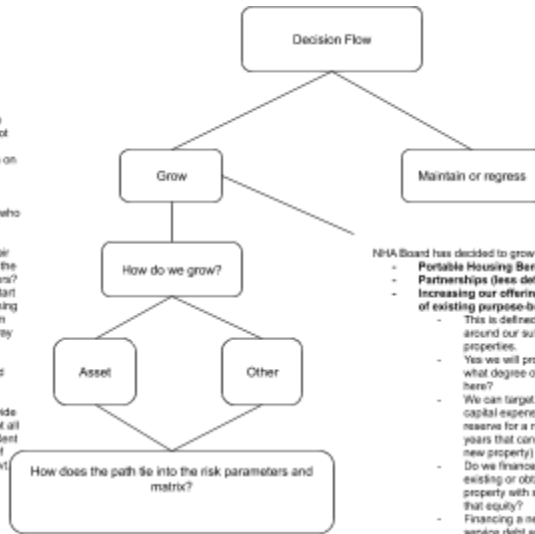


Path Forward (Draft)

Some things we already know:

- Type of building and location
- We fund our capital plan for 3 years worth of expenses
- We want a 50/50 mix in each property but we need to come to terms with the fact that we cannot service debt on anything newly acquired without some limitation on the 50% that are subsidized - numbers don't work.
- But we have opportunities to partner and still serve people who require affordable housing
- Many social service agencies provide a top-up to rent for their clients so why can't we share the cost of subsidizing with partners?
- Families and individuals will start to qualify for the Federal Housing Benefit which will provide them with a top up. This can be a way for NHA to receive \$ without being tied to an operating agreement - it should be noted that all the other housing organizations are doing this. Specifically the ones that provide a fully subsidized building...not all of their residents are paying Rent Ceased to Income as many of the rents are topped up by govt. And social service agencies



NHA Board has decided to grow via:

- **Portable Housing Benefit**
- **Partnerships (less defined)**
- **Increasing our offering of units through acquisition of existing purpose-built rentals:**
  - This is defined in my mind but we need clarity around our subsidy structure for new properties.
  - Yes we will provide affordable rentals but to what degree of affordability? What is our role here?
  - We can target an annual surplus to cover our capital expenses plus build up our future reserve for a new acquisition (eg. \$300K over 3 years that can be used as a downpayment on a new property)
  - Do we finance a new property by leveraging existing or obtaining a mortgage on that new property with some \$ down? Where do we get that equity?
  - Financing a new property will require us to service debt and so a 50/50 mix cannot have 50% of the units at full Rent Ceased to Income
- **Improving our Organizational Sustainability:**
  - Environmental
  - Aging In Place
  - Strong Corp Structure/Ops
  - Commit to Engage Stakeholders

**Risk Parameters (Draft)  
Guidance and Brainstorming**

**Suggested to-do's:**

- Establish specific principles, criteria and goals under each category
- Revise and add categories as needed
- Discuss at the board level.

**Community**

- What type of community engagement and impact do we want - inside and outside of NHA? Level: Individual, corporate, commercial, government (municipal, provincial, federal). Specifically.
- Whom should we engage? How and when do we engage? What level of relationship penetration is NHA shooting for and how do we measure success?
- Number of people served/assisted vs. cash flow

**Culture**

- How do we define culture? Identify specific components.
- What culture do we currently have and where would we like to be - 5 or 10-years from now?
- Quantify: If culture is driven by a specific NHA staff to resident ratio or type/depth of interaction, then let's quantify all the above and determine the thresholds (under a growth scenario for example) that will allow us to get to where we need to be while still maintaining who we are.

**Financial**

- What is our appetite for leverage and/or financial risk. Specifically:
  - Interest rates
  - Loan structures
  - Counterparties
  - Legal liability
  - Commercial structures
  - Terms
  - Duration
  - Guarantees
  - Asset pledges
  - Other

**Partnerships**

- What is our appetite for partnerships? Counterparties, financial institutions, other
- How do we vet potential counterparties?
- Circular-check: How would those partnerships impact community, culture, financial appetite, other?

**Employee engagement and resource allocation/optimization**

- As we grow, how do we keep our employees engaged and resource tasks effectively?
- How do we best deploy our resources, given our focus?

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Risk Matrix: Guidance and Brainstorming (Draft)

	<b>Current Threshold</b>	<b>5-Year Plan/Forecast (or "x" units under management)</b>	<b>10-Year Plan/Forecast (or "x" units under management)</b>	<b>Proposed NHA transaction (Acquisition or other)</b>
<b><u>Community</u></b>				
Number of YYC stakeholders engaged				
Depth of relationship (relationship penetration): 1-5				
Number of provincial stakeholders engaged				
Depth of relationship (relationship penetration): 1-5				
Number of Fed stakeholders engaged				
Depth of relationship (relationship penetration): 1-5				
Number of active community initiatives				
Tenant affordability				
Location: Location of units, proximity to amenities, etc				
People assisted				
Other?				
<b><u>Financial</u></b>				
Leverage (max debt)				
Debt service ratio (interest coverage ratio) - building				
Debt service ratio (interest coverage ratio) - NHA				
Debt to cash flow - building				
Debt to cash flow - NHA				

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Interest rate - fixed or floating				
Number of subsidies				
Depth of subsidy (%)				
<b><u>Culture</u></b>				
NHA employee to resident ratio				
Time to resolve tenant requests				
Other?				
<b><u>Partnerships and stakeholders</u></b>				
Number of partnerships being evaluated				
Criteria/suitability:				
Culture integration (1-5)				
Financial capacity (1-5)				
Revenue (\$)				
Debt (\$)				
Management suitability (1-5)				
Other?				
<b><u>Resources</u></b>				
Other?				
<b><u>Other</u></b>				
Other?				

## Growth

- Portable Housing Benefits (for growth - similar to )
- Acquisition
  - Impact on NHA Culture
  - Location
  - Impact on Affordability
  - Impact on sustaining affordability
    - Maintain subsidized rents
    - Start Portable Housing model
      - On our own?
      - With partners?
        - What are the criteria for this
- Management of properties
- Construction

**Strat Plan committee minutes**

**4:09 Feb 13**

**Maya, Gerald, Aida**

Addition of Roland to committee

Quorum obtained

Accept past minutes- moved-Gerald, seconded- Aida

4. Agenda: Growth Plan parameters:

There is a commitment to future growth

Portable housing benefit:

Construction:

3rd party Building Management:

Purchase of building:

-copurpurchasing with another agency

Finance:

-subsidy model implications

-debt service ratio

Service provision:

-maintenance, event, culture, location

Partner characteristics:

-committee develop categories before April

At next Board meeting, we will review both framework and variables

5. Leveraging Networks

-- in addition to existing promotions, networking, and events, the opening of Riley.

6. Enviro Sustainability Initiatives

-Surveys have gone out, including enviro questions, will likely have replies by April

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7. Aging in Place

-survey included questions on what supports residents feel are needed. will likely have replies by April.

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5:15 adjourn