

Social Finance Options for Affordable Housing in British Columbia's Capital

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Introduction

It is well documented that the cost of developing residential real estate in Canada does not match household incomes. Stated another way, affordable housing is out of reach for a large number of Canadian households. In the absence of a national housing strategy and deep government capital grants and/or operating subsidies, the development of affordable housing has slowed to a trickle. Non-profit housing developers need access to equity to continue to develop new units and increase the stock of affordable housing. In the absence of government funds, the only way to produce real affordable housing for lower incomes is to have access to friendly (low interest), patient capital (i.e. no payments for ten to fifteen years).

The Community Social Planning Council (Community Council), Queenswood Consulting and Sustainability Solutions Group are working on action research to increase social investment capital for affordable housing in BC's Capital Region. This brief has been prepared to orient you to the project in advance of our presentation.

The Co-operative Development Initiative, a program of the government of Canada, funded the Community Council to undertake this study.

The Problem

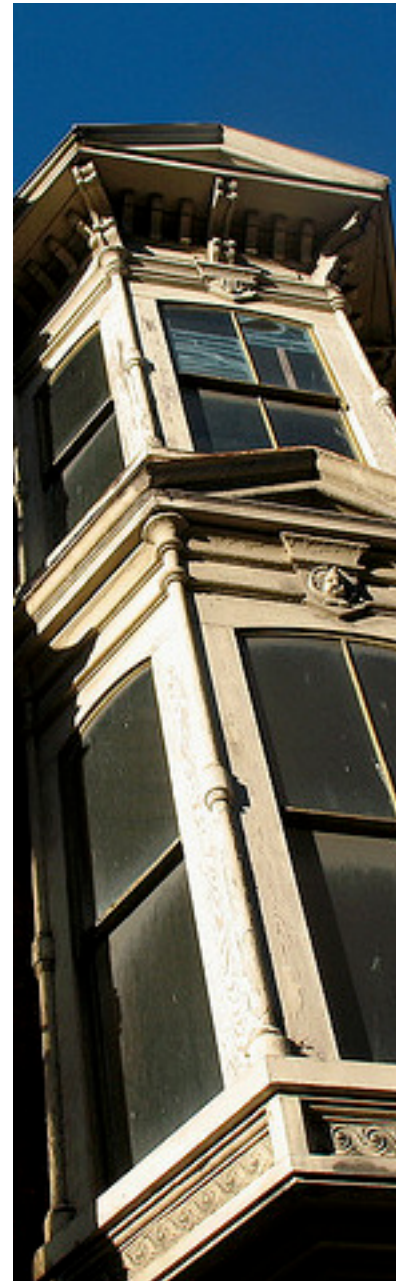
The specific problem this project is trying to solve is access to capital for non-profit, non-market housing projects in the Capital Regional District. The end goal is to increase the number of units in the non-market and affordable housing stock. Non-profit housing developers have access to both grants and mortgage financing in the Capital Regional District; however, projects face an equity gap. The following is a high level look at the numbers to develop some understanding of the equity gap.

At the time of writing, a commonly used figure to estimate the cost per unit of housing in a multiplex is \$200,000. The City of Victoria has a housing trust fund, which will contribute \$10,000 per unit if the unit is rented at an affordable rate (lower than non-market). The Capital Regional District will contribute \$15,000 per unit for projects that include both affordable and non-market units. In order to offer the units at affordable rates, the developer needs to raise an additional \$75,000 - \$100,000 per unit. Historically, non-profit developers have been successful at leveraging additional grant money through local foundations and in some cases, the BC government; however a gap in equity persists. A current development valued at \$5,000,000 has raised 50% equity and still faces a \$250,000 shortfall.

There is -without debate- a considerable amount of personal and organizational capital invested in projects outside the region. We wanted to find out if there was a simple, cost effective way to capture a fraction of this investment capital for investments in local non-profit housing developments.

Deliverable

The key deliverable of this research is a detailed description of an investment method or model tailored to the housing needs and assets of BC's Capital Region.





Background

In 2009, Queenswood Consulting and Sustainability Solutions Group initiated a conversation with the Community Council, Roofs and Roots Housing Co-operative and the Greater Victoria Housing Society to discuss solutions to the lack of money available for affordable housing projects. This resulted in a partnership between the Community Council, Sustainability Solution Group and Queenswood Consulting to pursue a new investment model for Greater Victoria focused on filling the gap.

We are seeking to provide capital that will result in the development of non-market, not for profit, affordable housing projects. In other words, initially, at least, we are looking for capital for non-profit owned housing with a legal dedicated purpose to provide affordable housing. In the absence of government subsidies, initially, the housing units will require market or non-market rents and become more affordable over time. The fund will not cover operating costs of social services, which are often attached to housing the most marginalized in our society.

Potential investors may be individuals, non-profit agencies and co-operatives, foundations, unions, churches and governments.

Our Approach

Asset Based Community Development is an approach or framework rather than a set of technical applications. Asset based approaches to community development are based upon common key factors to successful community development processes emerged. Asset Based Community Development (ABCD) is a term developed by Kretzmann and McKnight; the three elements that distinguish ABCD are: 1) a focus on 'gifts', 2) associational life, and 3) powering the communities hands (Block, 2007)¹.

Asset based approaches to community development is a generally accepted best practice for community development and has been especially productive when used in community economic development planning and action. One definition does not exist, but all asset based community development approaches have the following characteristics.

- Begins from, focuses and builds on the strengths of a community.
- Development is 'by and for the community' whether initiated by the community or outsiders
- Builds or unleashes the capacity of community members both as individuals and as a group to undertake development

Project Steps

Our goal is to make the research immediately practical in application. Our approach will follow three straightforward steps. 1. Building upon the community's assets, come up with the model, 2. Hold workshops, and 3. Refine it. Phase 2 will seek funding for implementation. To understand and articulate the available options, we conducted 14 interviews with experts (lawyers, trust fund managers) as well as local stakeholders in the affordable housing sector. We included a profile of New Dawn Enterprises, a community development corporation, which has been raising local

1 <http://www.iacdglob.org/files/What%20Are%20Asset-Based%20Approaches%20to%20Community%20Development.pdf>

investment funds since 2004. We then presented our findings to a group of local stakeholders and solicited feedback.

Findings Summary

In our interviews, affordable housing developers confirmed the need for investment capital in Greater Victoria. Some initial number crunching revealed that friendly (low interest) and patient (long repayment terms) capital will lower operating costs and result in more affordable housing for lower income families. We also learned that friendly capital alone will not substantially lower the operating costs of an affordable housing project, but it could make the difference between a project going ahead or not going ahead. One housing developer shared the budget for a non-profit housing development valued at \$5 million. This project had raised 50% equity through fundraising and grants and was still short \$250,000 in equity.

We have included below a comparison of a small project with and without investment equity to demonstrate the potential impact. The project assumes units cost \$200,000, an ability to raise \$600,000 through grants and fundraising, and a 30-year mortgage at 4.9%.

In one scenario, no equity is raised through selling investments or 'community bonds.' This project provides no affordable housing while six of the units are rented at non-market rates and 7 of the units are rented at market rates. The project achieves a debt service ratio = 1.07, which means it will not qualify for mortgage financing.

In the second scenario we assume an ability raise \$1 million through investments or community bonds. We assume investors' value both a social and financial return on investment and therefore offer the investments at 1.5% interest. In this scenario, the project rents 7 units at affordable rates, 3 at non-market rates and 3 at market rates. It also achieves an acceptable debt service ratio = 1.1.



Impact Analysis (pre-feasibility level)

\$1 million raised through <i>friendly</i> investment capital (@1.5%)	\$0 raised through <i>friendly</i> investment capital
<p>Total project cost = \$2.6 million # of units = 13 Cost per unit = \$200,000 \$ grants = \$600,000</p> <p>\$ friendly capital = \$ 1 million</p> <p># of affordable units (incomes = \$25k) = 3 (\$625/mo) # of affordable units (\$25 - 35k) = 4 (\$750/mo) # of non-market units = 3 (\$875 - \$1150) # of market units = 3 (\$1400 - \$1500/mo) Debt service ratio = 1.1 (viable)</p>	<p>Total project cost = \$2.6 million # of units = 13 Cost per unit = \$200,000 \$ grants = \$600,000</p> <p>\$ friendly capital = \$ 0</p> <p># of affordable units (incomes <= \$25k) = 0 # of affordable units (\$25 - 35k) = 0 # of non-market units = 6 (\$875/mo) # of market units = 7 (\$900 - \$1500/mo) Debt service ratio = 1.07 (not viable)</p>

Proponents of Social Finance methods and models often point to broader community economic and social benefits. Impacts range from creating opportunities for increased connections between individuals (shareholders) and projects, opportunities to build community wealth through import substitution (replacing non-local investments with local investments) and opportunities to increase economic literacy.

On May 27, 2011 we invited Rankin MacSween, the CEO of New Dawn Enterprises to meet with a group of stakeholders to share his experiences in raising capital for social purpose businesses. Below is a summary of his presentation.



Profile: New Dawn Enterprises experience with CED investment funds

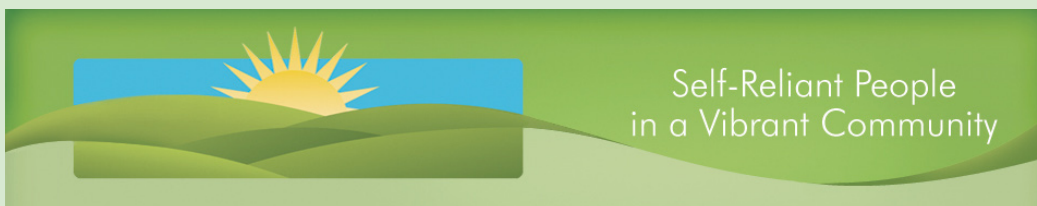
New Dawn was able to avoid the issue of capital for a long time. We built the organization on the basis of debt. We had real estate holdings and the value of housing kept increasing so the equity position of New Dawn was pretty decent. In the 1990's, the province of Nova Scotia announced a new program: the Community Economic Development Investment Funds program. You raise the money, the shareholder gets a 30% tax credit and it is RRSP eligible. It is a good program, but a lot of work. You have to get through the securities commission, you need a prospectus. This was a fair amount of work. Quite frankly- at that time - we couldn't tackle it.

Our problem in Cape Breton wasn't that we didn't have money, but that it just flowed out. In fact, it was like it was raining money, but we had no bathtub. It just flowed out. We wanted to create a bathtub to catch all that money. They estimate all but 2% of RSP's invested provincially - \$650 million - leaves the province in RSP investments. In order for Cape Breton to be 'normally poor' we need to double our economy. We thought if we could capture some of that money leaving the area we could grow our economy. Back in 2000, they closed the last mine. The feds and the province put up a lot of money to invest over 4 years. Everyone had an opinion about where it should go. I think in the end it was frittered away. The point is that we know what comes in but we have no idea about what leaves. We're economically illiterate here.

In 2004, New Dawn decided to launch our own fund. We wanted to fund ourselves. We never had friendly financing. It was always debt financing. In 2004, we did our first campaign. We got approval from the securities commission the last week of January. To take advantage of the RSP season we had until the end of February. About the 15th of January, I started talking and I didn't shut up til last day of February. Essentially we were trying to persuade people that this did make sense.

The first year we raised \$240,000. We went at it again in 2006. We had lots of trouble with the securities commission. We got approval the last week of February and had 6 days to sell our RSP offerings. We raised \$200,000. In 2007, we went at it again. We had more confidence and we spent more money on advertising. We got existing shareholders to talk about their experience. We raised \$700,000 and the next year \$800,000 and then \$950,000 by the 5th one. By the time we got to \$950,000, we had 140 - 150 shareholders. We like shareholders more than we like money. It's friends. The other thing that happened. The recession of 2008, quite frankly, didn't do us any harm. The educational impact of that was good.

Last year, we raised 2.5 million. We have 150 shareholders to stand on. \$2.48 million. It's a lot of hard work, by an awful lot of people. People need hope. It's an opportunity for people to demonstrate that they've got faith in their own community.



The Models

There are essentially four different methods or models to raise investment capital. Of these, only two options – selling RRSP eligible and non-RRSP eligible investment offerings— are immediately available to affordable housing developers. These are presented first in the following section. They require no new community infrastructure to be achievable. They can meet the capital requirements of a project in the short term; however, do not help solve the capital project for affordable housing in a systemic way. We call these investments community bonds, although a community bond is not a legal or technical term.

The other two options require incorporating new and separate entities for the sole purpose of raising social investment capital. While these options hold the most potential for solving social finance gaps over the long term, neither is viable for Greater Victoria in the short term. The two models are discussed in detail in the following section. They are the Social Enterprise Trust Fund model and the opportunities/challenges of using Small Business Venture Development Tax Credit.

Community bonds which are RSP eligible	
Weaknesses	Excludes smaller projects because of cost. It doesn't appear that there is an opportunity to achieve economies of scale or scale up operations by bringing two or more affordable housing developers together. Each project needs a unique statement of offering. The cost of set-up makes it difficult to make the business case for smaller size developments when seeking to raise amounts in \$100,000 - \$500,000 range.
Strengths	Can be up and running quickly. Non-profit housing developers are not dependant upon funders. Fulfils local investor demand for social and ecological returns. Increases local wealth by circulating money in the local economy through import substitution of investment products (i.e. investors transfer global investments to local investments.)
Transaction costs	<ul style="list-style-type: none"> • \$3,000 - \$8,000 for a lawyer to draft the statement of offering. • Specimen Plan from Concentra (\$5,000) • Accountant (3-4hrs) to take plan to CRA • CRA has fees too (\$1,000) • staff/volunteer time to sell the investments • an organization must have audited financial statements
Type of financing gap it may fill	<p>It may make the difference between a project working and a project not working. Capital grants for affordable housing are limited and thus affordable housing projects have very high mortgages. Lenders want to see at least 1.1 debt service ratio which is hard to achieve when affordable housing projects have limited access to equity funds. Private investments lower the mortgage borrowing and thus raise the debt-service ratio.</p> <p>A project can save operating costs for the same length of term as the offering. I.e. If a \$10 million project raises \$0.5 Million through bonds, it could save \$20,000/year in mortgage payments. At the end of 5 years, the project needs a plan for replacing the .5million (unless investors turn over their investment.)</p>
Operating costs	Estimates are between \$8,000 & \$20,000. Costs are on a project-by-project basis and can – for large projects – be rolled into the soft costs of development.
Potential to raise capital	Generally thought to be dependant upon the non-profit developer's networks.
Term length	Determined by affordable housing developer.
Technical requirements	<p>Statement of offering (lawyer)</p> <p>Trustee (Concentra)</p> <p>Audited financial statements</p> <p>Reporting to Canada Revenue Agency (CRA)</p> <p>Specimen Plan</p>

Friendly or Patient Capital	Good potential to provide friendly capital (low financial returns + social returns) Not so great potential to provide patient capital
Market demand	Some moderate-income households may be able to participate by investing a portion of RRSP's locally. This project didn't include doing market research; however, surveys by the Victoria Foundation & City of Victoria indicate affordable housing is a high priority for residents Greater Victoria. The report authors feel confident that a housing project would be able to attract local investors with a preference for investment products that offer social and ecological returns.

Community bonds which are NOT RRSP eligible	
Weaknesses	Has a smaller pool of investors to draw from. Excludes lower- and middle-income investors from investing.
Strengths	Can be up and running fairly quickly and cheaply. Non-profit housing developers are not dependant upon funders. Fulfils a local investor demand for social and ecological returns. Increases local wealth by circulating money in the local economy through import substitution of investment products (i.e. investors transfer global investments to local investments.)
Transaction costs	<ul style="list-style-type: none"> • \$1,000 - \$3,000 for a lawyer to draft the statement of offering. • Trustee Fees for Concentra (no specimen plan) (\$1,000) • staff/volunteer time to sell the investments • staff time to maintain a register of investors
Type of financing gap it may fill	<p>It may make the difference between a project working and a project not working. Capital grants for affordable housing are limited and thus affordable housing projects have very high mortgages. Lenders want to see at least 1.1 debt service ratio which is hard to achieve when affordable housing projects have limited access to equity funds. Private investments lower the mortgage borrowing and thus raise the debt-service ratio.</p> <p>A project can save operating costs for the same length of term as the offering. i.e. If a \$10 million project raises .5 Million through bonds, it could save \$20,000/year in mortgage payments. At the end of 5 years, the project needs a plan for replacing the \$0.5million (unless investors turn over their investment.)</p>
Operating costs	It is possible to get a statement of offering drafted in-kind or at a reduced rate. Costs are on a project-by-project basis and can – for large project – be rolled into the soft costs of development.
Potential to raise capital	Generally thought to be dependant upon the non-profit developer's networks.
Term length	Determined by affordable housing developer.
Technical requirements	Statement of offering (lawyer) Trustee (concentra) Audited financial statements
Friendly or Patient Capital	Good potential to provide friendly capital (low financial returns + social returns) Not so great potential to provide patient capital
Market demand	<p>The investor profile is someone who has a high-risk tolerance (in comparison to RRSP investors), high income and more diversified investment portfolio.</p> <p>This project didn't include doing market research; however, surveys by the Victoria Foundation & City of Victoria indicate affordable housing is a high priority for Greater Victoria residents. The report authors feel confident that a housing project would be able to attract local investors with a preference for investment products that offer social and ecological returns.</p>

BC Small Business Venture Development Tax Credits	
Weaknesses	Restrictions on type of businesses. Only available in rural areas.
Strengths	Do not have to issue a statement of offering. Investors eligible for 30% tax credits.
Transaction costs	Not known at this time; however, the O.U.R. Ecovillage has recently used this legislation to incorporate "Community Trust for Ethical Investment."
Type of financing gap it may fill	Projects will be able to compete with philanthropic charitable donations. Some investors may not expect a return and may be satisfied with the tax credit.
Operating costs	Not known.
Potential to raise capital	Generally thought to be dependant upon the non-profit developer's networks.
Term length	Returns dependant upon profits. Investors buy shares.
Technical requirements	Lots of forms! (more research needed)
Friendly or Patient Capital	<ul style="list-style-type: none"> • Good potential to raise patient capital. • Returns depend on value of shares.
Market demand	<ul style="list-style-type: none"> • Investors may need to be more risk tolerant than purchasers of 'community bonds' • Some charitable donors might have incentive to invest to receive the tax credit.

Social economy fund	
Weaknesses	Dependant upon local leadership from within existing housing funders.
Strengths	Pooling funds will increase the impact & lower operating costs of existing funds. Could streamline & reduce the number of funding applications required by a non-profit developer thereby reduce the cost of developing housing.
Transaction costs	Significant transaction costs at start-up. Each individual board of directors or finance committee would need to approve pooling of funds. After start-up each organization would have smaller transaction costs as one committee (rather than several) and staff could approve and administer the investment.
Type of financing gap it may fill	Patient Capital.
Operating costs	At least one employee, as well as overhead costs.
Potential to raise capital	Determined by fund managers.
Term length	Determined by fund managers, but less of an issue. The assumption behind this model is that the investments would be patient to enable housing.
Technical requirements	Experienced lenders Most funds married with technical assistance services (i.e. training & mentoring)
Friendly or Patient Capital	Good potential to offer both patient and friendly capital, especially in the case of foundations redirecting a portion of their endowment funds to local investments.
Market demand	Insufficient interest from local government & charitable investors to lead this.

An asset inventory for social economy funds in Greater Victoria, is included in the Appendix.

Conclusion

There are three major inputs to developing residential housing: land, construction and financing. We cannot affect the cost of land or construction, but we can affect the cost of financing. In the absence of deep government grants and subsidies, the only way to produce affordable housing for moderately lower incomes is to have access to low interest, very patient capital (i.e. no payments for ten to fifteen years). Shorter-term investment capital is also useful and could in fact make or break an affordable housing development.

Based on outcomes in other jurisdictions, a Community Investment Fund for the Capital Region has potential to attract both private and institutional capital to invest in affordable housing and community economic development. Both the retirement savings of individual households, and the equity investments of institutions and philanthropic pools of capital, could use such a fund to place some of their capital in assets that benefit their local community at the same time as generating a competitive return. From our research, a bond rate of return with a guaranteed exit date will be necessary, suggesting that a mixed portfolio (real estate and enterprises) would be required. Tax incentives involving both the province and RRSP eligibility are also major factors for success. A multi-stakeholder cooperative or similar model for governance would be important to ensure public accountability and community buy-in, together with financial management by a accredited institution.

Recommendation:

The Community Council continue to work with stakeholders on establishing the legal and fiduciary structure for such a fund, negotiating with the Provincial Government on tax incentive options, and working with potential investors on their requirements and interests.

While work is being carried out on the above proposal, the following related options should also be pursued.

Community Bonds that are RRSP eligible

The problem with this approach is the cost of implementation. Investment offerings that are RRSP eligible have significant reporting and technical requirements. A 3rd party administrator is required, and you have to set up a specimen plan with CRA. If you sell registered products you need to submit reports to CRA.

Recommendation: The Community Council convene a group of technical experts such as lawyers, accountants and trust fund managers to provide technical assistance to housing and other social enterprises. This could be modeled after SPARK in Winnipeg.

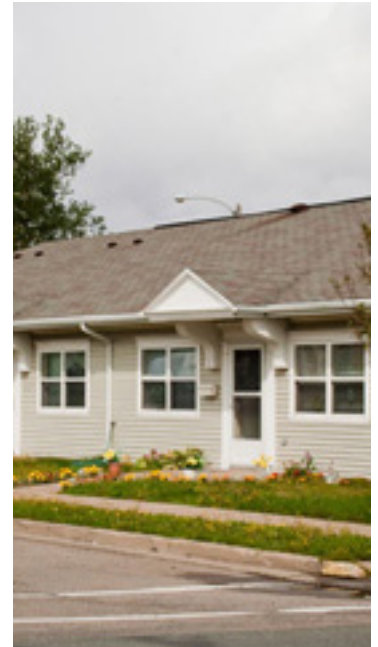
Community Bonds which are not RRSP eligible

The problem with this approach is that you have a smaller pool of investors to choose from. This would be a good approach to do a pilot project and test the market.

Recommendation: We recommend that a non-profit housing developer seek a small grant to do a pilot project and test the market. A small grant would be required to pay for time and resources required to educate board members, stakeholders and potential investors.

BC Small Business Venture Development Tax Credit

The BC government offers a 30% tax credit incentive rural community investments in restricted



sectors such as technology through the provincial Venture Capital Corporation (VCC) legislation. We recommend the province amend the current VCC program or create a new tax credit program to include non-profit housing and other social enterprises as eligible investment options.

APPENDIX I: Overview of Social Economy Funds²

Summary

All of the funds loan to a range of community-benefit businesses including housing. Two of the funds focus as much on providing ethical investment opportunities to investors as they do on providing ethical, patient capital to borrowers. Below is a brief snapshot of the three funds surveyed.

Snapshot Of Three Social Economy Funds

North Country Co-op Development Fund (US)

Founded in the late 1970's. NCCDF is a co-operative of investors and borrowers ranging from churches to private investors (through a Bank managed trust). There is over 140 member co-ops who borrow and invest money in the co-op. Individuals may also become members: individuals may invest money in the co-op or borrow money to buy shares in co-ops. Loans are assessed in two categories: under and over \$60,000. Loans over \$60,000 are eligible for real estate.

<http://www.ncdf.coop/index.html>

Co-operative and Community Finance (UK)

One of the first community lenders in the UK. Started up in the early 1970's. Has three different fund offerings: Community Capital which loans to community-benefit enterprises including housing, and Common Ownership which loans to worker co-ops and employee-owned businesses and a new loan fund for housing co-ops.

<http://www.icof.co.uk/>

Chantier de l'economie sociale trust (Quebec)

In 2006 this fund created with \$52 million. The trust provides patient capital to housing requiring no loan payments for the first 15 years of operations. The trust loans only to collectively held enterprises and has two loan products.

<http://fiducieduchantier.qc.ca/?module=document&uid=56>

Comparison Of Three Social Economy Funds

Purpose

North Country	Chantier	CCF
Loans to Co-ops	Loans to Social Enterprises	Loans to Co-ops and S.E.'s

Capitalization

North Country	Chantier	CCF
200 investors <ul style="list-style-type: none"> (churches, foundations, consumer groups, co-ops, etc) 	4 investors <ul style="list-style-type: none"> \$22 M federal govt. ~ \$10 M Quebec govt. ~\$20 from two different labour funds 	2 investors <ul style="list-style-type: none"> £450,000 from co-ops (1973) £250,000 from UK govt. (1976)

² The information in this section was summarized from the report Creating Capital Pools to Support Social Enterprise Development in Manitoba by Alex Chernoff. See the full report here: http://www.ccednet-rcdec.ca/files/ccednet/MB_SE_Report.pdf

Borrowers

North Country	Chantier	CCF
100 co-ops in 11 states <ul style="list-style-type: none"> • 40% consumer • 25% housing • 10% worker • 25% loans to individuals to access co-op housing 	<ul style="list-style-type: none"> • 12 loans issued in first year (2007) • & 20 under review • 1/3 loans issued to start-ups • Focus on 7000 collective enterprises in Quebec 	Demand outstrips supply <ul style="list-style-type: none"> • Enterprises focus on employment and community renewal such as social housing, waste management, recycling, community media & ...

What are the returns?

North Country	Chantier	CCF
Pays investors interest = ~3.75% + "Guaranteed investment in co-operation"	Federal government investment is non-repayable - All 3 other investors earn interest = Canada Bond rate + 2% (~6%)	Pays investors an interest rate = inflation + "This is an ethical investment with a priority for people rather than profit."

What is the long-term viability of the fund?

North Country	Chantier	CCF
In 2006 <ul style="list-style-type: none"> • Equity ↑ • Profits ↑ • Members ↑ • \$0 loan losses 	<ul style="list-style-type: none"> • First 2.5 years administration of the fund will come from federal government contribution • March 2009 surpluses earned from loans to pay for administration 	<ul style="list-style-type: none"> • Leveraged • \$30 M from initial \$22.5 M investment • First loan loss recorded in 1999 (20 years) was £7000 • Recently small surpluses cover small loan losses • Loan fund is part of larger group of community development corporations and administration is covered by a different organization

APPENDIX 2: Greater Victoria Assets for Social Economy Funds

The following information is an initial scan of existing assets, some of which, if pooled may have greater impact and become sustainable.

Community MicroLending Society - creating infrastructure to access privately held wealth for local investments.

This is a new non-profit society in Victoria that raises private investment to offer \$5,000 loans to individuals who face barriers to employment. Has developed expertise and social capital in a closely related topic.

Greater Victoria Legacy Fund - perhaps > \$5 million

The Greater Victoria Legacy Fund was set up in 2009 when members of the Greater Victoria Savings Credit Union voted in favour of merging with Vancity Savings Credit Union. A condition of the merger was that a fund with 'several million dollars' be set up to invest/granted in community-based initiatives in Greater Victoria. The fund exists. The governors are the former board of directors of the credit union. The fund represents an opportunity to shape something impactful and long lasting in Victoria.

City of Victoria Housing Trust Fund - > \$.5 million annually

The City of Victoria Housing Trust Fund provides grants for new affordable housing units (\$10,000 per unit). The housing trust fund is replenished annually through property tax revenue and possibly density bonuses. In the past there has been more revenue in the fund than monies granted out. There was 'talk' of transferring management responsibility to the Victoria Foundation in the recent past; however, it is now managed by the City's sustainability department. The grants provide much needed capital for affordable housing projects; however, with a downturn in the real estate market the need for grant money is theoretically less and may translate into an opportunity for patient capital (i.e. no repayment for 15 years). If there is a surplus as year end as in the past, it may represent a good opportunity to one-time capitalize a fund.

BC Housing Legacy Fund - \$250 million

This was created by the BC government in 2007. About \$25 million has been spent and is fully subscribed. If the model is to grant out interest, there is an additional opportunity to make the investment side generate larger returns for housing affordability by setting aside a portion of the fund for local investments.

CRD Housing Trust Fund - > \$1 million annually

Funded through property taxes from 12 municipalities. Invested 3.4 million between 2005 and 2009. Grants are usually \$15,000/unit.

Real Estate Foundation

The Real Estate Foundation has previously provided grants for 'bricks and mortar' and has a keen interest in innovation in the sector.

Victoria Foundation

Has an endowment of over \$100 million. There is a movement in Canada for community foundations to strategically invest a portion of endowment funds locally for social and economic benefit.

Vanderkerkhove Foundation

Has been gifting in Greater Victoria for two decades. www.vandekerkhovefamilyfoundation.org/mission

Vancity Community Foundation

Provides grants to affordable housing groups and projects. The Vancity Community Foundation is just starting to explore how it can invest from its endowment side in local projects with blended returns.

Local Churches

Local churches often have land and a large membership base for private investments.