



COMMUNITY  
FORWARD  
FUND



IMPACT REPORT  
2020



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COMMUNITY  
FORWARD  
FUND



# PREFACE

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## MESSAGE FROM THE CEO

Dear reader,

We are pleased to present the 2020 Impact Report for the Community Forward Fund (CFF). This is our second annual report, following our inaugural report in 2019. We have spent several years creating and refining our impact measurement and management framework to bring us to the point where we could report on quantitative data about the impact that CFF and its borrowers are having across Canada.

At CFF, we are passionate about enabling and strengthening the mission of non-profits, charities, and social enterprises. While our borrowers are constantly creating 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, 2020. We have also provided a summary of the overall impact of CFF lending since fund inception.

As you know, 2020 was a trying year for individuals and organizations alike and the challenges continue well into 2021. Many of our borrowers are community-facing and had to close their doors for prolonged periods of time. As a loan fund that prides itself in understanding and collaborating with community to address its needs, it was important to us that we support our borrowers however we could during the pandemic. We reached out to all borrowers in March 2020 to ask what would help them weather the storm and, with the support of our community-driven board and the patient capital from our investors, were able to extend full or partial payment deferrals for up to six months for each borrower that needed it. While no further deferrals have been requested since September 2020, we continue to remain engaged with our borrowers as they navigate the continued uncertainty.

We thank you for your support and welcome any feedback you may have on the findings in this report.

Sincerely,



Derek Ballantyne, CEO

# METHODOLOGY

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## 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 '2020 Borrowing' data reflects our borrowers' sectors. The '2020 Impact' data aggregates impact across all project sectors.

	Arts	Environment	Financial Services	Health	Housing	Social Enterprise	Social Services
Adopt4Life							◆◇
Artscape Launchpad & Youngplace	◆◇		◇		◇		
Blood Ties Four Directions Centre Society					◇		◆
Cambridge Kiwanis Village					◆◇		
Canadian Centre for International Justice							◆◇
Catalyst Community Development Society					◆◇		
Fredericton Boulderling Co-operative*						◆	
Funeral Co-operative of Ottawa Inc.						◆◇	
Habitat for Humanity Greater Toronto Area					◆◇		
Habitat for Humanity Greater Ottawa					◆◇		
Heartwood House						◆◇	
Hope's Home				◇	◇		◆◇
Indwell Community Homes					◆◇		
Peg City Car Co-operative*						◆	
Pegasus Community Project							◆◇
Rural Ottawa South Support Services				◇			◆◇
SOLIDES					◆◇		
St. Hilda's Towers					◆◇		
The St. Leonard's Society of Hamilton		◇		◇	◆◇		◇
Tucker House Renewal Centre		◇				◆	
Ulnooweg Development Group			◆◇				

### 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 - 2020

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

**\$21.4M** loaned to diverse organizations

**\$12.7M** of loaned capital repaid



loans placed in **8** provinces and territories



**51%** of loans to non-profits

**49%** of loans to charities



**53** loan transactions to over 44 unique charities, non-profits, and social enterprises

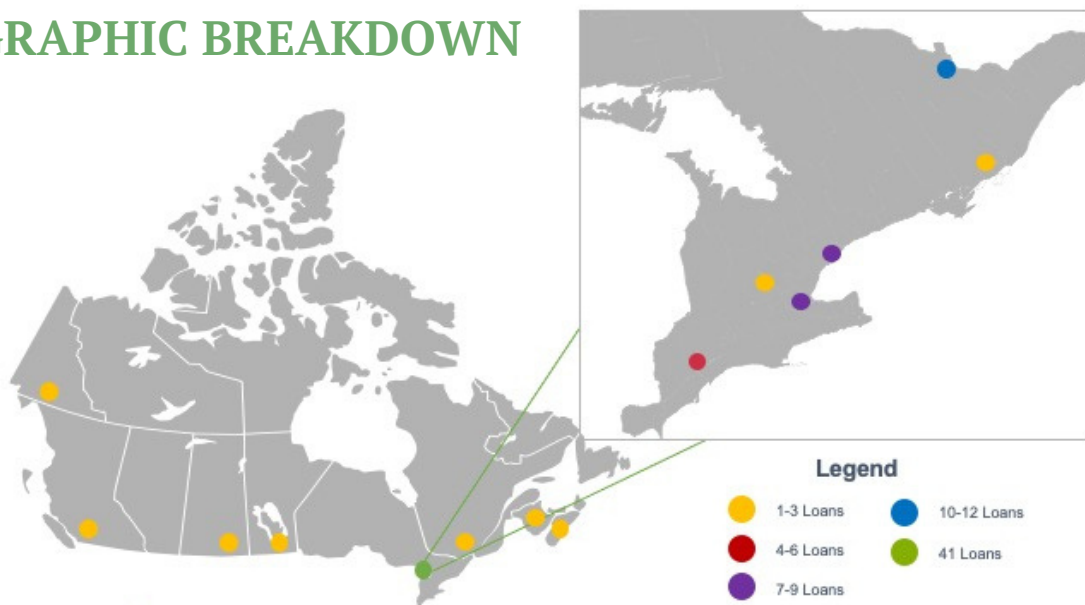
## PORTFOLIO SECTOR BREAKDOWN\*



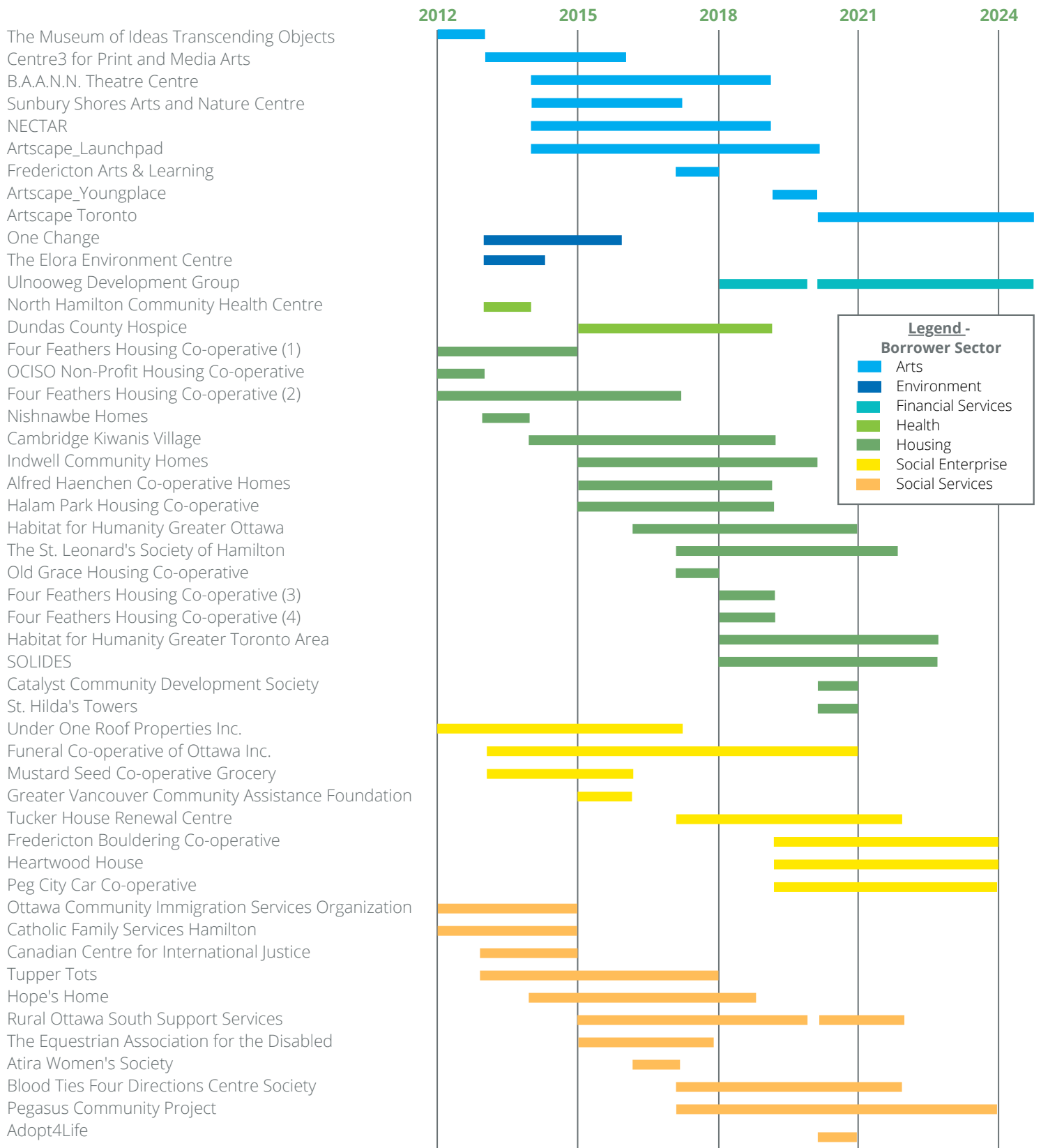
- 1%** Health
- 1%** Environment
- 5%** Financial Services
- 9%** Social Enterprise
- 13%** Social Services
- 30%** Arts
- 41%** Housing

*\*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





# ARTS

Since fund inception, CFF has placed over \$6,413,402 in loans to 6 different charities and non-profits in the Arts. The loans have supported capital projects, acquisitions of spaces, renovations, and operations across 2 provinces.

## 2020 BORROWING

**\$4.45M**

loaned to current borrowers<sup>1</sup>



2 organizations supported



loans placed in 1 province

## 2020 IMPACT



**18,423 sq. ft.**  
of community space built<sup>2</sup>

## CASE STUDY



**The Project:** Artscape Toronto

**The Mission:** Artscape was founded in 1986 initially to support artists struggling to afford Toronto real estate. Today, Artscape combines affordable housing for artist-led families with community cultural hubs. Artscape is committed to building a world that engages artists, culture and creativity as catalysts for community vibrancy, prosperity and inclusiveness.

**The Challenge:** Artscape looked to CFF to support two of its projects to date. While both projects were successful in securing government grants and community bonds, Artscape was still left with a gap in its projects' financing.

**The CFF Solution:** In 2014, CFF provided a first loan allowing Artscape to retain ownership of units in its Youngplace project. A second loan was made in 2019, bridging the community bond raise and supported the construction of their new Launchpad project. In 2020, CFF worked with Artscape to combine its existing loans into a single, renewed loan. Refinancing with an established partner at a time of uncertainty allowed Artscape to focus on supporting artists and managing its cashflows.

**The Outcomes:** Artscape Youngplace is a 75,000 sq. ft. space that opened in 2013 and is devoted to artistic inspiration, learning, growth, and expression. Artscape Launchpad is a \$30 million project that opened in 2018 and is a 35,000 sq. ft. of co-working space, studio spaces, and a digital media lab. Overall, Artscape provides 6,500 artist tenants with affordable housing and workspace and hosts 720,000 people annually at its diverse events and programs.

# 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.

## 2020 BORROWING

CFF had no loans to organizations whose primary sector is Environment in 2020.

## 2020 IMPACT



14,536 MWh  
energy conserved<sup>3</sup>

450 tonnes  
of greenhouse gas emissions reduced<sup>4</sup>

34 acres  
of total protected or conserved land area<sup>5</sup>

441 individuals  
with new access to renewable energy

## CASE STUDY



**The Project:** The St. Leonard's Society of Hamilton (SLSH)

**Mission:** The St. Leonard's Society of Hamilton facility was built in the early 1900s as two large single-family dwellings. These buildings have been heavily used as a halfway house facility for over 40 years, by people transitioning from prison back into the Hamilton community. The success of this 36-bed residential program is to transition clients who are coming out of prison and returning to the community, to become financially independent and not commit new offences.

**The Challenge:** The site has never had a proper HVAC system. The cost of the renovations for this type of facility was well in excess of the savings of the Society and the limit of any one lender.

**CFF Solution:** A second mortgage was sought from the Hamilton Community Foundation in concert with a second mortgage from CFF. CFF provided oversight and due diligence for both second mortgages.

**The Outcomes:** The project was completed in 2018 and SLSH is now living in a modern, fully accessible site. The renovated site has ground floor access and an elevator to all levels.

# FINANCIAL SERVICES

Since fund inception, CFF has placed \$1,000,000 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.

## 2020 BORROWING

\$1M

loaned to current borrowers<sup>6</sup>



1 organization supported



loans placed in 1 province

## 2020 IMPACT



484 clients served

\$703,000

of loans disbursed to small businesses

## 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 used its loan from CFF to provide 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.

## 2020 BORROWING

CFF had no loans to organizations whose primary sector is Health in 2020.

## 2020 IMPACT



1,263 individuals

with new access to healthcare services or facilities

12,034 sq. ft.

of healthcare facilities built or renovated<sup>7</sup>

## 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 on the space.

**The CFF Solution:** CFF worked with ROSSS to structure a mortgage and financing product that enabled the organization to acquire and improve the building that they had been renting. In 2020, CFF worked with ROSSS to extend the initial loan to continue to support the organization's provision of support and health programs for seniors and physically disabled individuals living in rural greater Ottawa, and also to allow the organization the time needed to determine if it will merge with another organization.

**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 1,221 seniors and persons with disabilities in the community.

# HOUSING

Since fund inception, CFF has placed over \$8,704,293 in loans to 14 organizations in the Housing sector. The loans have supported affordable housing for low-income families, Indigenous communities, and women in 4 provinces and territories.

## 2020 BORROWING

\$5.5M

loaned to current borrowers<sup>8</sup>



6 organizations supported



loans placed in 3 provinces

## 2020 IMPACT



1,299 individuals housed<sup>9</sup>

494

new affordable units constructed<sup>9</sup>

## CASE STUDY



**The Project:** Catalyst Community Developments Society

**The Mission:** Catalyst is a non-profit real estate developer based in Vancouver, BC that was established in 2013. To date, the organization has completed development on approximately 180 homes, with that number anticipated to grow over the next few years to over 700 below-market rental homes for over 1,300 people whose household incomes are generally between \$30,000 and \$108,000 per year.

**The Challenge:** Catalyst is undertaking a project to construct 14 new affordable housing units in Tofino, BC. In the summer months, the large influx of both tourists and seasonal workers exacerbates housing problems, as much of the available housing is turned over to the vacation rental market. There is an acute shortage of affordable and appropriate accommodation for seasonal non-resident workers. In order to continue moving project approvals forward and maintain project momentum, Catalyst required bridge financing prior to accessing its construction financing.

**The CFF Solution:** CFF worked closely with Catalyst to structure a financing tool that would best meet its needs. In 2020, CFF provided Catalyst with a bridge loan to help support its operations and pre-development work on the project while construction financing was secured.

**The Outcomes:** The construction of these 14 new units of affordable housing will help to alleviate the acute housing shortage in Tofino by providing homes for several community members including several of its seasonal workers.

# SOCIAL ENTERPRISE

Since fund inception, CFF has placed over \$1,962,875 in loans to 9 organizations in the Social Enterprise sector. The loans have supported a funeral co-operative, a daycare, a legal services organization, and a co-working space across 4 provinces.

## 2020 BORROWING

\$766,125

loaned to current borrowers



5 organizations supported



loans placed in 2 provinces

## 2020 IMPACT



26,151 sq. ft.  
of community space built <sup>10</sup>

17,135 individuals served

## CASE STUDY



**The Project:** Heartwood House

**The Mission:** Heartwood House was established in 2001 and is a non-profit charitable organization dedicated to supporting small non-profit and charitable organizations by offering an affordable and accessible workplace. Heartwood House and its member organizations provide a wide variety of services to support Ottawa residents living in poverty, and/or who are disadvantaged due to disabilities, low literacy, language, housing, unemployment or health challenges.

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

**CFF Solution:** CFF was able to help Heartwood House refinance its debt which will result 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. Each year over 15,000 people are served by the members of the Heartwood House community. The Community Forward Fund loan empowers Heartwood House to continue its work to provide affordable space for small charitable and non-profit organizations to serve low income communities.

# SOCIAL SERVICES

Since fund inception, CFF has placed \$2,835,687 in loans to 10 organizations in the Social Services sector. The loans have facilitated support and social services for new immigrants to Canada, adults with developmental disabilities and other community members in 4 provinces and territories.

## 2020 BORROWING

\$2.04M

loaned to current borrowers<sup>11</sup>



7 organizations supported



loans placed in 3 provinces

## 2020 IMPACT



97,101 sq. ft.

of community facilities built<sup>12</sup>

11,278

individuals served

## CASE STUDY



**The Project:** Adopt4Life

**The Mission:** Adopt4Life (A4L) serves as Ontario's association for kin, customary care, and adoptive parents and caregivers. The organization fosters a community of people with lived experience that strengthens and empowers parents and caregivers to achieve permanency for children so that they can reach their full potential.

**The Challenge:** A4L receives funding from the Ministry of Community, Children, and Social Services for the province of Ontario and is able to provide its services to the community free of charge. As a small registered charity, Adopt4Life did not have the flexible reserves to bridge the timing of those funds without affecting parents and families.

**The CFF Solution:** A4L approached CFF for support in bridging the government funds withheld while the organization finalized its annual reporting. CFF worked with A4L to structure a loan that would meet its cashflow needs and support its continued successful operations. The loan was successfully repaid and then renewed and increased in 2020.

**The Outcomes:** A4L has supported over 1,100 parents and caregivers to date who are registered for peer and mentor support services. The services that A4L provides its community will continue to work towards helping families form permanent, supportive homes, and building healthy attachments that support healing from past traumas and losses.



# 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 term of the loan. 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 2020. This section provides an estimated total impact of all of Community Forward Fund's borrowers since the beginning of their partnership with us.

<b>The Arts</b>	Number of new extracurricular programs offered to the community	7
	Number of individuals with new access to facilities and/or programs	20,483
	Square footage of community space built	152,700
<b>Environment</b>	Number of individuals with new access to renewable energy and energy-efficient products	1,401,764 <sup>13</sup>
	Energy conserved (MWh)	59,963
	GHG reductions due to products sold (tonnes CO2e)	7,266
	Total protected or conserved land area (acres)	34
<b>Financial Services</b>	Value of microfinance loans disbursed (\$)	70,300
	Number of clients served	1,124
<b>Health</b>	Number of clients with new access to services or facilities	6,994
	Square footage of healthcare facilities built or renovated	4,076,617
	Number of new extracurricular programs offered to the community	18
<b>Housing</b>	Number of individuals housed	2,326 <sup>14</sup>
	Number of affordable housing units constructed	847
<b>Social Enterprise</b>	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
<b>Social Services</b>	Square footage of community facilities built	120,342
	Number of individuals served	51,123
	Number of jobs intentionally created/supported as a result of the loan	2

# NOTES & ASSUMPTIONS

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**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 1.4M households with its Porchlight Programs from 2007-2008. We are assuming a similar reach during the years when it had a loan with CFF.

**14** - 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.

