directors and subsequently have Administration complete its due diligence and provide recommendations.

ADMINISTRATION RECOMMENDATION(S)

Administration recommends that the Priorities and Finance Committee recommend that Council: Defer the date for presentation of the report back to Priorities and Finance Committee to no later than 2014 May.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2013 DECEMBER 10 AND 11:

That the Administration Recommendation contained in Report PFC2013-0754 be approved.

Opposition to Recommendation:

Opposed: A. Chabot

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 July 16 through Notice of Motion 2013-20, Council directed AHCC to work with Administration to determine appropriate credit facility options and make recommendations to support achieving its mandate and report back to Council through the Priorities and Finance Committee no later than 2013 December 10.

BACKGROUND

In 2009 under report M2009-11, Council approved a \$10 million non-revolving loan facility (with an outstanding loan balance of \$1.45 million at the time of writing) for AHCC operating expenditures. Recently AHCC began exploring alternative delivery models to further its strategic growth plans and seeks more flexible funding sources. In order to evaluate the new request, Administration requires a comprehensive business plan from AHCC. At the time of writing AHCC indicates that good progress is being made and they intend to present the business plan for the AHCC Board of Directors approval on 2013 December 4. Administration anticipates receiving this comprehensive business plan shortly after this date to perform its due diligence and to make recommendations, subject to a comprehensive independent third-party financial consultant analysis. Given the complexity of the request, the level of due diligence, and the iterative nature of the process, Administration is seeking to defer reporting back to the Priorities and Finance Committee no later than 2014 May.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Stakeholder Engagement, Research and Communication

AHCC has reviewed and concurs with this deferral request.

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REQUEST**

Strategic Alignment

None with respect to this deferral request.

Social, Environmental, Economic (External)

None with respect to this deferral request.

Financial Capacity

Current and Future Operating Budget:

None with respect to this deferral request.

Current and Future Capital Budget:

None with respect to this deferral request.

Risk Assessment

There are no significant risks associated with this deferral request. AHCC has indicated that the request is currently an exploratory exercise to align its funding needs with future growth plans and does not require immediate access to the proposed funds. AHCC also indicates its existing operating and capital needs are being addressed through their normal course of operations (which includes accessing its \$10 million non-revolving loan facility as required).

REASON(S) FOR RECOMMENDATION(S):

Administration is waiting for the comprehensive business plan from AHCC, which it anticipates will receive AHCC Board approval on 2013 December 4. Once Administration receives this business plan, it will continue its work to determine options for credit facilities and make recommendations. Consequently additional time is needed to provide the report to the Priorities and Finance Committee no later than 2014 May.

ATTACHMENT(S)

None