



COMMUNITY
FORWARD
FUND

IMPACT REPORT
2021



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**COMMUNITY
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PREFACE

MESSAGE FROM THE CEO

Dear reader,

The 2021 Impact Report for the Community Forward Fund (CFF) is our third report in this series. A CFF cornerstone is making capital available to organizations to pursue their mission. We catalyze and support social impact. Measuring this impact is a work in progress. We have, over the past 10 years, developed measurement methodologies that are appropriate for our work, and refined our impact measurement and management framework.

Three years ago, we felt we were at a point where we could share this data and report on the impact that CFF and its borrowers are having across Canada. We acknowledge that the measurement and reporting are not complete – it is illustrative and intended to provide some insight into the results being achieved through the provision of capital to qualified organizations.

While our borrowers are constantly creating an impact in their communities, this report is part of maintaining accountability to our mission and demonstrating our impact to current and future investors, partners, and borrowers. This report provides an assessment of loans in the CFF portfolio as of December 31st, 2021.

The past two years have been particularly challenging for the non-profit sector, for individuals, and organizations alike. The challenges of the pandemic have led to a more precarious economy, which continues well into 2022. Many of our borrowers are community-facing and closed their doors for prolonged periods of time or were required to reduce services. As a loan fund that is based on collaborating with community organizations, and that adapts its services to their needs, it was important to us that we support our borrowers however we could during the pandemic. We continue to monitor the impacts of the pandemic on investees and seek ways to support them as we start a long journey to a more habitual state of affairs.

We offer great thanks to our investors for the continued support we receive in pursuing the CFF mission. I also wish to thank the CFF and New Market Funds teams for their extraordinary efforts – at all times, but in particular, the past two years of disruption and challenge.

As always, we welcome any feedback you may have on the findings in this report.

Sincerely,



Derek Ballantyne, CEO

METHODOLOGY

METHODOLOGY

CFF holds a diverse portfolio of loans. In order to track the impact of our borrowers, we categorize investments in one of eight sectors based on the borrower's core mission or business. These are the Arts; Agriculture, Food & Fisheries; Environment; Financial Services; Health; Housing; Social Enterprise, and Social Services.

Within each sector noted above, one to four standard metrics are identified as relevant to the investment. These metrics are selected from IRIS+, an initiative of the Global Impact Investing Network (GIIN) that is dedicated to increasing the scale and effectiveness of impact investing. IRIS+ created standardized impact measurement metrics in order to support the transparency, credibility, and accountability of organizations making a difference (IRIS+, 2018).

These impact metrics have also been designed to align with the United Nations Sustainable Development Goals (SDGs) and offer an aggregated view of the impacts of CFF investments using a framework that allows a qualitative assessment against other impact investment reports that track progress toward the SDGs.

In addition to the standardized, sectoral metrics, each organization identifies up to three organization- or project-specific goals and metrics that they will track. These organization- or project-specific metrics provide the individual organizations with the flexibility to showcase other goals that are important and specific to the core of their mission that otherwise would have been missed with the standardized measures. These are highlighted in individual case studies.

Loans in the portfolio that are renewed are subject to a full underwriting process, including the review and assessment of the impact metrics originally established for the loan. These metrics may be adjusted at the time of renewal. Loan renewal amounts are included in the total loans issued in the year of renewal.

PREFACE & METHODOLOGY

IMPACT MATRIX

Many of CFF's borrowers are impacting their communities across a range of different sectors. In order to account for this impact but also not overstate it, we have categorized our borrowers by both the sector in which they primarily operate ("borrower's sector"), as well as the sector(s) in which their financed project has an impact ("project sector"). On the sector-specific pages of this report, the '2021 Borrowing' data reflects our borrowers' sectors. The '2021 Impact' data aggregates impact across all project sectors.

	Arts	Environment	Financial Services	Health	Housing	Social Enterprise	Social Services
Adopt4Life							◆◇
Artscape Toronto	◆◇				◇		
Blood Ties Four Direction Centre Society					◇		◆◇
Catalyst Community Development Society					◆◇		
Fredericton Boulderling Co-operative *						◆	
Funeral Co-operative of Ottawa Inc.						◆◇	
Habitat for Humanity Greater Ottawa					◆◇		
Habitat for Humanity Greater Toronto Area					◆◇		
Heartwood House						◆◇	
Peg City Car Co-operative *						◆	
Pegasus Community Project							◆◇
Rural Ottawa South Support Services				◇			◆◇
SOLIDES					◆◇		
St. Hilda's Senior Care Community					◆◇		
The St. Leonard's Society of Hamilton		◇		◇	◆◇		◇
Tucker House Renewal Centre		◇				◆	
Ulnooweg Development Group			◆◇				
Wild Strawberry Children's Centre							◆◇

Legend

- ◆ Borrower sector: sector in which the organization primarily operates; borrower's core mission or business
- ◇ Project sector: sector in which the financed project produced impact

Note: Where possible, Community Forward Fund has reported the direct impact proportional to its contributed financing. However, in several cases, where Community Forward Fund provided essential and catalytic financing, the reported impact reflects that of the entirety of the project.

*Loans from CFF to Fredericton Boulderling Co-operative and Peg City Car Co-operative were made with support from an S4ES program to support social enterprises. The majority of the loans to these borrowers are held at the Canadian Co-operative Investment Fund (CCIF) and therefore the impact of these financed projects is captured in the CCIF impact report.

FUND OVERVIEW: 2012 - 2021

The Community Forward Fund was established in 2012 to provide innovative financing to community organizations across Canada. CFF provides loans to non-profit and charitable organizations to enable their mission of providing long-term community benefit.

HIGHLIGHTS

\$23.3M loaned to diverse organizations

\$16.1M of loaned capital repaid



loans placed in **8** provinces and territories

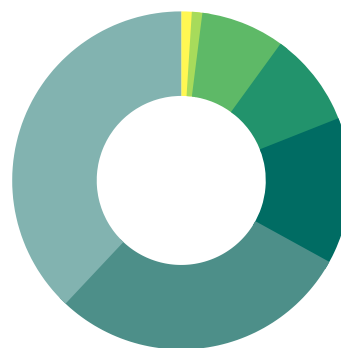


59% of loans to non-profits
41% of loans to charities



57 loan transactions to
46 unique charities, non-profits, and social enterprises

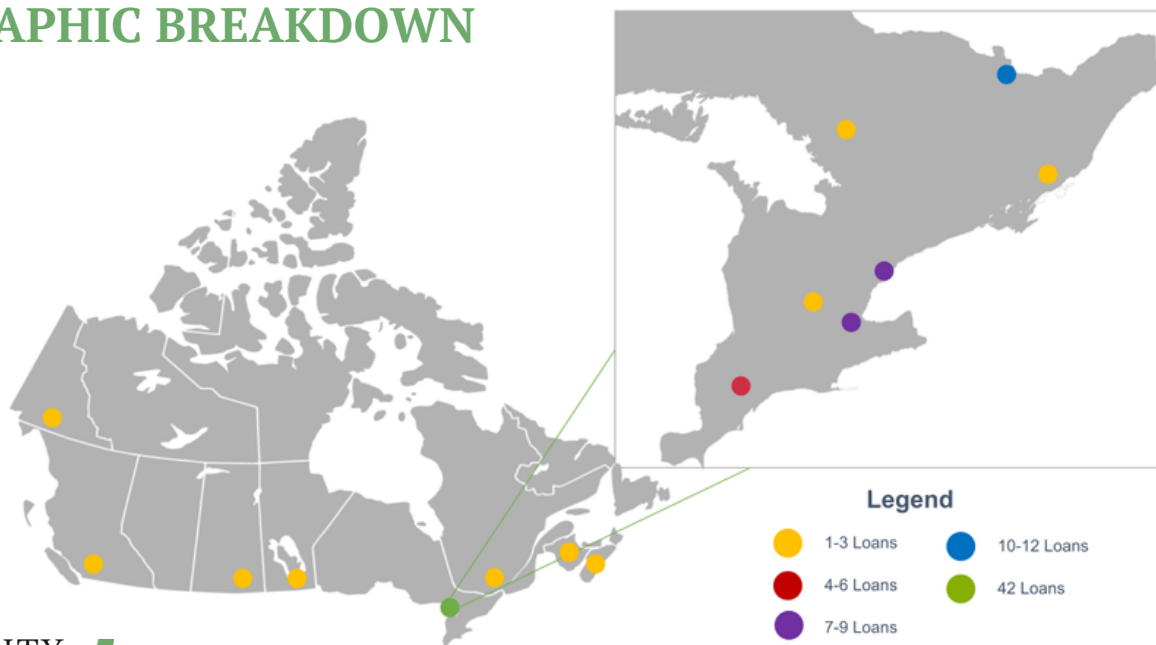
PORTFOLIO SECTOR BREAKDOWN*



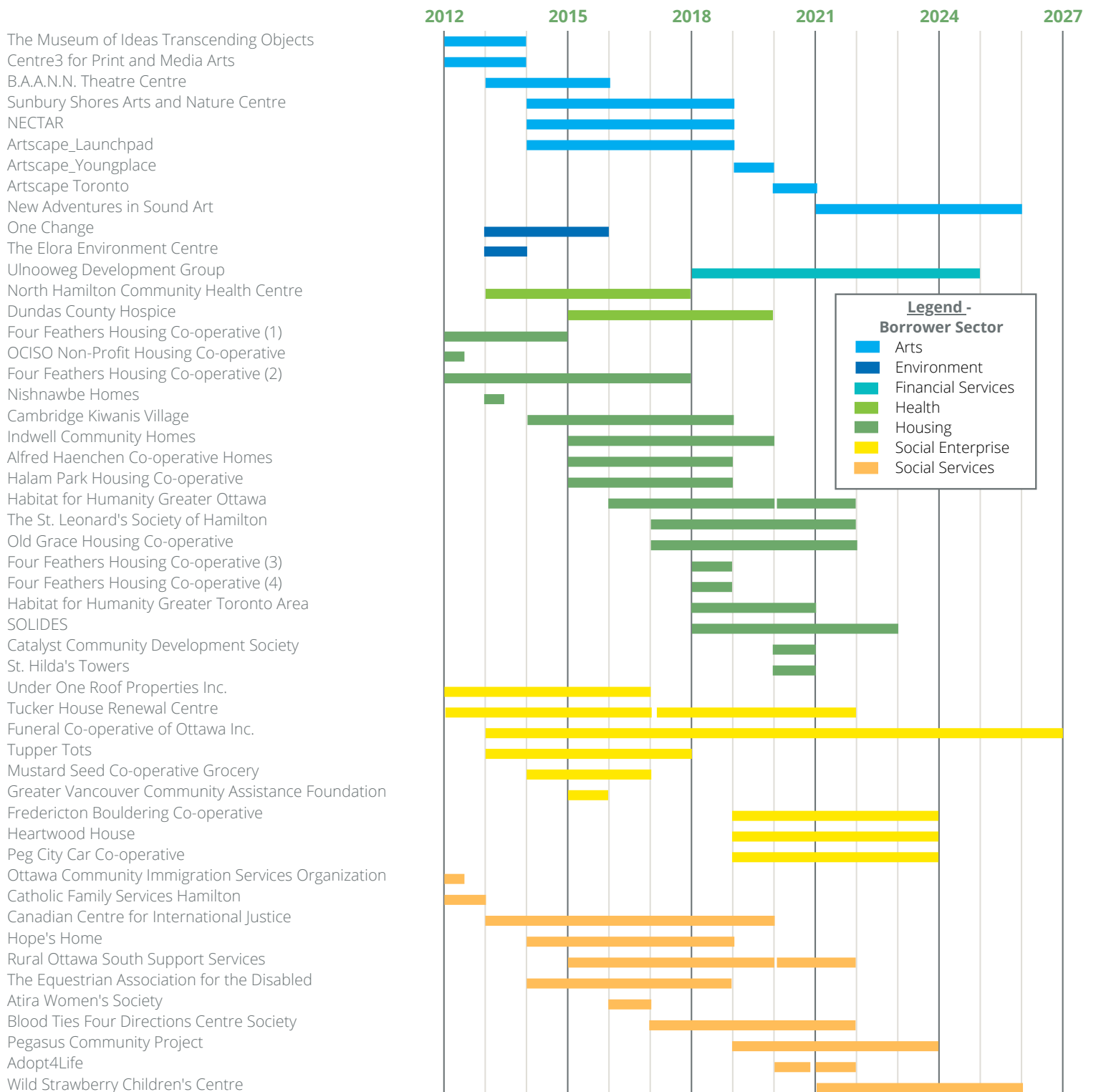
- 1%** Health
- 1%** Environment
- 8%** Social Enterprise
- 9%** Financial Services
- 14%** Social Services
- 29%** Arts
- 38%** Housing

**Based on borrower sector as defined on page 4.*

GEOGRAPHIC BREAKDOWN



FUND HISTORY





IMPACT BY SECTOR

- Arts
- Environment
- Financial Services
- Health
- Housing
- Social Enterprise
- Social Services

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ARTS

Since fund inception, CFF has placed over \$6,653,507 in loans to 7 different charities and non-profits in the Arts. The loans have supported capital projects, acquisitions of spaces, renovations, and operations across 2 provinces.

2021 BORROWING

\$2.46M

loaned to current borrowers¹



2 organizations supported



loans placed in 1 province

2021 IMPACT



1,800 sq. ft.
of community space built²

300
extracurricular programs offered to the community

CASE STUDY



The Project: New Adventures in Sound Art

The Mission: Founded in 2001, New Adventures in Sound Art (NAISA) is a non-profit organization that presents and produces sound art performances and media art installations. NAISA runs the NAISA North Media Arts Centre, which includes indoor and outdoor exhibition areas, a café and an Artist Residency Space. NAISA also has four main annual events with installations that usually last 2-3 months.

The Challenge: As their lease expired at the end of 2021, NAISA was looking to acquire a building that would allow them to have permanency and adequate showrooms. The property will be used for their exhibition, performance space, and a small café.

The CFF Solution: CFF provided NAISA with a secured loan to finance the acquisition of its own space and to support renovations. NAISA identified a property owned by the village with high traffic that will suit their needs.

The Outcomes: With the loan, NAISA acquired the property. They will be able to save on rent expenses and build long-term assets to continue helping build an art community in Northern Ontario.

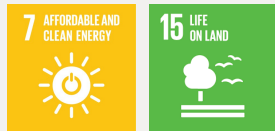
ENVIRONMENT

Since fund inception, CFF has placed \$289,025 in loans to 2 organizations in the environment sector. The loans have supported the purchase of solar panels, appliance retrofits in low-income households and land conservation efforts across Ontario.

2021 BORROWING

CFF had no loans to organizations whose primary sector is Environment in 2021.

2021 IMPACT



14,536 MWh
energy conserved³

450 tonnes
of greenhouse gas emissions reduced⁴

34 acres
of total protected or conserved land area⁵

441 individuals
with new access to renewable energy

CASE STUDY



The Project: Tucker House

Mission: Tucker House is a local environmental group in the Ottawa region that has successfully run day camps for children in the summer and year-round programs for adults on energy efficiency and renewable energy for several years.

The Challenge: In 2009, the Ontario government created a Micro-FIT (Feed-In Tariff) program, that enabled small energy producers to feed electricity into the grid and be paid 80 cents per kilowatt-hour. Tucker House wanted to seize this opportunity and needed capital to purchase solar panels.

CFF Solution: Community Forward Fund worked closely with Tucker House to structure a financing tool that would best meet the organization's needs and support its purchase of solar panels.

The Outcomes: Tucker House purchased the solar panels, allowing the organization to reduce its environmental footprint, provide educational opportunities on renewable energy, and be a role model for sustainability in the community. The system is able to produce just under 9 Kilowatts (kW) of solar energy for Ontario's power grid, helping to reduce the demand for less sustainable energy forms. It also provides them with a sustainable revenue stream to improve the centre's infrastructure and hold accessible community events and educational programs. With the Micro-FIT program, the solar panels will pay for themselves within 15 – 20 years.

FINANCIAL SERVICES

Since fund inception, CFF has placed \$2,000,000 in loans to 1 organization in the Financial Services sector. The loan has supported an Aboriginal Financial Institution in its economic development efforts for First Nations communities in Atlantic Canada.

2021 BORROWING

\$1M

loaned to current borrowers⁶



1 organization supported



loans placed in 1 province

2021 IMPACT*



**Impact data for 2021 was not available for Ulnooweg Development Group*

CASE STUDY



The Project: Ulnooweg Development Group

The Mission: Ulnooweg is a non-profit Aboriginal Financial Institution that supports 34 Mi'kmaq and Maliseet First Nations and Inuit communities. It has more than 67,000 members across Atlantic Canada and has disbursed over \$66 million to the Atlantic Canada Indigenous community in the form of business and community loans. Ulnooweg also supports its members with economic development planning and supporting financial capacity building and awareness.

The Challenge: Ulnooweg's loan demand has exceeded its available capital and federal government funding support, both in terms of volume and loan limits. Federal capital sources cap total loan values at \$250,000, limiting the ability of Ulnooweg to support larger economic development opportunities. In order to meet the needs of its community, Ulnooweg sought financing from the Community Forward Fund.

The CFF Solution: In 2018, CFF provided a credit facility to be drawn down over time, and at full draw down converted into an amortizing loan. The loan is based on a credit assessment of Ulnooweg, giving the organization the flexibility to determine what investment it makes. This is aligned with the principles of economic reconciliation. In 2020, CFF worked with Ulnooweg to increase and renew its loan so as to provide additional investments in the Indigenous communities of Atlantic Canada.

The Outcomes: Ulnooweg uses its loan from CFF to provide loans to community organizations and in 2020 provided two additional loans to fisheries businesses in the community. Ulnooweg expects its funding capacity and the resulting impact, both in terms of community development and jobs created, to continue increasing thanks to its CFF loan.

HEALTH

Since fund inception, CFF has placed \$208,360 in loans to 2 organizations in the Health sector. The loans have supported hospice centres and health centres in Ontario.

2021 BORROWING

CFF had no loans to organizations whose primary sector is Health in 2021.

2021 IMPACT



19

new extracurricular programs offered to the community

1,221 individuals

with new access to healthcare services or facilities

13,335 sq. ft.

of healthcare facilities built or renovated⁷

CASE STUDY



The Project: Rural Ottawa South Support Services (ROSSS)

The Mission: Rural Ottawa South Support Services is a charitable organization incorporated in 1984, based in Manotick. ROSSS provides community-based home support and health programs for seniors and persons with disabilities living in townships in south rural Ottawa, allowing them to continue to live at home. ROSSS's vision is to have a vibrant and healthy rural community where seniors, persons with disabilities, and their caregivers have timely access to a full range of programs and services to support their well-being to continue to live independently.

The Challenge: In 2015, ROSSS had the opportunity to purchase the space it had been renting and improving for several years. The organization required a mortgage as well as additional financing to support capital improvements to the space.

The CFF Solution: CFF worked with ROSSS to structure a capital loan that enabled the organization to acquire and improve the building that they had been renting. After five years, the loan matured in 2020 and CFF worked with ROSSS to extend the loan for two years to allow time for the organization to determine if it would consolidate with another health care provider. The consolidation with the other entity has not yet taken place, however, CFF continues to work with ROSSS to support its members.

The Outcomes: As a result of the CFF loan and the ability to acquire its space in Manotick, ROSSS has been able to continue to provide uninterrupted services to 1,245 seniors and persons with disabilities in the community.

HOUSING

Since fund inception, CFF has placed over \$8,826,527 in loans to 13 organizations in the Housing sector. The loans have supported affordable housing for low-income families, Indigenous communities, and women in 4 provinces and territories.

2021 BORROWING

\$4.95M

loaned to current borrowers⁸



6 organizations supported



loans placed in 3 provinces

2021 IMPACT



1,385 individuals housed⁹

444

new affordable units constructed⁹

CASE STUDY



The Project: St. Hilda's Towers Inc. (St. Hilda's)

The Mission: St. Hilda's is a non-profit housing community that has been providing affordable housing and healthcare assistance to seniors in Toronto since 1977.

The Challenge: St. Hilda's is undergoing a project to substantially renovate and refurbish two of its three towers. In order to continue moving project approvals forward and maintain project momentum, St. Hilda's required bridge financing prior to accessing its construction financing.

The CFF Solution: CFF worked closely with St. Hilda's to structure a financing tool that would best meet its needs. In 2020, CFF provided St. Hilda's with a bridge loan to help support its operations and predevelopment work on the project while construction financing was secured. In 2021, they were granted an extension due to delays in the construction financing and subsequently repaid the loan once financing was secured.

The Outcomes: Renovations of the first of the two towers started in 2021. The refurbishment of the two housing towers will modernize 333 units of affordable rental housing for seniors. The project will substantially renovate the towers including increased accessibility, improved building systems, energy retrofits, unit repairs, podium modernization, and an additional 20 to 30 new apartment units. St. Hilda's residents will enjoy continued affordable housing and healthcare assistance in the newly renovated buildings.

SOCIAL ENTERPRISE

Since fund inception, CFF has placed over \$1,962,964 in loans to 9 organizations in the Social Enterprise sector. The loans have supported organizations such as a funeral co-operative, a daycare, a legal services organization, and a co-working space across 4 provinces.

2021 BORROWING

\$766,215

loaned to current borrowers



5 organizations supported



loans placed in 3 provinces

2021 IMPACT

2

jobs directly supported

26,151 sq. ft.
of community space built¹⁰

17,107 individuals served



CASE STUDY



The Project: Heartwood House

The Mission: Heartwood House has been strengthening the work of small charities and non-profits since 2001, by providing affordable and accessible workspace. Heartwood House and its members provide a variety of services to Ottawa residents living in poverty, and/or who are disadvantaged due to disabilities, low literacy, language, housing, unemployment, or health challenges. Heartwood House provides a mutually supportive, hospitable, and empowering environment for its members.

The Challenge: Heartwood House purchased its space in 2012 but experienced some setbacks with the redevelopment. Heartwood House looked to refinance its existing debt and improve its working capital.

CFF Solution: CFF was able to help Heartwood House refinance its debt which resulted in significant debt service savings and improved working capital to continue running its operations smoothly.

The Outcomes: Heartwood House manages over 26,000 square feet of affordable working space for charities and non-profits to serve their communities. The space was renovated between 2012 and 2013 and continues to be upgraded to meet the needs of its members. In 2019, Heartwood House received the honour of the David C. Onley Award for Leadership in Accessibility from the Province of Ontario for its efforts to provide a fully accessible building for the people served. The Community Forward Fund loan empowered Heartwood House to continue its work to provide affordable space for small charitable and non-profit organizations to serve more than 15,000 people in the community.

SOCIAL SERVICES

Since fund inception, CFF has placed \$3,315,687 in loans to 11 organizations in the Social Services sector. The loans have facilitated social services for many community groups, including new immigrants to Canada, adults with developmental disabilities, and youth in 5 provinces and territories.

2021 BORROWING

\$1.58M

loaned to current borrowers¹¹



6 organizations supported



loans placed in 3 provinces

2021 IMPACT



11,629 sq. ft.

of community facilities built¹²

1,801

individuals served

CASE STUDY



The Project: Blood Ties Four Directions Society

The Mission: Blood Ties' mission is to eliminate barriers and create opportunities for people to have equal access to health & wellness and to live in their community with dignity.

The Challenge: Whitehorse has an affordable housing shortage and there are very few private rental apartments available. Landlords tend to favour upwardly mobile young professionals for their rental units. People who need support for successful housing outcomes are often left out of market rental housing; as a result, they tend to be chronically homeless and live in temporary shelters year-round. Blood Ties wanted to find and buy land in which to place tiny homes for affordable housing. However, land costs in Whitehorse were quite high and Blood Ties needed to borrow money, but were turned down by other financial institutions.

The CFF Solution: CFF saw the potential in the tiny homes project and was able to approve a capital loan to purchase land. In October 2017, Blood Ties made an offer to purchase a downtown corner lot. Once the land purchase was secured, Blood Ties was able to harness funding grants for the buildings to build five tiny homes.

The Outcomes: By securing land, Blood Ties was able to proceed with the tiny homes project and provide a home to five people who faced barriers to housing in Whitehorse.



OUR BORROWERS' IMPACT TO DATE

Capturing the total impact of CFF lending is not always easy. Loan purposes and borrowers can be diverse which is why, over the years, CFF has adapted and refined its approach to calculating and measuring impact. Therefore some of the impact metrics cannot be accurately reported since the Fund's inception.

The impact results listed below are an extrapolation of current impact assessments. The annual impact assessment for a borrower is multiplied by the number of years since the beginning of the impact. The total impact is then adjusted to ensure that impacts are not over-estimated (short-term impacts are not over counted). The overall CFF impact results should not be taken as actual results.

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OUR BORROWERS' IMPACT TO DATE

Previous sections of this report have highlighted the impact from our borrowers during 2021. This section provides an estimated total impact of all of Community Forward Fund's borrowers since the beginning of their partnership with us.

The Arts	Number of new extracurricular programs offered to the community	307
	Number of individuals with new access to facilities and/or programs	20,483
	Square footage of community space built	154,500
Environment	Number of individuals with new access to renewable energy and energy-efficient products	1,402,205 ¹³
	Energy conserved (MWh)	74,500
	GHG reductions due to products sold (tonnes CO2e)	11,322
	Total protected or conserved land area (acres)	34
Financial Services	Value of microfinance loans disbursed (\$)	70,300
	Number of clients served	1,124
Health	Number of clients with new access to services or facilities	4,300
	Square footage of healthcare facilities built or renovated	4,077,918 ¹⁴
	Number of new extracurricular programs offered to the community	19
Housing	Number of individuals housed	2,326 ¹⁵
	Number of affordable housing units constructed	847
Social Enterprise	Number of new business created	2
	Square footage of community space built	26,151
	Number of individuals served	18,135
	Number of jobs intentionally created/supported as a result of the loan	2
Social Services	Square footage of community facilities built	126,264
	Number of individuals served	60,791
	Number of jobs intentionally created/supported as a result of the loan	4

NOTES & ASSUMPTIONS

1 - Includes \$2.2M of refinanced loans with Artscape Toronto.

2 - Projects may still be under construction.

3 - Tucker House installed 2019 solar panels on its facilities. It is assumed that each solar panel array produces 5kW (or 600kWh) of energy per month, 7,200 kWh per year.

4 - According to The Atmospheric Fund's report *A Clearer View on Ontario's Emissions: Electricity emissions factors and guidelines* (2019), Ontario's electricity grid produces an average of 31 grams of carbon dioxide equivalent per kWh. It is assumed that the electricity produced by Tucker House's installed solar panels is emission-free.

5 - Total area on which Tucker House's solar panels sit.

6 - Projects may still be under construction.

7 - Includes \$1M of renewed loans with Ulnooweg Development Group.

8 - Estimates were used for housing projects in which the exact number of occupants per unit is unknown. It is assumed that shelters and transitional housing accommodate one person per unit; one-bedroom units accommodate two people; two- and three-bedroom units accommodate three to four people.

9 - Projects may still be under construction. 310 units will not be newly constructed but renovated.

10 - Projects may still be under construction.

11 - Includes \$449,060 of renewed loans with Rural Ottawa South Support Services (ROSSS).

12 - Projects may still be under construction.

13 - One Change reached 1.4 million households with its Porchlight Programs from 2007 to 2008. We are assuming a similar reach during the years when it had a loan with CFF.

14 - Includes the 92-acre property of Mount Hope Farm in which The Equestrian Association for the Disabled (TEAD) operates.

15 - As the turnover rate is unknown, this value represents the housing capacity of all projects/units constructed over the lifetime of the fund to date, and not the cumulative number of people housed.

