

BACKGROUND

A Dynamic Locally Owned Investment Co-operative

Community Investment Funds take a range of structures and forms -- business, nonprofit, co-operative. A co-operative is the most effective form of incorporation as investment shares in a co-operative structure are eligible for inclusion in one's self-directed RRSP making this an easily accessible vehicle for residents of the region. The Canadian Worker Co-op Federation RRSP Program offers a low cost and accessible option to support RRSP eligibility. Additionally, there are other new investment fund co-operatives that have been developed in BC, Nova Scotia and Alberta that we can learn and use templates from. Finally the cooperative model applies values of democracy, transparency and equality of opportunity that the Investment Fund will promote.

Service Area: Initially the Community Investment Fund was based on servicing the Capital Region, however, there is a lot of interest in this kind of investment option up and down the Island, and the need to operate at an economic scale makes Vancouver Island an ideal service area.

Incorporation: With the services of a cooperative development organization (DEVCO) we are developing the articles of incorporation for the Cooperative, and developing the legal and business framework. By late fall 2013, we expect to have member-investors and a democratically elected board, and begin evaluating prospective investment opportunities. We have already identified some realistic, immediate investment opportunities -- mainly real estate developments that contribute to affordable housing.

Business plan and administration: We still have a number of questions to resolve regarding the Securities Commission process of issuing a Statement of Offering, and will need to complete the business plan. We have asked a Credit Union if they can assist with these and with the financial administration of the Fund. The Community Council is backing the Fund and preparing to provide administration services to keep the operating costs as lean as possible.

What is a Community Investment Fund and how does it work?

Community Investment Fund

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Community Investment Funds or CIFs are gaining popularity across Canada and internationally as tools for communities to build and support local economic and social development. In financial terms, a CIF is way for local people to direct their investments into local projects, CIFs are sometimes, but not always, accompanied by a tax credit and RRSP eligibility. Unlike traditional philanthropy your contribution to a CIF is an investment and comes with both the risk and return associated with that. For example, people could invest in a CIF as part of a Registered Retirement Savings Plan and receive a tax credit. A multi-stakeholder, independent board then evaluates applications and invests money from the local CIF to local environmentally responsible and socially innovative businesses, cooperatives, community enterprises, or affordable housing developments. The CIF in turn provides investors a specific withdrawal date and a target rate of return.

Why Build a Community Investment Fund for Vancouver Island t?

Our research, *Social Finance Options for Affordable Housing in British Columbia's Capital Region* (Chaland, 2012) has shown that the main stumbling block for developers of affordable housing is a lack

of access to low-interest, long-term equity investments. Many such worthy projects and enterprises that could become self-sufficient and benefit our community are challenged to raise funds when trying to develop, expand or innovate. However, access to "friendly" or "patient" capital (long-term or low-cost capital) can support the construction of affordable housing, and create opportunities for businesses, cooperatives and community enterprises to stabilize, expand and more effectively contribute to social, environmental and economic sustainability.

How much money will the CSPC Community Investment Fund have available to invest?

Any investment fund always grows with the investors it attracts. But there is certainly ample investment capital available in our region to develop a robust and influential Community Investment Fund. In 2010, residents of the capital region contributed nearly \$360 million to Registered Retirement Savings Plans alone. But how does that money contribute to the health and vitality of our communities? The answer at this time is likely 'very little'. A Community Investment Fund can change that. A relatively young CIF in Nova Scotia has already captured 2% of their region's

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RRSPs – in Greater Victoria, merely 2% of our RRSPs would redirect an astonishing \$7.2 million into our local economy every single year. Our goal is to reach this benchmark over time- with your support we believe this is attainable within five years. There is immense wealth in Greater Victoria, and we believe our region's citizens are amongst the most socially concerned and environmentally aware anywhere, so we're confident we could eventually capture double, triple, or perhaps an even a greater percentage. Imagine the impacts!

What sorts of enterprises will the CSPC Community Investment Fund support?

CIFs have been used to support a range of enterprises that contribute to social,

environmental, and economic outcomes. New Dawn's CIF in Cape Breton has supported affordable housing, wind energy development, home care services, employment training and more.

Also in Nova Scotia, Just Us! Coffee Roasters, a worker cooperative and Canada's first Fair Trade coffee roaster, has been able to substantially expand operations and re-invest in the local community thanks to CIF support. In Ontario, the [Centre for Social Innovation](#) used community bonds to finance the purchase of a new building and make space available to a host of local non-profits. Closer to home, O.U.R. Eco Village has been experimenting with an [Ethical Investment Mortgage](#) to sustain their property and permaculture site.



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