

Feasibility Study - Community Development Corporation

On Behalf of:



United Way
Perth-Huron

impact.
CONSULTING

The Power of Community Development

Community Development can be defined as the planned adaptation of community well-being (economic, social, environmental and cultural), through a process whereby community members come together and take collective action and generate solutions to shared challenges with a view to:

- Improve quality of life for both Perth & Huron Regions' current and future generations;
- Balance collective economic and community interests;
- And, address gaps that are experienced across sectors.

United Way Perth-Huron developed and endorsed a feasibility study to explore and unpack the possibility of an entity that could develop solutions at the intersections of these needs.

The initial request was to research the feasibility of a Community Development Corporation ("CDC") for the region. These types of entities are typically non-profit organizations that partner with communities to address inequities and achieve their goals through residential & commercial real estate development, social service delivery and neighbourhood revitalization. In Perth and Huron County, this could mean **the development of community hubs to combat inequitable access to social services and the development of housing across the spectrum** to support communities across both regions.

This study reflects several key considerations, such as:

- A problem statement related to accessing social services and affordable rental housing in the regions;
- A gap statement that indicates the current initiatives and efforts of those working towards poverty reduction and community development;
- And an exploration of the community development model, CDC or otherwise, that may contribute solutions to the aforementioned challenges.

Subsequent to community consultation, the term CDC may not be appropriate for naming the initiative. Conceptually, the Community Development Corporation provides a starting point to discuss how to develop infrastructure for a collective of groups in Perth and Huron Regions. The approach depends on the specific needs of the community. To determine which model to use, CDCs engage with residents, local businesses and community organizations to identify each neighbourhood's existing assets, opportunities and challenges and work from the ground up to **make aspirations in community a reality.**

The Community Development Corporation model could align well with local municipalities, other government agencies, social service providers, non-profits, community champions and local residents and represents an opportunity to engage residents in both regions in the **co-creation of a vibrant, prosperous, and responsible region for all.**

Recommendation + Executive Summary





The recommendations outlined in this report are suggested and optional strategies to reach viability of a proposed entity. It is the responsibility of United Way Perth-Huron and constituents to perform due diligence on each of these recommendations. In addition, Impact Consulting humbly recognizes the possibility that the consulting team was unaware of traditions, philosophies, current work and community efforts of and in the Perth and Huron regions, which could impact the nature of the recommendation in this report.

Recommendation – The following is a result of our research process, including: interviews with community, research on promising models and practices outside the community, validating the identified community challenges and service gaps in community, background research on models to fill that gap, aggregated knowledge on existing entities, their projects and lessons learned, and completed focus groups with community stakeholders to assess conditions for feasibility of a new community development entity operating in both Perth and Huron region.

Due to the complex, long-term nature of community development, the consulting team moved across the web of relationships that connect economic, social services, and housing needs to the best of our ability. Based on this research and understanding, please find recommendation on next steps that will increase feasibility of a Community Development Corporation (“CDC”) or equivalent in community:

- **Develop a working group** focused on creating an entity that represents both the Perth and Huron regions, and includes people with lived expertise as part of the advisory process from the start;
- **Create clarity** amongst the working group and subsequently community on the shared understanding of community issues, language, approach and expectations of the emergent strategy and model of a new community development entity with possible support from a facilitator;
- **Identify an organization that can backbone and incubate** the CDC during its early start-up phase, which ideally facilitates early capital and operating funds that enter the project before incorporation;
- **Determine 3-5 tangible (real estate/community development) projects** that can be started in the next 6-12 months, preferably across multiple communities in Perth and Huron region; and allocate one full-time equivalent (“FTE”) to assist with the community engagement and project development processes;
- **Select Model A, B or C displayed on the next page and further develop a working business model** with strategic, financial and impact goals, risk mitigation strategies and scenarios to be adaptive during start-up, and a comprehensive first year work plan to drive clarity and accountability;
- Contingent on model selection, **plan to raise (approximately), \$568,750 in start-up capital and \$1,108M in operating funding**, which includes community-based strategies to raise capital and funds.

Model Development – to build on the recommendations above, the consulting team presents three scenarios for further model development – **Model A – Establishing a Community Development Corporation model** which is led by several community stakeholders (and may be incubated within the United Way Perth-Huron until it reaches self-sustainability); **Model B – Establishing a community development entity as an internal program** or separate legal entity of United Way Perth-Huron that is led by the UW Board of Directors and CEO; **Model C - Cultivating the conditions needed for another organization** to respond to the challenges identified by community i.e. community hubs and/or affordable and supportive housing. Please see an option summary below.

	Model	Summary	Advantages	Disadvantages
A	Community Development Corporation	<ul style="list-style-type: none">• High Cost;• High Local Collaboration;• Decreased Bureaucracy;• Diversified Revenues;• Access to Non-traditional Funding Procurement;• Slow(er) Moving.	<ul style="list-style-type: none">• Community-Wide Participation across both regions;• Equitable approach for both regions;• Accessing local knowledge, expertise and resources;• Intentional in approach and aligned with community needs;• Provides structure to unstructured community groups, thus allowing for the development of local ideas, aspirations and visions for community;• Can hold several additional legal entities for mitigation of risk on projects;• System fractionality and the lack of local knowledge and resources may be the reason for unsuccessful past funding procurement. A collective entity may mitigate this challenge and present a united front for the PH region, which may be attractive to funders;• Model has potential to be 'more entrepreneurial' to work outside of traditional operational and funding models i.e. philanthropy and/or government funding.	<ul style="list-style-type: none">• Stakeholders that determine the need in community, which may cause less agility in business and service model;• Fractional nature of PH systems would create challenges in streamlining the entity in both regions;• Requires significant start-up capital and operational dollars;• Requires access to financing, which may not be accessible in the community;• Language of CDC may not land well with community stakeholders;• Most likely will 'step on toes' of initiatives that are responding to community challenge by need and not mandate.
B	Internal Program/Entity	<ul style="list-style-type: none">• Increased Bureaucracy;• Centralized Leadership;• Less Expensive than 'Model A';• Access to Non-traditional Funding Procurement;• Perceived Risk of Duplication & Associated Negative Optics.	<ul style="list-style-type: none">• United Way is the stakeholder that determines and responds to community need, which may translate into High Agility and more control in Business and service Model;• Ability to leverage UW Social Capital;• Ability to leverage UW Assets, Capital and funding contracts;• Intentional in approach and design;• Can hold several additional legal entities to mitigate risk on projects;• Has the potential to be more cost-effective than Model A, however most likely will be more expensive than Model C.	<ul style="list-style-type: none">• Perceived Optics for United Way PH that can cause negative impact for Organization;• Most likely will 'step on toes' of initiatives that are responding to community challenge by need and not mandate;• Increased complexity for team and project work which may result in in-efficiency and/or slower processes.
C	External Party	<ul style="list-style-type: none">• Lower Collaboration;• Most Cost-Effective Model out of 'Model A, B and C';• Less Direct Management of Process;• Risk of Misalignment to Community Values / Project Needs.	<ul style="list-style-type: none">• Local Government in favour of working with external party;• Cost Effective option, as there would be no need to raise start-up and operational dollars for a separate entity;• Less effort required as the mobilization of community, resources and efforts takes a backseat to cultivating the conditions required to attract a third party entity.	<ul style="list-style-type: none">• Reliant on, and at the will of third party;• May not be a PH region expert;• Historic Data reveals unsuccessful attempts to attract third parties to develop and build according to community needs (hubs / affordable / supportive housing);• Conditions that need to be present to attract third parties may be difficult to achieve i.e. policy development, leaning on fractured PH service delivery system or local municipalities which have reduced/non-flexible budgets.

Feasibility Conditions Assessment – the consulting team engaged community stakeholders through a feasibility framework developed that specified conditions needed for a CDC and similar type of models to start-up and be resilient. Not all conditions need to be present at all times, yet there needs to be a strong starting point before moving forward. **Based on our assessment of these conditions, in terms of which are present and missing, we believe the next phase of business planning can enhance some conditions while others can be mitigated.** Ultimately, the community and leading stakeholders will decide the level of risk and confidence is available to move the proposed entity forward.

Conditions	Summary	Present	Missing
Community Need	<ul style="list-style-type: none"> • Task Forces / Planning Tables; • Community Call to Action; • Validated Data & Evidence; • Education & Awareness of Challenges • Affordable Housing / Community Hubs; 	<ul style="list-style-type: none"> • Critical and cross-cutting issues being experienced across the region; • Many task forces and working groups in both counties; • Municipal call to action through Community Safety and Wellbeing Plans; • Lots of data on housing, income and inequities; • Provides structure to unstructured community groups, thus allowing for the development of local ideas, aspirations and visions for community; • Previous efforts to develop solutions that involved cross-organizational collaboration; 	<ul style="list-style-type: none"> • Lack clear and resonant narrative for broader community participation innovative solutions; • Differing perspectives on challenges, definitions and approaches; • Limited resources for local organizations to act quickly; • Lack of working group working across both Perth and Huron regions;
Leadership Buy-In	<ul style="list-style-type: none"> • Clarity of Proposed Solution; • Trusted Community Champions; • Opportunity to Pitch Business Case for Funding and Partnerships; 	<ul style="list-style-type: none"> • There are a few people and organizations trusted across regions; • Previous collaborative community projects such as hubs and community foundations have demonstrated successful bold leadership in the community; 	<ul style="list-style-type: none"> • There is no clear opportunity to get capital, operations and land through key partnership(s);
Money & Assets	<ul style="list-style-type: none"> • Operations & Development Funds; • Land; • Access to Financing; 	<ul style="list-style-type: none"> • Innovative finance mechanisms have been identified that can enable new sources of funds, notably from the local community; • Municipality willing to be a funding and land partner; • CFDC willing to provide financing; 	<ul style="list-style-type: none"> • Focus groups identified that local government resources are limited; • Attempts to attract external resources have not been successful; • Local stakeholders do not want another funding competitor;
Incubation	<ul style="list-style-type: none"> • Working Group / Steering Committee; • Staff Lead; • Active Research; • Community Engagement; 	<ul style="list-style-type: none"> • United Way Perth-Huron is recognized as local leader with experience of incubating projects; • Focus groups acknowledge the need for this CDC entity to operate across both regions; • Engaged consultant to complete feasibility and business planning; 	<ul style="list-style-type: none"> • No Working Group for this project; • No staff lead allocated; • Incubation partner internal research and readiness yet to be assessed; • Broad community support needed to mitigate risks;
Qualified Team	<ul style="list-style-type: none"> • Community Development; • Real Estate Development and Construction Expertise; • Finance Expertise; • Funder Relationship Management. 	<ul style="list-style-type: none"> • The community pointed to local and external builders for development and construction partners; • Curiosity in leveraging, social innovations and innovators from outside the region to increase capacity of local talent; • Community Development, Finance and Funder backgrounds available locally. 	<ul style="list-style-type: none"> • Gap in partnership brokers; • Attracting the right talent may be costly.

Key Definitions

A **Community Development Corporation** (“CDC”) is typically a not-for-profit organization incorporated to provide programs, offer services and engage in other activities that promote and support community development. CDCs usually serve a geographic location such as a neighborhood, town, or region with a focus on serving lower-income residents or struggling neighbourhoods. CDCs can be involved in a variety of activities, including economic development, education, community organizing and real estate development. These organizations are often associated with the development of affordable housing.

Affordable Housing, a term misunderstood by many and at times the basis of contention and confusion in community. For clarity and for the purpose of this study, the consulting team utilizes the Canada Mortgage and Housing (“CMHC”) definition of the term ‘*affordable housing*’ which is “*housing is affordable when a household spends less than 30% of its pre-tax income on adequate shelter*”. This study is focused on affordable rental supply and not affordable home ownership.



(Above illustration by United Way Halifax - “Affordable ‘Rental’ Housing” is the step between community housing which owned or subsidized by government and affordable home ownership (referred to at times as ‘attainable housing’).

To provide an example for local context, affordability for a household with a total pre-tax income of \$40,000 per annum compared to a household with total pre-tax income of \$150,000 varies significantly – the first household can afford a maximum monthly rent payment of \$1,000 for their housing to be deemed affordable, whereas the latter households can afford \$3,750 for a maximum monthly rent payment to be considered affordable. It is important to consider that even if households live in affordable housing per the above definition it does not factor in conditions such as state of the property, age of the structure and adequate space or capacity that aligns with number of members on the households.

Community hubs are places where residents, parents and community members come together to explore new ideas, build creative solutions and develop relationships, and as such play a vital role in building community cohesion, wellbeing and vibrancy.

Community hubs provide a central access point for a range of needed health and social services, along with cultural, recreational, and green spaces to nourish community life. A community hub can be a school, a neighbourhood centre, an early learning centre, a library, an elderly person's centre, a community health centre, an old government building, a place of worship or another public space. Whether virtual or located in a physical building, whether located in a high-density urban neighbourhood or an isolated rural community, each hub is as unique as the community it serves and is defined by local needs, services and resources.¹

¹ How to Hub: Community Hub Development Toolkit, SOCIAL PLANNING TORONTO, <https://www.socialplanningtoronto.org/hub-toolkit>

Executive Summary

Problem Statement - The consulting team conducted an initial literature review related to the province of Ontario and specifically the Perth-Huron region in the categories of housing priorities and human service priorities – and found many credible reference points and data, indicating the following:

- A rise in housing costs, both in rental and ownership, which continues to grow year-over-year;
- A rise in applications for Rent-geared-to-income ("RGI") or community housing, which continues to grow year-over-year;
- A rise in the average length of households that have to access emergency accommodations. This pattern also grows year-over-year;
- Decreased availability of rental units due to migration from the Greater Toronto Area ("GTA"), low housing supply as proven by decreased rental vacancy rate and growing (student) populations in the local regions;
- Long-term planning for affordable housing by local municipalities seems not to be adequate based on current and projected community demand for housing;
- That very few affordable housing units have been built in the last years with minor indication of proposed or upcoming construction projects related to affordable housing;
- Challenges in social service delivery and access as proven by lengthy commuting times², a need to settle close to service providers and increased mental health challenges.

In short, and honouring the categories of housing priorities and human service priorities, the following may be concluded:

1. There is a real need **to develop a significant amount of affordable rental supply in both Perth and Huron regions;**
2. **Supportive Housing is needed** as identified by local nonprofit agencies for the most vulnerable in both communities to ensure individuals can keep their homes and have the opportunity to thrive in community;
3. An **innovate social service access model is required** to mitigate the social service delivery and access gap that exists in both communities.

Gap Statement - Based on the research and findings of the Social Research and Planning Council and based on an ecosystem scan of organizations and initiatives in the region, the consulting team can conclude **that there is no singular entity that has the singular mandate to specifically focus on developing community hubs and developing affordable housing.** One economic development initiative does have two housing projects in its loan portfolio but are not defined as affordable housing.

Other local initiatives may find "direction" according to local strategic plans or economic development plans that suggest a focus or interest in the development of housing and social services, and provide these initiatives guidance, support or promotion to developers or individuals that are interested in developing housing. However, **most local economic**

² The Road Ahead, A study of transportation needs across Huron and Perth Counties, Social Research and Planning Council, March 2012, <http://perthhuron.unitedway.ca/wp-content/uploads/2019/10/The-Road-Ahead-Transportation-Report-2012.pdf>
Gap Statement

development initiatives that the consulting team interviewed are not mandated^{3,4} to focus on affordable housing, nor carry to in-house expertise, funding or human resource capacity to move affordable housing projects forward through the development and construction phases.

In addition, **local Service Managers**, their Social Services Departments and Housing Divisions which are mandated to build affordable housing, **acknowledge inadequate capacity and resources to sustain the current workload of affordable housing development and acknowledge that current affordable housing development will not suffice in responding to community demand for affordable housing.** The current focus is maintaining current rental stock over developing new assets and units, due to a changing tenant population that requires supports, while the service managers are still resources for tenants that don't need supports. Additionally, the majority of rental stock is aging which results in larger capital requirements for maintenance and overall asset management.

Local initiatives in these regions demonstrate efforts to attract developers to build in the local ecosystem, and **seem to have difficulty in attracting such entities** – interviews revealed a drive to attain profit margins that do not exist for building and operating affordable / supportive housing.⁵ Another argument is that rural communities cannot support the size of developments⁶ that would yield appropriate return on investment. Lastly, these communities hold a 'nimbyism' sentiment as local residents will dispute developments that don't align with their vision of the local neighbourhood. Interestingly, both regions do see development of housing – however, **the mix of single-detached homes, townhouses and semi-detached homes will not address need for affordable housing.**"⁷

Community Development Models - The experiences and activities of community development or economic development models we researched and interviewed vary. In general, several important factors account for these differences, including but not limited to:

- The needs and size of the communities;
- Relative dependence on grants vs. earned revenue, and funder expectations;
- Existence of other related agencies already active in the region;
- Governance models and start-up approach;
- Pace and growth are impacted by assets and capitalization at start-up.

The case studies further described in this document demonstrate that there is no right way to start a CDC, yet to be successful, each model and entity should be responsive to the external contexts and environments in which it will operate.

The consulting team interviewed CDCs across Canada and the US and identified what CDCs felt was critical in their success. Among other things, this process identified the following critical success factors:

³ Welcome to FedDev Ontario, The Federal Economic Development Agency for Southern Ontario, November 2019 (attainable housing is mentioned, but not specificity is giving in terms of a housing mandate for CFDCs);

⁴ The Community Futures National Program Terms and Conditions, effective October 3, 2010 also does not stipulate a specific mandate for a housing focus, although nothing in the document suggest that housing could not be part of the operating mandate – document provided by Diana Jedig, Executive Director, Community Futures Ontario;

⁵ This statement was also validated by Mark Holmgren, Executive Director of Edmonton CDC during an interview with the consulting team on January 7th, 2021;

⁶ This statement was also validated by Graham Cubitt, Director of Projects and Development at Indwell, a developer and operator of supportive/affordable housing in Southwestern Ontario during an interview on December 15, 2020;

⁷ CONSTRUCTION ON 300 SHORELINE HOMES UNDERWAY IN HURON COUNTY, 580 CFRA NEWS TALK RADIO, November 11, 2020 - <https://www.iheartradio.ca/580-cfra/news/construction-on-300-shoreline-homes-underway-in-huron-county-1.13934149>

- Being rooted in the communities where CDCs operate;
- Partnership with patient and forward-thinking governments and other funders;
- Inclusion of community representatives in the governance model;
- Factoring in a strong business approach and expertise from the private sector;
- Activating unique partnerships i.e., non-traditional partnerships and cross-sector collaborations;
- A very flexible, nimble approach that is entrepreneurial and responds to changing needs;
- Innovative financing approaches that taps into and redistributes community wealth;
- Taking on more than one project at once, which in many cases are represented by separate legal entities to spread risk;
- Acting as the lead, in one or more of the following roles: convenor, backbone, developer and operator.

Feasibility Assessment - The consulting team completed two focus groups held on the 12th and 15th of January 2021 to evaluate stakeholders in Perth and Huron regions to assess feasibility for a new entity to operate in both regions based on the following conditions: **Community Need, Leadership Buy-in, Money and Assets, Incubation Partner and Qualified Team**. Both focus groups were well attended by a total of 16 individuals, including senior leaders of many local social service providers and administrative staff, including Chief Administrative Officers ("CAOs") from most municipalities in the Perth and Huron region. Based on these focus groups, the consulting team was able to clarify the following arguments per listed condition:

- **Community Need** – critical and cross-cutting issues being experienced across the region, yet need to create clear and resonant narrative for broader community participation in order to build support for a more community driven model;
- **Leadership Buy-in** – There are a few people and organizations trusted across regions, and previous collaborative community projects such as hubs and community foundations have demonstrated successful bold leadership in the community;
- **Money and Assets** – focus groups identified that local government resources are limited, attempts to attract external resources have not been successful, and local stakeholders do not want another funding competitor. The approach must enable new sources of funds, notably from the local community through innovative finance mechanisms.
- **Incubation Partner** – United Way Perth-Huron is recognized as local leader with experience of incubating projects. Focus groups acknowledge the need for this CDC entity to operate across both regions;
- **Qualified Team** – The community pointed to local and external builders yet felt there was a gap in partnership brokers. In addition, there was curiosity in leveraging, social innovations and innovators from outside the region to increase capacity of local talent.

In conclusion, there is a common challenge being faced by the community, yet it is not being prioritized broadly due to lack of clear mandate. There are several projects across both regions wanting to move forward, and a willingness to collaborate across regions and issues through a shared mandate. Therefore, **if trusted champions are willing to lead and community leaders are willing to invest time and effort, then developing a model to act as a community development entity for cross-regional and cross-sector solutions is possible**. The process will eventually require experienced community development, real estate development & operations professions and innovative financing models to open space for social and financial capital to be mobilized in renewed ways.

Report Structure

Preface

Terms of Feasibility Study	12
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Perth-Huron Overview	14
Literature Review & Demand Assessment	17
Ecosystem Scan	26

Community Development Corporation	29
Models to Learn From	39

Community Engagement Process	55
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CDC Incubation Requirements	63
Financial Analysis	68
First Year Work Plan	74

Appendices

Appendix A: Related Definitions and Frameworks Related to Community Development

Appendix B: List of Interviews and Interview Questions

Appendix C: Focus Group Participants and Focus Group Assessment of Feasibility Conditions

Preface



On behalf of Impact Consulting by Pillar Nonprofit Network, we are pleased to submit to **United Way Perth-Huron** our study entitled "*Feasibility Study – Community Development Corporation*".

Impact Consulting by Pillar Nonprofit Network was contracted by United Way Perth-Huron as the region wants to meet urgent housing and human services needs. Specifically, our engagement was to assess the feasibility of a Community Development Corporation ("CDC") model operating in the region; and to provide strategies and recommendations for the sustainability and growth of a community development entity, based on the findings of our research.

Elements of the consulting engagement included:

- Describing value CDCs bring to their respective communities;
- Providing case studies from Canada and US;
- Outlining an organizational structure, describing how a CDC might operate in Perth-Huron;
- Performing market research to understand industry standards and promising practices;
- Developing understanding of potential future strategic direction through community engagement;
- Creating a financial model that looks at funding potential, start-up budget requirements, capital budget requirements, and cash flow analysis;
- Identifying and exploring potential partnerships;
- Recommending next steps in support of this initiative.

The above activities were undertaken with the aim to **determine a go/no-go for developing a CDC like entity** and provide recommendations on possible pathways to address the community challenges that prompted this study.

With the right implementation strategy and resources, a CDC inspired model may have the ability to bring together human resources, partnership, expertise, and capital to make affordable housing projects and shared social service delivery a reality in the regions.

With kindness and gratitude,

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Terms of Feasibility Study

Terms of Feasibility Study

Impact Consulting was contracted by United Way Perth-Huron to assess the feasibility of establishing and operating a Community Development Corporation ("CDC") across Perth and Huron region. Elements of the feasibility study, depending upon findings from the analysis, were to include:

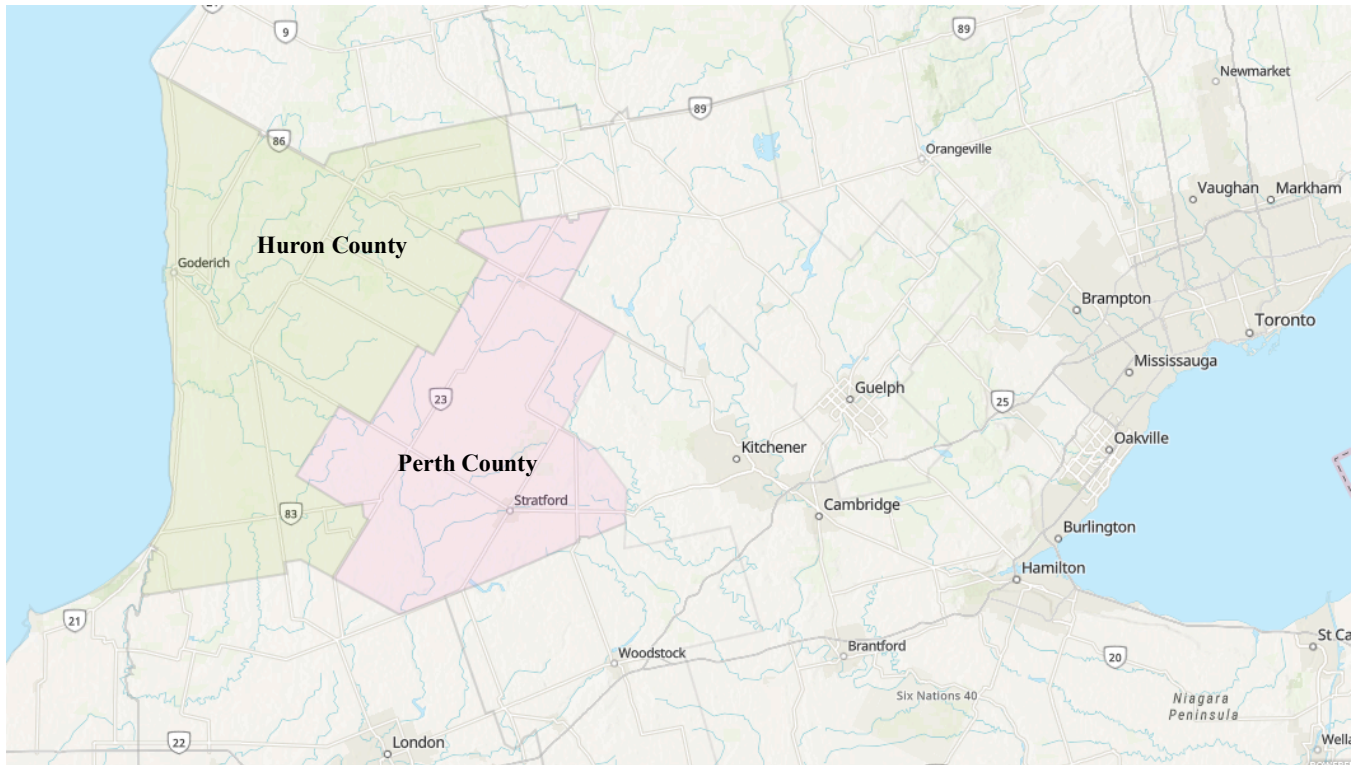
- Defining the parameters of the Perth-Huron region;
- An understanding of the current ecosystem and challenges in the local communities (based on studies);
- An assessment of current initiatives that have the ability to respond to these challenges and potential barriers these initiatives face in responding to community challenges;
- Assess conditions supporting the use and viability of a CDC in other communities; and examine if those conditions exist in the Perth-Huron region through community feedback;
- Provide an outline with respect to legal structure, governance, and the organizational structure to the proposed enterprise;
- To identify and explore potential partnerships and suggest feasibility options for this initiative;
- Development of a pro forma financial picture with added risk assessment;
 - Financial pro-forma and financial feasibility & funding opportunities;
- Start-up and implementation suggestions (if feasibility warrants); and
 - Critical Path for the first year.

Perth-Huron Overview



Perth-Huron Region Overview

Located in Southwestern Ontario, the counties of Perth and Huron bore the southeast shore of Lake Huron as can be seen in the image below. The area encompasses over 5,600 square kilometers of land⁸ and can be defined as blend of urban and rural communities at the crossroads of Ontario King's Highway 4, 7 and 8.



Demographics

Population – Perth County has a total population of 76,796 with over 40% of its residents that live in Stratford – this County saw an increase in its population between 2011 and 2016 of 2.2%¹⁴. Huron County has a population base of 59, 207 with an overall population growth of 0.3%¹⁵, which the consulting team assumes is based on 2011 Census data.

⁸ Community Profile, myPerthHuron, <https://www.myperthhuron.ca/index.php?MenuItemID=53>

⁹ "About Perth County", Perth County - <https://www.perthcounty.ca/en/living-here/about-perth-county.aspx>;

¹⁰ Municipal Government in Huron County, HURON COUNTY, <https://www.huroncounty.ca/county-council/municipal-government/>

¹¹ Community Profile, myPerthHuron, <https://www.myperthhuron.ca/index.php?MenuItemID=53>;

¹² Census Profile, 2016 Census, Huron, County [Census Division], Ontario and Perth, County [Census division], Ontario, <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=3540&Geo2=CD&Code2=3531&SearchText=Perth&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=3531&TABID=1&type=0>;

¹³ Ibid;

¹⁴ Housing and Homelessness Plan, 5-year Update, 2020-2024, Stratford, Perth County and St. Marys, https://www.stratford.ca/en/inside-city-hall/resources/Social_Services/Housing/Stratford-Perth-County-and-St.-Marys-Housing-and-Homelessness-Plan-Update-2020-2024.ACC.pdf

¹⁵ A Long-Term Affordable Housing and Homelessness Plan for the County of Huron | 2014-2024, 5-Year Review, 2014, 2019, Huron County, <https://www.huroncounty.ca/wp-content/uploads/2020/03/Long-Term-Affordable-Housing-and-Homelessness-Plan-Update.pdf>

Age¹⁶ - The Counties are home to an interesting demographic mix. Statistics Canada shows that 63.4% of Perth County's population and 60.5% of Huron County is between the ages of 15 – 64 years of age, with an average age of 43.6 and 41.6, respectively.

Household size¹⁷ - Average household size by private household equals approx. 2.4 individuals for both Counties.

Housing Suitability¹⁸ – the census data revealed that 805 households (2.6% of sample) and 495 households (2% of sample) in Perth and Huron County lived in housing that is deemed as not suitable, which refers to whether a household is living in suitable accommodations according to the National Occupancy Standard ("NOS"); that is, whether the dwelling has enough bedrooms for the size and compositions of the household.

Income¹⁹ - The median total household income before taxes and deductions in 2015 was \$70,335 and \$65,944 for Perth and Huron County, respectively.

Government Transfers Recipients²⁰ Number of total government transfers for recipients aged 15 years and over in private households is 34,010 and 41,655 with \$8,036 and \$6,052 as the median annual government transfer amount for Huron and Perth County respectively. By dividing the total population of both counties (136,066) by the total government transfer recipients of both Counties (75,665), we can determine that more than 55% of the Counties' population receive a form of government transfer payment(s).

Low-income²¹ - 8,330 private households in Perth County and 7,910 private households in Huron County are living in low-income, based on low income cut-offs (LIM-AT), which represent approximately 11.1% and 13.7% of the households captured in that part of the census.

Education²² - 14,665 and 11,740 of the captured populations of age 15 and over in Perth and Huron County does not have a certificate, diploma or degree, which represent approximately 19.5%.

Unemployment Rate²³ – is determined to be at 4% and 5.3% for Perth and Huron County compared to Ontario's 7.4% at that time.

¹⁶ Census Profile, 2016 Census, Huron, County [Census Division], Ontario and Perth, County [Census division], Ontario, <https://www12.statcan.gc.ca/census-recensement/2016/dp/pd/prof/details/page.cfm?Lang=E&Geo1=CD&Code1=3540&Geo2=CD&Code2=3531&SearchText=Perth&SearchType=Begin&searchPR=01&B1=All&GeoLevel=PR&GeoCode=3531&TABID=1&type=0>

¹⁷ Ibid;

¹⁸ Ibid;

¹⁹ Ibid;

²⁰ Ibid;

²¹ Ibid;

²² Ibid;

²³ Ibid.



Literature Review & Demand Assessment

Literature Review & Demand Assessment

Ontario is Canada's second largest province and is home to over 14.7 million people, as of April 1, 2020²⁴, and similar to other communities across Canada, Ontario faces an array of challenges on the broader and local community levels – challenges such as environmental stewardship, social cohesion, truth and reconciliation, inclusive prosperity, declining economic environments, poverty, mental health challenges, food insecurity, and not to mention the impacts of COVID-19 on the local ecosystems.

For the purposes of this study, the consulting team will provide focus to challenges that pertain to the Perth and Huron region specifically. Based on conversations with United Way Perth-Huron and further research by the local Social Planning and Research Council ("SPRC"), the immediate priorities that emerge are homelessness²⁵, mental health²⁶, social isolation²⁷ and poverty^{28,29} with a 2014 report indicating that at least one in 10 residents is living in poverty, struggling to pay for rising food and shelter cost. More importantly, it appears from recent studies that the challenges and severity of challenges experienced have not decreased. In fact, the gaps experienced by vulnerable populations only seems to increase, such as an increase in mental health challenges³⁰, growing housing waitlists³¹ and an increase in the percentages of homes with a core housing need³² related to affordability, adequacy, and suitability, which denotes an existing need for affordable housing for the most vulnerable in the community.

The consulting team groups these local priorities into two categories – housing priorities and human service priorities. This study will follow these categories in research, argumentation, conclusions and final recommendations.

Scope - Impact Consulting commits to performing its own due diligence in verifying and validating the findings in the various reports and studies which the reader can find below. The consulting team conducted an initial literature review that includes other feasibility studies and business plans related to the province of Ontario and specifically the Perth-Huron region in the categories of housing priorities and human service priorities. The intent of this approach was to learn about current community challenges and possibly identify change initiatives and best practice as a response to these challenges. Several learnings and conclusions are highlighted in the section below.

²⁴ Ontario Demographic Quarterly, Highlights of first quarter 2020, Ontario, <https://www.ontario.ca/page/ontario-demographic-quarterly-highlights-first-quarter-2020>

²⁵ QUALITY OF LIFE IN PERTH & HURON COUNTY 2014, Social Research and Planning Council, a division of United Way Perth Huron, https://london.ctvnews.ca/polopoly_fs/1.2030225!/httpFile/file.pdf

²⁶ Goderich Supportive Housing and Community Hub Feasibility Study, Susanna Reid, September 30, 2020, Social Research and Planning Council;

²⁷ QUALITY OF LIFE IN PERTH & HURON COUNTY 2014, Social Research and Planning Council, a division of United Way Perth Huron, https://london.ctvnews.ca/polopoly_fs/1.2030225!/httpFile/file.pdf

²⁸ QUALITY OF LIFE IN PERTH & HURON COUNTY 2014, Social Research and Planning Council, a division of United Way Perth Huron, https://london.ctvnews.ca/polopoly_fs/1.2030225!/httpFile/file.pdf

²⁹ Housing and Homelessness Plan, 5-YEAR UPDATE, 2020-2024, STRATFORD, PERTH COUNTY AND ST.MARYS, https://www.stratford.ca/en/inside-city-hall/resources/Social_Services/Housing/Stratford-Perth-County-and-St.-Marys-Housing-and-Homelessness-Plan-Update-2020-2024.ACC.pdf

³⁰ Goderich Supportive Housing and Community Hub Feasibility Study, Susanna Reid, September 30, 2020, Social Research and Planning Council;

³¹ Ibid

³² Core Housing Need, Percentage of Homes with a Core Housing Need, MyPerthHuron, [https://www.myperthhuron.ca/Listings.php?ListType=Housing_Housing&location\[\]=%27Huron%27&location2\[\]=%27Perth%27&MenuID=62%20.%20Perhaps%20use%20both?](https://www.myperthhuron.ca/Listings.php?ListType=Housing_Housing&location[]=%27Huron%27&location2[]=%27Perth%27&MenuID=62%20.%20Perhaps%20use%20both?)

1. Housing Needs in Ontario

According to the Provincial government, *“People across Ontario are struggling to find housing that meets their needs and their budget... and ...” these challenges have made housing unaffordable for many people.*”

- The proportion of households experiencing suitability and adequacy issues has remained relatively stable over the past ten years – **however, the proportion of those not living in housing that is affordable has increased** – this is due to the rapid increase in rental rates and housing prices, while incomes have not risen at the same rate;
- New rental housing construction in Ontario has lagged behind demand which contribute to **the need for new rental supply**;
- To validate the need for new rental units, two different measures of poverty and housing need assessed that in Ontario about:
 - 750,000 households (with sub-categories of “Seniors”, Indigenous” and “Immigrants”)³³ fall below the threshold of Core Housing Need (“CHN”) , which is an indicator for those that need housing assistance, because major repairs are required to the home or there are not enough bedrooms for residents and/or they don't have the means to move and/or the current home costs are more than the residents can afford³⁴, and;
 - 1.9 million people³⁵ fall below the Low-Income Measure, after tax (“LIM-AT”) which considers a household to be low income if its after-tax income is less than half of the median after-tax income of all households in Canada³⁶.
- And according to community consultations conducted by the Province between December 2018 and April 2019:
 - **There is a need for tenant supports related to housing**, this is to ensure that individuals can successfully keep their housing and thrive in their communities (which the earlier feasibility studies discussed in this report validate on the local level);
 - **A need for access to appropriate support services for a vulnerable population.**
- According to the Advocacy Centre for Tenants Ontario³⁷, (“ACTO”);
 - Nearly half of Ontario renters pay unaffordable rental housing costs;
 - Too many people are choosing to forgo a healthy diet or the medication they need just to keep a roof over their head – this argument is also supported on the local level, as the consulting team zooms into Perth and Huron County³⁸;
 - The road to homelessness for renters living on lower incomes is a stark reality if they lose their job or face a health challenge.

³³ Housing needs in Ontario, Ontario, <https://www.ontario.ca/document/community-housing-renewal-ontarios-action-plan-under-national-housing-strategy/housing-needs-ontario>

³⁴ Understanding Core Housing Need, Canada Mortgage and Housing Corporation, <https://www.cmhc-schl.gc.ca/en/data-and-research/core-housing-need>

³⁵ Housing needs in Ontario, Ontario, <https://www.ontario.ca/document/community-housing-renewal-ontarios-action-plan-under-national-housing-strategy/housing-needs-ontario>

³⁶ Low Income Measure (LIM), Simcoe Muskoka HealthSTATS, [https://www.simcoemuskokahealthstats.org/topics/determinants-of-health/socioeconomic-characteristics/income/low-income-measure-\(lim\)](https://www.simcoemuskokahealthstats.org/topics/determinants-of-health/socioeconomic-characteristics/income/low-income-measure-(lim))

³⁷ WHERE WILL WE LIVE? ONTARIO'S AFFORDABLE RENTAL HOUSING CRISIS, Advocacy Centre for Tenants Ontario, https://www.acto.ca/production/wp-content/uploads/2018/05/WhereWillWeLive_May2018_ACTO_Report.pdf

³⁸ How Much is Enough? The Impact of Low Incomes on Households and Communities and Perth and Huron Counties, Social Research & Planning Council, <https://perthhuron.unitedway.ca/wp-content/uploads/2019/10/2019-09-05-How-Much-is-Enough-Website-version-FINAL.pdf>

- As a response, and based on the ACTO research, Ontario needs more new build affordable purpose-built rental housing with deep affordability, where people are not forced to pay more than 30% of their income.

From this study, the consulting team concluded that:

- Ontario residents living in unaffordable housing has increased;
- A distinct need for new and additional rental housing supply, which aligns to deep affordability (no more than 30% of an individual's or households' income);
- There is a need for tenant supports related to housing to ensure that individuals can successful keep their housing and thrive in community;
- A need for access to appropriate support services for vulnerable populations.

2. Goderich Supportive Housing and Community Hub Feasibility Study (Huron County)

The consulting team leans on the conclusions drawn from both the Goderich and Exeter Supportive Housing and Community Feasibility studies. From both studies, several highlights are:

- **Service delivery and access is challenging in rural areas**^{39,40}
 - Geographic isolation means that rural residents often experience gaps in service delivery, with services that are inconsistent, unpredictable, or altogether absent, leading to extended travel times;
- Huron County, as general literature and research suggests may be home to a variety of challenges in community. **Similar to the research results in (North) Perth, this County also sees increase mental health challenges.** Based on data and data forecast for 2020, Huron County OPP is experiencing 2.14 calls per day related to mental health, which is double from its 2014 figure of .94 calls a day, with many OPP service responses to people experiencing homelessness, and;
- In terms of housing needs, **this region is seeing a significant demand in housing via count of individuals and households on the various housing wait lists;**
 - Huron County housing holds a waitlist of 267 households as of August 2020, which increased by 5% since March 2020;
 - In addition to the waitlist for municipal operated housing, an array of

service providers (i.e. CMHA Perth Huron, CMHA Middlesex,

Community Living Huron and more) indicate the need for new

affordable or supportive housing based on their own waiting lists;

- In total, it is estimated that 780 individuals/households⁴¹ are currently waiting to be housed appropriately.
- It is evident that the long-term planning for affordable housing by the County does not adequately meet community demand⁴² and at this point is not adequate in its response the rising homelessness in the County of Huron.

³⁹ Kilty, H. Rural Health: A Qualitative Research Approach to Understanding Best Practices for Rural Health Service Delivery in a Public Health Setting. Simcoe, ON: Haldimand- Norfolk Health Unit; 2007.

⁴⁰ Rural Health Hubs Framework for Ontario, Multi-Sector Rural Health Hub Advisory Committee, January 2015 - <https://www.oha.com/Documents/Rural%20Health%20Hub%20Framework%20Ontario.pdf>

⁴¹ The study notes that "As people requiring housing may have placed themselves on more than one list, it is not possible to calculate a total of the number of supportive housing units that are required. Staff at Huron County Housing have reported that anecdotally, they are aware of people who are experiencing homelessness who have not asked to be on any wait lists.:" and provides further context to the total estimated households waiting for housing.

⁴² A Long-Term Affordable Housing and Homelessness Plan for the County of Huron, 2014-2024, Huron County, <https://www.huroncounty.ca/wp-content/uploads/2016/11/Housing-HomelessnessPlan.pdf>

From this study, the consulting team concluded that:

- Service delivery and access is challenging in rural areas;
- This region is seeing significant demand in housing needs;
- The County's long-term planning for affordable housing seems not to be adequate based on current and projected demand;
- This compelling conclusion of this research is that there is an urgent and growing need for supportive and affordable housing in Goderich, and across Huron County.

3. The North Perth Community Hub Feasibility Study, United Way Perth-Huron, 2017

- North Perth (and Perth East⁴³), as general literature and research suggests may be home to a variety of challenges in community, including increased mental health conditions, chronic disease and overall social isolation factors and barriers to accessing social services;
- **Community hubs can be a promising solution for service delivery in rural communities**, which typically is experienced in a way that is inconsistent, unpredictable, or altogether absent;
- Based on the study, it appears that the province of Ontario has expressed interest and dedication to the implementation of community hubs in neighbourhoods and communities and therefore may result in increased opportunities and success in capital and/or operating funding procurement;

The document suggests the following best practice:

- *"A clear governance model or arrangement has been described as a vital factor when considering the success of collaboration and potentially, integration, within a community hub."*;
- *"When considering funding and budgets within community hubs, multiple research studies recommended seeking opportunities to share resources and pool budgets amongst co-located organizations."*;
- *"Consistent message that was received throughout this phase of the feasibility study was the importance of transparency throughout the planning, implementation, and operating stages of the community hub."*

From this study, the consulting team concluded that:

- Although the North Perth community is experiencing a social service access challenge, a response is underway in the form of a community hub i.e. North Perth Community Hub at the Listowel Library site⁴⁴.
- As a way to address the social service gap in community, and based on current readings, it is suggested that this project has the following key components on board:
 - A host facility with capacity to on-board the project (Listowel Library);
 - A comprehensive business plan with initial financial projections;
 - Key partner such as United Way Perth Huron, regional social service agencies, potential tenants, volunteers and municipal support to pursue funding sources.

⁴³ Perth East Community Hub, Preliminary Business and Capital Campaign Plans, United Way, Perth-Huron;

⁴⁴ Plans Moving Ahead Towards New North Perth Community Hub at Listowel Library Site, *Midwestern Newspapers Corp*, October 2019, <https://midwesternnewspapers.com/plans-moving-ahead-towards-new-north-perth-community-hub-at-listowel-library-site/>

4. Housing and Homelessness Plan, 5-year Update, 2020-2024, Stratford, Perth County and St. Marys

Intro into Perth County Housing - The City of Stratford Social Services Department is the provincially designated Consolidated Municipal Service Manager ("CMSM" or "CSM" or "Service Manager") for the municipalities of City of Stratford, Perth County and the Town of St. Marys⁴⁵ and offers rent-geared-to-income ("RGI") and subsidized rental housing and manages the Centralized Waiting List for RGI housing which aligns with the municipal housing stock under the Perth and Stratford Housing Corporation ("PSHC") as well as the housing stock operated by other providers, such as a range of cooperatives in the region⁴⁶.

5-Year Update – The consulting team was able to download the following data from the Housing and Homelessness Plan update:

- As of December 2019, 1,078 units in social housing stock are part of the municipality offering⁴⁷;
 - Over the last 13 years, 103 new affordable dwellings have been constructed in the County.
 - This included affordable housing units, such as 230 Britannia Street in Stratford;
- As of December 31, 2019, 412 households are on the Centralized Waiting List in the County⁴⁸
- 101 individuals were identified as experiencing homelessness during the 2019 homeless enumeration.
- The area of Stratford, Perth County and St. Marys has seen an increase in the proportion of housings in low income;
- Housing cost for both rental and ownership has increased, due to:
 - Migration from the Greater Toronto Area;
 - Housing Supply at a record low;
 - Increased student population through the Stratford School of Interaction Design and Business – University of Waterloo;
- The availability of rental units has decreased, (especially 1- and 2-bedroom units in Stratford) including decreased vacancy rates over the past five years;
- Application for RGI housing has increased;
- Based on the 2018 homeless enumeration, local priority groups that were identified in the following categories: Youth, Individuals experiencing chronic homelessness, Families with dependent-aged children, Individuals existing institutions, Indigenous peoples;
- Through the Community Homelessness Prevention Initiative, the CMSM provided 251 unique households with access to emergency accommodations (motels) for an average of 11.8 days;
 - Number of unique households accessing these services are declining, however the length of average stay has increased from 7.5 days to 11.8 days compared to the prior year of 2018;

⁴⁵ Social Services, Inside City Hall, Stratford, Ontario, Canada, <https://www.stratford.ca/en/inside-city-hall/socialservices.aspx>

⁴⁶Housing Access Centre, Inside City Hall, Stratford, Ontario, Canada, <https://www.stratford.ca/en/inside-city-hall/housing-access-centre.aspx>

⁴⁷ Stratford, Perth, St. Marys Housing, <https://myperthhuron.ca/index.php?MenuItemID=152>

⁴⁸ Ibid;

From this study, the consulting team concluded that in Perth County is experiencing:

- A rise in housing costs, both rental and ownership;
- A rise in the applications for RGI housing;
- A rise in average length a household has to access emergency accommodation;
- Decreased availability of rental units due to migration from GTA, low housing supply and increased student population;
- A growing demand for attainable housing (home ownership) locally.

5. A Long-Term Affordable Housing and Homelessness Plan for the County of Huron | 2014-2024, 5-Year Review, 2014, 2019, Huron County

Intro into Huron County Housing - The County of Huron Social and Property Services Department is the provincially designated Consolidated Municipal Service Manager ("CMSM" or "Service Manager") for Huron County^{49, 50}, and offers rent-geared-to-income ("RGI") and subsidized rental housing and manages the Centralized Waiting List for RGI housing which aligns with the municipal housing stock under the Huron County Housing Corporation ("HCHC") as well as the housing stock operated by other providers, such as a range of cooperatives and not-for-profits in the region⁵¹.

- As of June 2020, 741 units in social and subsidized housing stock are part of the municipality offering⁵²;
 - Current waitlist totals 448 households, which is an increase of 31% compared to the prior year waitlist total of 342 households. However, other data shows that as of March 2020, 900 applicants are on the Centralized Waiting List in the County⁵³, which is an increase of 11% from March 2019's total numbers of 811 applicants;
 - Total project number of affordable housing units required by 2024 municipality are 141 affordable dwellings, not including need for RGI units, and other units aligned to a level of income and affordable homeownership;
- The County recognizes that residents feel the constraints of poverty and the insecurity associated with lack of affordable housing;
- 100 individuals were identified as experiencing homelessness during the 2018 homeless enumeration;
 - For 2019-20 data, 54 individuals were served through the "Huron Out of Cold" program⁵⁴;
- Two years of investment in affordable housing was rolled together to enable a partnership with a local developer that will bring 12 additional units to the community⁵⁵;
- Based on the report, and apart from replacement, upgrade and improvement projects, no new affordable housing additions or RGI housing stock was planned to be constructed in the next few years.

⁴⁹ OMSSA's Members, OMSSA, Ontario Municipal Social Services Association, <https://www.omssa.com/members.php>

⁵⁰ Social Services, Huron County, <https://www.huroncounty.ca/social-services/>

⁵¹ Tenants, Non-Profit Housing, Huron County, <https://www.huroncounty.ca/social-services/housing/>

⁵² Huron Housing, <https://myperthhuron.ca/index.php?MenuItemID=151>

⁵³ Ibid;

⁵⁴ Guests served by Huron Out of Cold, 2019-20, Goderich, Ontario, MyPerthHuron, <https://myperthhuron.ca/index.php?MenuItemID=158>

⁵⁵ The consulting team could not find more data on this project;

From this study, the consulting team concluded that in Huron County is experiencing:

- A rise in the applications for RGI housing, which also includes an increase in total households on the Centralized Waiting List,
- A recognition by residents to feel the constraints of poverty and insecurity associated with lack of affordable housing;
- A forecasted need of 141 affordable housing units by 2024, which subsides to a growing demand for attainable housing locally.

Conclusion

The consulting team conducted an initial literature review related to the province of Ontario and specifically the Perth-Huron region in the categories of housing priorities and human service priorities – and found many credible reference points and data for both Counties. Research indicates that both Counties witness:

- A rise in housing costs, both rental and ownership, which continues to grow year-over-year;
- A rise in applications for RGI housing, which continues to grow year-over-year;
- A rise in average length a household has to access emergency accommodation, which grows year-over-year;
- Decreased availability of rental units due to migration from the GTA, low housing supply as proven by decreased rental vacancy rates and growing (student) populations;
- The region's long-term planning for affordable housing seems not to be adequate based on current and projected community demand;
- That very few affordable housing units have been built in the last years in either County with no indication of proposed or upcoming construction projects in the future;
- Challenges in social service delivery and access as proven by lengthy commuting times⁵⁶, a need to settle close to service providers and increased mental health challenges.

In short, and honouring the categories of housing priorities and human service priorities, the following may be concluded:

1. There is a real need **to develop a significant amount of new deep affordable rental supply in both Perth and Huron Region;**
2. **Supportive Housing is needed** as identified by local nonprofit agencies for the most vulnerable in both communities to ensure individuals can keep their homes and have the opportunity to thrive in community;
3. An **innovate social service access model is required** to mitigate the social service delivery and access gap that exists in both communities.

⁵⁶ The Road Ahead, A study of transportation needs across Huron and Perth Counties, Social Research and Planning Council, March 2012, <http://perthhuron.unitedway.ca/wp-content/uploads/2019/10/The-Road-Ahead-Transportation-Report-2012.pdf>

Ecosystem Scan

The consulting team engaged community stakeholders and subject-matter experts in a series of one-hour interviews post-literature review. These interviews may be divided into three separate themes – economic development initiatives; operators of hubs and/or housing; and not-for-profit developers of hubs and/or housing. Based on the interviews, the consulting team was interested to unpack the following local intentions for **economic development initiatives** – which initiatives currently exist in the ecosystem? How are these organizations adding value to the ecosystem? Are they positioned to develop or co-create community hubs and/or affordable housing?

Based on the research and findings of the Social Research and Planning Council and based on an ecosystem scan of organizations and initiatives in both Perth and Huron Region, the consulting team can conclude **that there is no singular entity that has the mandate to specifically focus on developing community hubs or developing affordable housing.**⁵⁷ One economic development initiative does have two housing projects in its loan portfolio but are not defined as affordable housing. Other local initiatives may find “direction” according to local strategic plans or economic development plans that suggest a focus or interest in the development of housing and these initiatives may provide guidance, support or promotion to developers or individuals that are interested in developing housing, **however the majority of local economic development initiatives that the consulting team spoke to are not mandated**^{58,59} **to focus on affordable housing, nor carry in-house expertise, funding or human resource capacity to move affordable housing projects forward** through the development and construction phases. Even the local Service Managers, their Social Services Departments and Housing Divisions which are mandated to build affordable housing **acknowledge inadequate capacity and resources to sustain the current workload of affordable housing development and acknowledge that current affordable housing development will not suffice in responding to community demand for affordable housing.** In fact, these Service Managers stress that **the focus is on maintaining current rental stock over developing new assets and units.**

Local initiatives have demonstrated effort to attract developers to build in the local ecosystem, and **seem to have difficulty in attracting such entities** – interviews revealed this is due to the drive to attain a profit margin that does not exist when it comes to building and operating affordable housing⁶⁰ or that rural communities cannot support the size of developments⁶¹ that would yield appropriate return on investment metrics or that local residents will dispute development due to an unwillingness to have developments in their local neighbourhood. Interestingly, both regions do see development of housing – however, “...the

⁵⁷ However, one municipal entity did mention that “big news was coming regarding housing” which is likely related to establishing a municipal corporation and/or an entity that can raise capital in community i.e. Community Economic Development Investment Funds or an Opportunity Co-operatives according to a study by Sean Campbell, Scaled Purpose Inc., titled “COMMUNITY INVESTMENTS FOR AFFORDABLE HOUSING, Developing a Model for Huron County, April 9, 2019;

⁵⁸ Welcome to FedDev Ontario, The Federal Economic Development Agency for Southern Ontario, November 2019 (attainable housing is mentioned, but not specificity is given in terms of a housing mandate for CFDCs);

⁵⁹ The Community Futures National Program Terms and Conditions, effective October 3, 2010 also does not stipulate a specific mandate for a housing focus, although nothing in the document suggest that housing could not be part of the operating mandate – document provided by Diana Jedig, Executive Director, Community Futures Ontario;

⁶⁰ This statement was also validated by Mark Holmgren, Executive Director of Edmonton CDC during an interview with the consulting team on January 7th, 2021;

⁶¹ This statement was also validated by Graham Cubitt, Director of Projects and Development at Indwell, a developer and operator of supportive/affordable housing in Southwestern Ontario during an interview on December 15, 2020;

mix of single-detached homes, townhouses and semi-detached homes will not address Huron County's need for affordable housing..."⁶².

Other notable comments from the interviews were:

- "Community Futures will never be the developer. The closest we would be is putting our money into this organization. No other is capable, but maybe a CDC is."
- [Lack of affordable housing is the] "single number one economic issue in the [Huron] county right now [and is] closely tied to workforce attraction issues."
- "Based on my understanding of the housing continuum – people who have experienced homelessness or people who have lived in public housing that now can transition, and where the municipality does not want to have any more public housing or a good community roots organization [that wants to develop housing], need an envelope, a structure to nourish [the development of housing]".
- "We recognize housing as an issue...rental housing is not available."
- "I don't have a specific focus or task related to affordable housing."
- "We did consider RHI ("Rapid Housing Initiative"), and the application was so complicated, and that information was not readily available [at our department] ...we didn't feel we could submit an adequate application."
- "I think there is a role to play between what the city would own [housing stock] and what other like-minded organizations have in mind [around supportive housing]".
- "If the proposed CDC is very specific to affordable housing, then it could provide an opportunity to unorganized groups."
- "Our challenge is keeping what we have [rental stock]. We have to look at our own stock, that is the bigger need [over building new stock]."
- "The real question is 'where does the funding come from?' If this became a competitive process for us, it would be problematic."

In general, leaders in the Perth and Huron economic development community are innovative, resourceful, try to be collaborative and provide significant value to local businesses, residents and community at large. Several organizations interviewed did express willingness to explore potential ways to co-create by providing patient loan capital (up to \$300,000 with no expected repayment for the first 10 years), sitting on a working group or connecting the CDC into community. It is still premature to contemplate formal partnership or opportunities due to the early stages of the research revolving a CDC. It is important to note that although several interviews showed interest to how a CDC could work in their community, many interviewees did express concerns around duplication of efforts, loss of funding and need to understand the term 'affordable housing', a need to understand how the CDC would operate and generally expressed a territorial approach/protection to their community.

When asked "Are there other vehicles better suited than a CDC to do this type of community development, specific to community hubs and/or housing?", the majority of interviewees answered "no" or were unaware of alternative models/structures. One interviewee suggested that a municipal corporation would be the answer by leaning on existing funding and expertise that sits with the municipality. The consulting team took this notion and explored a local example in London, Ontario by the name of the Housing Development Corporation ("HSC"), which is further unpacked in section "Lessons-Learned about backbone organizations" of this report.

⁶² CONSTRUCTION ON 300 SHORELINE HOMES UNDERWAY IN HURON COUNTY, 580 CFRA NEWS TALK RADIO, November 11, 2020 - <https://www.iheartradio.ca/580-cfra/news/construction-on-300-shoreline-homes-underway-in-huron-county-1.13934149>

Moving forward, it is important to note that a CDC would be committed to transforming neighbourhoods (through real estate development) by working from the ground up with local residents, local task forces or committees and provide structure and governance that can aid these people and groups during idea exploration, relationship building, feasibility analysis, procurement of service and the development and construction process, let alone the operation of real estate after completion. Furthermore, re-engaging the community at large to cultivate an understand of what a CDC can be without the chance for duplication would be vital to the success of the CDC. Similarly, looking for funding outside of the local ecosystem in combination with catalyzing local economic wealth from community members would be pivotal to the long-term success of a CDC. Education and a strong commitment to on-going research about community related challenges would have to be a clear precedent and mandate for the CDC.

Conclusion - No Community Development Corporation or a singular entity with focus to develop/attract community hubs or affordable housing exists in either Perth or Huron Region currently. No organization is working to combat community issues or revitalize community solely through commercial or mixed-use development. **What is important to note is that the local ecosystem is looking for an entity to solve problems in the community – notably related to unavailability of rental stock such as affordability housing and the inequitable access to social services.**

“What is most important to note is that the local ecosystem is looking for an entity to solve problems in the community.”

CDC Model Review



Community Development Corporation – Model Review

In this study, the consulting team has been asked to review models labelled “Community Development Corporation”. Therefore, the team reviewed different models that work in the spirit of community development related to the activities for this study, notably housing and social services. There is only so much that a definition and context we can give through a written document. Therefore, the following section on **Models to Learn From** illustrates the relevant models in practice to complement the definitions and frameworks.

"The only way we can promote inclusive and more sustainable growth is by working with our local communities. Development is always a bottom up process. Taking an integrated approach that cuts across issues and challenges is absolutely crucial."

Angel Gurria
Secretary-General of the
Organization for Economic Co-operation and Development

As part of the communications of this project to local community stakeholders, shared understanding of the scope of work can be helpful. The consulting team begins by exploring community development and the community development corporation model and moves into exploring other labels for the work and relevant models.

Community Development is the planned evolution of all aspects of community well-being (economic, social, environmental and cultural). It is a process whereby community members come together to take collective action and generate solutions to common problems.⁶³

Other relevant terms and models are thoroughly reviewed in *Appendix A - Related Definitions and Frameworks Related to Community Development*:

- Economic development;
- Housing;
- Community hubs;
- Community economic development;
- Social enterprise, finance and innovation.

Many of the above terms are either misunderstood, lack clarity or are used within communities without a clear understanding of its meaning. There is a great deal of confusion about these terms because they may mean something slightly different to each person using them. There are no absolute definitions and rarely does everyone agree on the precise wording of terms that are commonly used. There may be different and even better definitions than the ones provided, and they too may change over time⁶⁴. That's the nature of working in the community with people and learning better ways of expressing ourselves.

⁶³ THE COMMUNITY DEVELOPMENT HANDBOOK, A TOOL TO BUILD COMMUNITY CAPACITY, FLO FRANK, ANNE SMITH, Human Resources Development Canada, <http://publications.gc.ca/collections/Collection/MP33-13-1999E.pdf>

⁶⁴ This challenge has been addressed by many organizations, and we came across this Communications Toolkit by NACEDA: <https://docs.google.com/viewerng/viewer?url=https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/tool-nacada-communications.pdf>

Community Development Corporation

The term 'Community Development Corporation' comes from the United States of America – originated in the 60s during a renaissance of bottom up approaches to urban renewal and resistance.⁶⁵ The federal Office of Equal Opportunity launched CDCs in the late '60s and early '70s during the 'War on Poverty' with the first CDCs founded primarily in urban areas with goals of revitalizing a low- or moderate-income community or neighborhood.⁶⁶ The first being the Bedford Stuyvesant Restoration Corporation (or BSRC, referred to locally in short as Restoration) based in Brooklyn, New York.⁶⁷ According to CommunityWealth.org, Community Development Corporations (CDCs) have proliferated across the country – see table below:

CDCs play a critical role in building community wealth for several key reasons:

- CDCs anchor capital in communities by developing residential and commercial property, ranging from affordable housing to shopping centers and even businesses;
- At least one-third of a CDC's board is typically composed of community residents allowing for the possibility of direct, grassroots participation in decision-making;
- CDCs' work to enhance community conditions oftentimes involves neighbourhood organizing, a process critical for empowering residents and gaining political power;
- CDCs are also embedded in a network of networks.⁶⁸

Key Facts & Figures

(based on the last two industry surveys [2006, 2010])

Number	4,600 located across all 50 states (2006)
Average annual housing production	96,000 units (2010)
Average annual commercial space production	7.41 million square feet (2010)
Jobs created by CDC activity per year	75,000 (2006)
CDCs that have equity investments in business operations	17% (2006)
CDCs that operate one or more businesses	21% (2006)

It is estimated that 1,700 CDCs serve rural areas in the United States and are a tremendous resource for the revitalization of rural areas and small towns.⁶⁹

⁶⁵ The Past, Present, and Future of Community Development in the United States, Alexander von Hoffman, December 2012, Joint Center for Housing Studies, Harvard University, https://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/w12-6_von_hoffman.pdf

⁶⁶ COASTEL ENTERPRISES, INC., <https://www.ceimaine.org/about/cei-history/>

⁶⁷ Bedford Stuyvesant Restoration Corporation, Wikipedia, https://en.wikipedia.org/wiki/Bedford_Stuyvesant_Restoration_Corporation

⁶⁸ Support Organizations, Community Development Corporations (CDCs), Community-Wealth.org, <https://community-wealth.org/strategies/panel/cdcs/support.html>

⁶⁹ Rural CDCs: Building the capacity for success, FEDERAL RESERVE BANK OF MINNEAPOLIS, Margaret Tyndall, <https://www.minneapolisfed.org/article/2000/rural-cdcs-building-the-capacity-for-success>

CDC Case Studies

Case study #1:

Many communities after meeting, decide not to move forward, and we have seen in the research that timing can sometimes be immediate and up to decades before the new entity is formed, as this story demonstrates:

A rural town was trying to organize a formal community development initiative with other groups and agencies in the community. Some community members felt there was an urgency related to funding cuts while others seemed content to share information about current and future events. Community members held several meetings that were well-attended but didn't seem to be getting anywhere. For the fourth meeting, community residents hired an outside facilitator who tried to find a place from which to begin. As it turned out, there was no common need or issue beyond the sharing of information and networking. The community decided that, for the time being, that was a good enough goal and that a community plan or shared initiative was not that important at that time.

Community development is usually initiated by individuals who have passion and vision. If, however, community-based structures are not put into place to support this, even the best efforts can fail. Structures to support change can vary depending on the size and complexity of the endeavour. The following structures are examples:

- A community development plan;
- A communication strategy, and;
- A hub of individuals or organizations established as a focal point for community development.

Community development is often supported by more formal organizational structures such as community development offices, community development corporations or not-for-profit organizations. A formal structure may not be needed every time. It is best to wait to determine what is most appropriate for the situation. The key thing to keep in mind is that support structures are necessary to manage the community development process as well as the change it creates. As this is an ongoing process, the structures will not and cannot be static. Structures will change and adapt as the community moves forward. **To the reader, make sure that you see the structures you create as mechanisms to support your action, not as ends in themselves.**

Case Study #2:

CDCs are agile and adaptive to community needs, and will change over time:

A Community Development Corporation received base funding to create jobs in an isolated area. The jobs were part of the local industrial economy that was slowly collapsing. Over a three-year period, new economic activities began to be created in ecotourism and the CDC had to rethink its services. The CDC shifted from being employment-focused to facilitating business start-ups and seeking community financing for joint ventures and partnerships. As the financial agencies had not moved as quickly to cope with the changes, the CDC also became an advocate for policy and program changes that reflected the new priorities and opportunities.

How do CDCs operate? Community Development Corporations are typically nonprofit organizations that partner with communities to address inequities and to achieve community goals, including: residential and commercial real estate development, business development, job training and neighbourhood revitalization. Investments made by CDCs in infrastructure using these tools can help stem the tide of economic decline and spark renewal in neighbourhoods where a concentration of poverty or community challenges exists. CDCs provide a unique value proposition to poverty reduction work through focus on defined geographical areas, use of a community economic development approach that is community-led and focuses on economic investment, and prioritization on the creation of new revenue streams to reinvest in their mission.⁷⁰

CDCs focus on neighbourhoods with geographic concentration of poverty. In these neighbourhoods, deteriorating social conditions and/or the opportunity to serve more lucrative markets elsewhere have led to reduced private investment. As a result, there are less opportunities for residents to access high quality affordable housing, living wage jobs and the goods and services the community depends on.

The tools used by CDCs depend on the specific needs of each community. To determine which tool to use, CDCs engage with residents, local businesses and community organizations to identify each neighbourhood's existing assets, opportunities and challenges.

Unlike other nonprofit organizations that depend largely on a mix of grants, government contracts for services and/or donations, **the revenue sources of a CDC generally include a significant amount of revenue earned through business activities**, which is then reinvested back into their missions and mandates.

Why start a CDC? In short, CDCs are started because of various reasons, such as: **a)** a single event in community that forced the community to respond i.e., a developer taking over a piece of land, **b)** a concentration of community challenges that requires a solution or is not being responded to by current community players or **c)** to achieve a community's economic development and/or revitalization plan.

Here are examples of local community challenges that CDCs have helped respond to: high rates of poverty⁷¹ unemployment and lack of jobs, lack of social support, economic opportunities, small business development, stabilize or increase the local population base, affordable housing, infrastructure gaps such as roads or high mortality rates. In turn, there are **many reasons why CDCs are started apart from a single event or community issue, research indicates that CDC can be a part of having to rely less on forms of government to improve the local community** or more control to influence local policy development.

Enabling Conditions for CDCs in USA

The Community Development Financial Institutions ("CDFI") Fund is a key source of capital to CDCs offering financial services to low-income rural and urban communities.

⁷⁰ Overview, Community Development Corporations (CDCs), Community-Wealth.org, <https://community-wealth.org/strategies/panel/cdcs/index.html>

⁷¹ Starting a Community Development Corporation, Melissa Beeler, Changwan Kim, Karen Peris, Dr. Elizabeth Mueller, THE UNIVERSITY OF TEXAS AT AUSTIN, SCHOOL OF ARCHITECTURE, <https://growthorientedandsustainableentrepreneurship.files.wordpress.com/2018/09/cei-starting-a-community-development-corporation.pdf>

What are CDFIs? CDFI: a financial institution that provides credit and financial services to underserved markets and populations.

Today, the number of CDFIs continues to increase due to a growing record of success that has inspired confidence in the CDFI industry and attracted new sources of support and funding. There are over 950 CDFIs certified by the CDFI Fund, serving both rural and urban communities in the United States.

Despite the increased diversity of funding sources, CDFIs grew only incrementally through the 1970s and 1980s. It wasn't until the 1990s that the CDFI industry expanded dramatically. Factors contributing to this growth include^{72,73}:

- Emergence of CDFIs is directly connected to the civil rights movement and social justice movements of the 60's and 70's;
- CDFIs are a result of a key policy change: Reinvestment Act in 1977;
- The creation of the CDFI Fund in 1994, a government agency that provides funding to individual CDFIs and their partners through a competitive application process;
- Revised Community Reinvestment Act (CRA) regulations in 1995 which explicitly recognize loans and investments in CDFIs as a qualified CRA activity;
- CDFIs are highly reliant on philanthropy to support and subsidize operations;
- The scale and scope of the US CDFI community movement is impressive, with billions in assets invested across the country;
- There are a variety of 'communities of interest' using this model, including Black, Indigenous and People of Colour ("BIPOC") communities, geographic communities (national, state, and local level), and sectors of focus (affordable housing, food, etc.);
- CDFIs have been leveraged as infrastructure to respond to COVID-19, and they are a critical tool to build a more inclusive future in the US.

Do we have CDCs in Canada? In Canada, local governments have traditionally had a smaller role in poverty reduction. There are approximately half a dozen urban Community Development Corporations focused on fighting poverty in Canada. Also, **some organizations use the language of CDC in different ways, therefore the most certain way to understand the organization is to go beyond the label and understand individual community context and organizational mandates to understand the range of models.** The word 'development' can be associated with economics, community, housing, and localized activities that provide complementary services to pre-existing organizations.

In Manitoba, the government has developed a community development corporation framework that is focused on community economic development ("CED"). In Manitoba, there are over 100 locally owned and directed CED organizations, most of which are CDCs. The first CDCs in Manitoba were formed in the early 1960s but became more popular in the 1990s. CDCs are special corporations owned by local municipalities and councils and managed by local community leaders.⁷⁴ In Manitoba, a CDC is a legal entity that will allow

⁷² What are CDFIs?, CDFI COALITION, <https://cdfi.org/about-cdfis/what-are-cdfis/>

⁷³ Five Ways to Catalyze Community Capital in Ontario, SVX, <https://medium.com/@theSVX/five-ways-to-catalyze-community-capital-in-ontario-a6f7371b123b>

⁷⁴ HANDBOOK, COMMUNITY ECONOMIC DEVELOPMENT FOR COMMUNITY DEVELOPMENT CORPORATIONS, MANITOBA, <https://www.gov.mb.ca/agriculture/rural-communities/community-planning/pubs/devcorps.pdf>

the community to form a group to address the economic development strategy. Historically, the main reason(s) to organize a CDC are to:

- Organize for community economic development;
- Create and retain jobs;
- Or, increase the local population base;
- Take advantage of opportunities for small business development;
- Mobilize community resources to solve issues facing the community;
- Engage in community capacity building;
- Reinvest profits into the local economy.

CDCs are expected to choose actions strategically that match the capacity of the organization and available resources. Strategies contained in a plan are often categorized into the following areas:

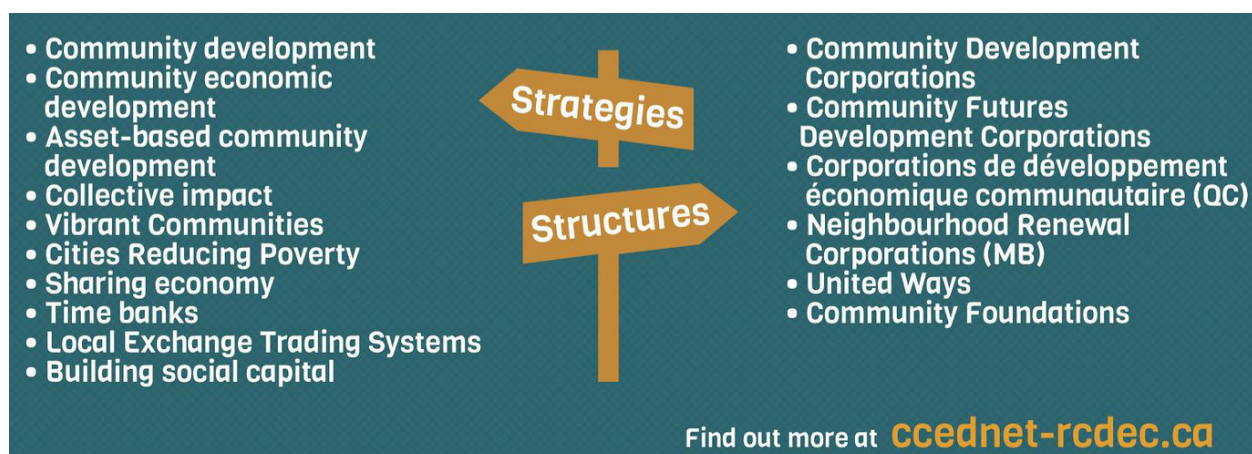
- Business development (ex: business expansion, attraction, prospecting and providing business assistance);
- Locality development (ex: beautification, zoning);
- Labour and human resource development (ex: population attraction);
- Sector-specific (ex: tourism, housing);
- Community liaison activities (ex: community marketing campaign) as important vehicles of CED, particularly through the enhancement of community capacity.

There is a degree of interconnectedness between core aspects of the CED framework and the emergent role(s) of CDCs. The results of a recent study indicate that CDC mandates and activities reflect CED principles such as multi-sectoral initiatives, community involvement, strategic planning, and inter-organizational partnerships. And, although there is growing recognition of the social development agenda, CDC functions are heavily focused on business and economic development. The CDC model offers important opportunities to integrate economic renewal with other types of community capacity building: leadership development, collective action, and inter-organizational relations.⁷⁵

Do we have enabling conditions in Canada?

CED organizations are not always easy to find in Ontario. Not all organizations identify their activity as CED, not all organizations have a website let alone internet accessibility, and many organizations and communities (particularly in the North) still experience great isolation from the rest of Ontario. We estimate there to be approximately 2,000 organizations involved in CED currently in Ontario, although we acknowledge that a truly complete picture of CED has yet to be illustrated.

⁷⁵ Community Development Corporations as Vehicles in Community Economic Development; The Case of Rural Manitoba, Kenneth C. Bessant, June 2005, https://www.researchgate.net/publication/247528953_Community_Development_Corporations_as_Vehicles_of_Community_Economic_Development_The_Case_of_Rural_Manitoba



Among these models, those that are currently (re)gaining prominence include:

Cooperatives, Inclusive Economy and Community Wealth:

Inclusive economy is one in which there is expanded opportunity for more broadly shared prosperity especially for those facing the greatest barriers to advancing their well-being.⁷⁶

This an old and renewed model for sharing the risk and reward equitably across community through legal and governance structures.

Social Enterprise:

*"A social enterprise is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission."*⁷⁷

There are an estimated 10,000 social enterprises in Ontario, many having been founded decades ago, and many more being founded in the last decade.

Social Finance and Impact Investing:

*"Social finance uses standard financial tools and instruments to leverage the economic, social and environmental value created by organizations in the non-profit and for-profit sectors or in the hybrid space between them. These organizations are usually mission-driven and seek to maximize all three forms of value."*⁷⁸

Over the past two years, impact investments in Canada have grown from \$14.8 billion to \$20.3 billion. This represents 38% growth in impact AUM over this two-year period.

⁷⁶ Inclusive Economy, Think upstream, <https://www.thinkupstream.ca/inclusive-economy>

⁷⁷ Discussion guide for the Investment and Readiness Stream of the Social Finance Fund, Definitions section, Employment and Social Development Canada, <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/consultation-investment-readiness-stream/discussion-guide.html>

⁷⁸ Impact Investing / Social Finance, Carleton Centre for Community Innovation, <https://carleton.ca/3ci/projects-and-initiatives/impact-investingsocial-finance/>

According to the 2020 Annual Impact Investor Survey from the Global Impact Investing Network (GIIN), the global market for impact AUM is estimated at \$715 billion (USD). Canada therefore accounts for approximately 3% of the global market for impact investing.

Social Innovation:

The Government of Canada recognizes that new and innovative approaches are required to tackle these social issues. That is why the Government has committed to developing a Social Innovation and Social Finance Strategy for Canada.⁷⁹

Social innovation refers to the creation, development, adoption and integration of new and renewed concepts, systems and practices that put people and planet first. At their best, social innovations tackle the root causes of problems by changing the systems that are causing the problem.⁸⁰

Here's five things that social innovation hopes to distinguish from other approaches:

- aspires to solve the root causes of issues, to avoid endless spending by problem solving at an ecosystem level
- experiments with new approaches to breakthrough institutional inertia
- acts inclusively by working directly with communities and people with lived experience
- leverages markets for scaled impact
- collaborates and shares resources to ensure that we all flourish.

An example of innovation that blends the many practices described above and is applicable to raising capital from local community are community bonds. Community bonds, by definition, are a debt financing tool issued by non-profit, charity or co-operative organization. In simple terms, community bonds give these organizations the opportunity to take loans of varying sizes directly from their community of supporters.⁸¹ With \$61 million raised from over 3,900 investors, here are some of the projects and issues this innovative finance model can support:

- Community Hubs
- Sustainable Food Systems
- Co-Working Spaces
- Sustainable Energy Projects
- Inclusive & Affordable Housing
- Arts & Culture Hubs

Conclusion for CDCs - In Ontario, there are no formal CDC policies like there are in the US and Manitoba. In other provinces, there are Community Futures Development Corporations and Community Business Development Corporations, models discussed in *Appendix A - Related Definitions and Frameworks Related to Community Development*, that have branded themselves using the language of "community development corporation".

⁷⁹ Social Innovation and Social Finance Strategy, Government of Canada, <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/strategy.html>

⁸⁰ UNLOCKING Canadian Social Innovation, <https://socialinnovation.org/wp-content/uploads/2018/12/Unlocking-Canadian-Social-Innovation-.pdf>

⁸¹ Tapestry COMMUNITY CAPITAL, <https://tapestrycapital.ca/>

In Ontario, CDC language exists, in organizations like Hamilton's Rainbow CDC that operates a charity to support social enterprises employing people with mental health challenges.⁸², and was used in defunct or rebranded organizations in Ottawa and Toronto between 1970-1990s.⁸³

It will be up to the local community to decide the appropriate language that would resonate with local community that aligns and honours the community development model chosen.

In the next section of this report, *Models to Learn From*, the consulting team illustrates models in Alberta and Nova Scotia that adopted the CDC label, without the formal policies, yet have the scope of work align closely with the needs of Perth and Huron region. As illustrated in the Community Engagement Process section of this report, the team will highlight how the language of CDC has not always been helpful in describing the goal of this proposed solution.

The following section will explore models that fall under the above labels of community development to showcase the market in which this possible entity could be operating within.

⁸² Rainbow's End, Community Development Corporation, <https://rainbowsend.ca/>

⁸³ History, Fresh Start, <http://freshstartclean.com/history/>

Models to Learn From



SHOW YOUR LOCAL LOVE



United Way
Perth-Huron



SHOW YOUR LOCAL LOVE

Research Methodology

To understand the feasibility of starting and operating a new entity in Perth and Huron region, the consulting team examined community development organizations ("CDOs"), such as CDCs, non-profit developers, and hub operators to understand the start-up paths taken by these organizations to provide insight and strategy. The list of all organizations interviewed, and the interview questions are included in *Appendix B: List of Interviews and Interview Questions*. These organizations were chosen because they are successful community organizations that directly or in-directly correlate activities to building community hubs, affordable housing and try to mitigate local community challenges as seen earlier in this report.

The research methodology focused on relevant mission and vision, approach including startup phase, governance and operations, examination of projects and finally what learnings can be applied operating a CDC.

Summary of Findings

As is evident from each organizational description, the experiences and activities of CDOs vary. In general, several important factors account for these differences, including but not limited to:

- The needs and size of the communities;
- Relative dependence on grants vs. earned revenue, and related expectations;
- Existence of other related agencies already active in the region;
- Governance models and start-up approach;
- Pace and growth are impacted by assets and capitalization at start-up.

The case studies demonstrate that there is no one right way to start a CDO, yet to be successful, each CDO should be responsive to the external contexts and environments in which they operate. In compiling the summaries below after speaking to representatives of CDOs across Canada and the US we **identified the following critical success factors:**

- Being rooted in the communities where CDOs operate;
- Partnership with patient and forward-thinking governments and other funders;
- Inclusion of community representatives in the governance model;
- Factoring in a strong business approach and expertise from the private sector;
- Activating unique partnerships;
- A very flexible, nimble approach that is entrepreneurial and responds to changing needs;
- Taking on more than one project at once, which in many cases are represented by separate legal entities to spread risk;
- Acting as the lead, as one or more of the following: convenor, backbone, developer and operator.

Much of these insights have been validated by the Edmonton CDC Business Case analysis of similarities and differences of five CDCs completed in 2016.

The consulting team was able to develop a framework to assess the feasibility of starting and operating a CDC like entity based on this research and used it to conduct our focus groups showcased in the next section on *Community Engagement Process*. The main themes are: **Community Need, Leadership Buy-in, Money and Assets, Incubation Partner and Qualified Team.**

Below is a detailed account of several examples of CDOs that have helped us draw the above conclusions and frameworks. We have maintained a consistent structure for each case to help compare their models and read through the information.

Structure for each model:

- Name;
- Location;
- Website;
- Mission & Vision;
- Approach;
- Project(s);
- Key Learnings.



- Name: Edmonton Community Development Company
- Location: Edmonton, Alberta, Canada
- Website: <https://edmontoncdc.org/>

Mission:

Edmonton CDC engages and collaborates with urban core neighborhoods to understand their needs and aspirations, and to help build community capacity to further their economic and social development. The Edmonton CDC works to foster:

- adequate income,
- affordable and relevant housing,
- attractive local businesses,
- enhanced employment opportunities and
- supportive social programs.

Vision:

Neighbourhood residents and stakeholders collectively influence their community's future to attain a quality of life that is socially and economically healthy, sustainable and attractive. Edmonton CDC is the community's development company.

Approach:

In early 2016, the End Poverty Edmonton Road Map provided a key recommendation to start the Edmonton Community Development Corporation – a proposal was developed by a steering committee consistent of the Edmonton Community Foundation ("ECF"), Homeward Trust and the United Way of the Alberta Capital Region and was approved by Edmonton City Council during deliberation on the 2016-2018 Supplemental Operating Budget Adjustment.

The city provided operating funds, land and development capital. This enabled the organization to mobilize community groups and neighbourhoods to develop an investment cooperative to raise capital. The CDC provided full product development support and becoming an investor. Financing was also provided from the Social Enterprise Fund; another initiative incubated by ECF and was leveraged to finalize the relationship with municipal funds.

Once the Edmonton CDC acquired necessary resources, the team attracted people who know how to do this work, which is critical to the success of a CDC, and provided competitive remuneration in order to build long term relationships in the following skills areas: community engagement, development, financial, facilitating neighbourhood ideas.

Projects include:

- Social Enterprise Boot Camp, 11-unit Apartment House, Community Hub, Community Planning, Food market, Arts Initiative, Affordable Housing Innovation Lab, and the following innovative finance and community development project:
- Piazza Strip Mall and the McCauley Development Co-Op - the Edmonton CDC often becomes the 'back-bone' of a community initiative or labelled as social infrastructure – a compelling narrative that is exemplified in the Piazza Strip Mall project.

The Piazza Strip Mall is a 10,093 ft² property on a 20,156 ft² lot in McCauley, an inner-city neighbourhood defined by problems of low income, homelessness with this particular property creating frustration among local residents due to legal gambling and drug trafficking activities. Community residents asked the CDC to purchase the mall, but initial financial viability analysis fell short. The local residents, in partnership with the CDC kept exploring avenues to proceed and formed an Opportunity Development Co-op that was able to issue ownership shares and create an investment offering that allows for transfer of Tax-Free Savings Account ("TFSA") and Registered Retirement Savings Plan ("RRSP"). The community raised \$1.1M by attracting 91 investors in 20 days with most investments in the \$5,000 - \$10,000 range. The Co-op currently owns the Piazza Strip Mall.

The ways the CDC provided social infrastructure, included the following: hired experts to provide education to local residents; engaged realty services; joined the Board of Directors of the Co-op; provide pro-forma scenarios for asset acquisition and operation; assisted with investment readiness which included cultivating lender relationships, procuring investment dollar, coordinating the offer of purchase and due-diligence activities. This required shifting the CDC's Director of Neighbourhood Development's time to work on the project for five months.

Key Learnings:

Although an urban example, many key lessons can be learned from the Edmonton CDC with application to a rural community such as Perth and Huron Region:

- A working group is required to form the initial proposal and to commence on the first-year work plan;
- Catalytic funder (municipality) advanced community solution, including capital to start and operate;
- A "back-bone" organization is required to facilitate to start-up of the entity, which in this case was the local community foundation providing access to staff, operating dollars, social financing and social capital in the form of community connections;
- A CDC can provide the flexibility to become the backbone of community initiatives where other organizations would not have the mandate or resources to do so.



NEW DAWN

- Name: New Dawn Enterprises
- Location: Sydney, Nova Scotia, Canada
- Website: <http://www.newdawn.ca/>

Mission

New Dawn's mission—to engage the community to create a culture of self-reliance—is as relevant today as it was when the organization was founded back in 1976.

Vision

New Dawn attempts to demonstrate what can be accomplished when local people come together and utilize the best planning, business and organizational principles in responding to community needs.

Approach

- New Dawn Enterprises Limited is the oldest Community Development Corporation in Canada and is a Founding Member of the Canadian CED ("Community Economic Development") Network;
- New Dawn is both a business and a social development organization; from the beginning, New Dawn's initiatives reflected that dual approach by providing much needed services in a business-like way. It is a private, volunteer directed business dedicated to community building;
- New Dawn seeks to identify community needs and to establish and operate ventures that speak to those needs;
- New Dawn employs over 175 people from the Cape Breton community and its services 600 Cape Bretoners each day through its companies and projects.

New Dawn is built up on the foundation of the 1920s Antigonish Movement that blended adult education, co-operatives, microfinance and rural community development to help small, resource-based communities around Canada's Maritimes to improve their economic and social circumstances. A group of priests and educators led this movement from a base at the *Extension Department* at St. Francis Xavier University (St. F.X.) in Antigonish, Nova Scotia.

In 1976, there was a need for a community entity to receive funds from the federal government to build housing. This first project was housing and came from CMHC - capital investments for subsidized units - 25/30-year mortgages and working with local authorities to keep the units affordable.

The language of social enterprise not available then, so CDC model felt applicable for group that was organizing. Over time that model has given flexibility to be responding to evolving community needs, and never restricted the work New Dawn wants to do. Today, social enterprise is better understood in Nova Scotia, so currently using that language to describe the entity. Regulatory environment does not support revenue generation for nonprofits, yet is not enforced, which creates hesitations due to risks with change of government.

The mission is broad enough to go from housing to home care. Incorporated as a limited liability, nonprofit based on bylaws and no shareholders; and currently operating 21 legal entities as the umbrella. One volunteer board of directors governs all the entities to ensure alignment. In addition, will solicit members with expertise in areas New Dawn works in to sit on additional governance tables i.e. with arts centre have community and elder advisory committees for design, construction, processes. Accreditation of each holding is done through a family council which is consultative, and there is one stream of housing that is supportive for people with mental health challenges that has a tenant advisory committee.

Board focuses on policy and vision, and committees support working areas for first voice participants and enriches quality of work. Use the existing board and put names on the registry of all 21 entities, therefore AGM approves financial statements and minutes together.

Projects

Examples of this dual approach are the establishment of dental clinics in Cape Breton, the Cape Breton School of Crafts, half-way houses and a variety of housing projects. In the early days, acquiring physical assets for housing, and generating revenues from housing was instrumental. Tried with various degrees of success to stay away from government funding for operations, also because of political implications of what we can do/say. Money New Dawn uses to develop and operate projects comes from operations of housing and home care enterprises.

In early 2000s, New Dawn bought a property that was formerly a military site that was contaminated by buried oil tanks and went to court and got a \$7 million settlement that we invested and provided a source of revenue and preserved independence. Last couple of years invested \$6 million in the \$17 million Cape Breton Center for Arts, Culture and Innovation project with support from government funding. Looking again at the revenue generation potential because depleting investment portfolio with this project, therefore need to replace that income with new internal business divisions.

This will lead to modifying operations to enter new lines of business that contribute to mission and have decent margins. This aligns with the current Home Care business model: providing a fee for service home care, not subsidized by the government, and providing a living wage. In addition, managing 200 units of affordable rental housing, that is not always below market, and the market is rising due to university. Yet vacancy is 0% due to the quality of units and demand for local housing and provides significant revenue. New Dawn has complexes and units that meet CMHC threshold for affordability, and development into the future, prefer to have a mix of income, family size and age for the health of the community and so we are not contributing to social exclusion. Other entities don't make money like meals on wheels yet covers costs and opens up to other food related businesses like cafe in Center for Arts and reinvests in meals on wheels to grow that entity.

Key Learnings

- Generate your own revenues. There is still room for government, yet careful not to be dependent on that for operations due to unpredictability and hands being tied to have difficult conversations with the community. This also encourages more adaptable and responsive behaviours to community needs through business lens to stay relevant.
- Bring in local stakeholders and meaningful engagement with the community at the beginning of the project, ex: first nations elders added to advisory committees of community users, and this changed the project and organization due to the authentic

relationships that go beyond the project scope. This can create more complexity and long-term work, yet totally worth it for end result.

- Don't use a rigorous approach to impact measurement. Part of that is not needing to report for government funding so not part of culture, yet constant conversations with community to understand unmet needs and assistance with ex: for the Center of Arts, we had conversations about evaluation and we are searching for a model that doesn't feel bureaucratic and not stifling and allows for creativity and conversation.

“You don't need all the people, yet you need the right people to move forward.”

Comparative Analysis of prominent CDCs in Canada



Community Need	Edmonton Social Planning Council + End Poverty Edmonton Road Map	University Faculty + Housing Project
Leadership	Municipality full endorses plan from Steering Committee	CMHC Funding + New Dawn Team
Money & Assets	Land & Capital - City + Community	Land & Capital - CMHC + Community
Incubation	Community Foundation	None

The above chart highlights some similarities and differences, while having started decades apart and in different parts of Canada.

1. Both communities had a group of people be vocal about a specific issue;
2. Both communities had a key funder and group of people willing to implement;
3. The funder in each community is different a) municipality b) federal agency;
4. Both funders are governmental;
5. Each funder provided need capital to begin first project;
6. Both projects are land-based and require development and operational funding;
7. Community (non-governmental) also contributed significant funding;
8. One group incubated in an established organization, while the other went from grassroots to formal without intermediary acting as incubator.

Both these organizations started their journey using the Community Development Corporation model established in the US, neither supported by provincial policy frameworks. Both organizations have altered that language to ensure community and partners in their region understand their model.



- Name: New Path Foundation
- Location: Barrie, Ontario, Canada
- Website: <https://www.newpathfoundation.org/>

Mission

To lead and inspire change we develop and manage philanthropic investment and mobilize community support to meet the mental health needs of children, youth and their families.

Vision

New Path Foundation to be recognized as a leader in supporting mental health services and building stronger communities through innovation.

Approach

New Path Foundation was established in 1996 as a public foundation governed by a volunteer Board of Directors to serve as a link between donors, charitable interests and the vital needs of children, youth and families. After a merger in 1995, New Path Foundation began to explore projects outside of the scope of fundraising for New Path Family and Youth Services. Through developing, managing and mobilizing community philanthropic investment, New Path Foundation works achieve its mission. They added an intention of social-purpose real estate which started with an experiment in 2004 called the common roof.

The common roof – A social services hub that has been implemented in 3 locations. It is a shared multi-tenant property for not-for-profits to come together with a common purpose such as service provision. The New Path Foundation owns and operates the building and provided reception staff that is tenant and client-facing, as well as cleaning and maintenance services which are paid for through a maintenance fee charged to tenants. Currently, the foundation operates three common roofs

Projects – The Common Roof

The common roof Barrie

- 24,000 f²;
- Through the use of a realtor that understood the not-for-profit sector, the New Path Foundation was able to buy the old Enbridge Gas building;
- Land acquisition was approximately \$2M;
- Six partners came together with \$100,000 buy-in;
- Building was 20% office space and 80% garage – hence the need to retrofit the space;
- Currently, 100% tenant occupied with three tenants in total.

The common roof Orillia

- o 36,000 f²;
- o The common roof Barrie tenants had sites in Orillia and wanted another common roof in that community as well;
- o Building of \$2.6M secured through infrastructure funding;
- o New partnership model was introduced – three organizations came together with \$75,000 buy-in;
 - After buy-in secured, engaged financial institution to re-negotiate mortgage;
- o New build;
- o Received \$4M infrastructure grant;
- o Four partner organizations with 10-year leases with no price increase;
- o Eight tenant organization with 1-5-year leases at market rate.

The common roof Collinwood

- o 7,500 f²;
- o New Path Foundation garnered interest for the model province-wide by doing presentations at seminars – now also resulting in fee-for-service consulting contracts;
- o Local Rotary club came forward to create legacy in the community – raised initial \$200,000;
- o Three partners came together for \$100,000 buy-in each;
- o Purchase property from former Rotarian;
- o Three partner tenants, one tenant organization, one part-time tenant.

Key Learnings

- Integrated model with tenants is very innovative and covers a part of the access to services gap in community;
- To create an organization that has broad 'objects' in the articles of incorporation to ensure no restriction for the activities to get involved as a principal organization;
- Flexibility in financing model is required for the innovation needed to purchase, retrofit and develop land and properties, which may include leveraging partner organization buy-in and leveraging the principal organizations funding and assets;
- As an organization you must form close relationships with contractors and other community stakeholders, including engaging municipal council and municipal staff;
- Sustainable models and processes to get to 'yes' can be scaled successfully in other communities.

Health Services as Key Funder



- Name: Chicanos Por La Causa (CPLC)
- Location: Phoenix, Arizona, United States of America
- Website: <https://www.cplc.org/>

Mission

We drive economic and political empowerment. Our programs work to help individuals and families achieve self-sufficiency by providing accessible healthcare; affordable housing; a quality education; access to meaningful work; and political representation.

Vision

Empowered lives

All people, without discrimination, should have the power to live a life of dignity.

Approach

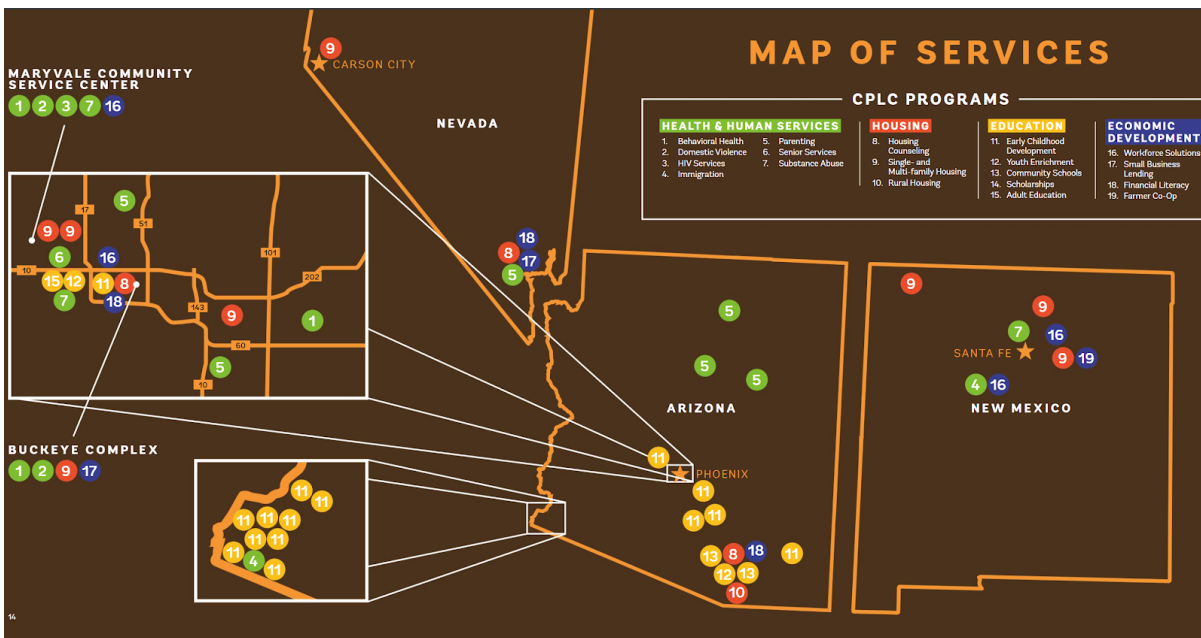
CPLC was founded in 1969 to confront discrimination against Mexican American students in Phoenix as part of the larger movement led by Cesar Chavez, Dolores Huerta, and others. Today, CPLC has grown to defend the rights of people of all backgrounds, regardless of ethnicity, race, age, gender, orientation, or immigration status, while maintaining a special competence in meeting the needs of the Latino and Spanish-speaking population. We provide direct services impacting almost 380,000 lives annually in Arizona, Nevada, New Mexico, and Texas.

Activities are diverse and organized by 5 topics: Health & Human Services, Housing, Education, Economic Development, & Advocacy. This includes and not limited to: conglomerate of social services, health care, large early childhood development network, community schools, shelter, housing counselling, housing, real estate, workforce development, and business development.

CPLC owns and manages mission-driven for-profit subsidiaries, whose income helps to fund our nonprofit charitable initiatives. More than half of CPLC's revenue is self-generated, ensuring that the organization can weather financial storms and that the mission will continue sustainably into the future.

The CDC framework of re-investing in communities that have been de-invested is part of the model, and the community and clients are part of board and advisory groups in order to have strong feedback loop, maintain the model and manage change in community. The profit entities work mutually with the into nonprofit entities either through integration of services - for example, CPLC operates a nonprofit that acts a real estate agent to acquire and disposition of assets and a for profit construction company does that development Structuring - or by redistributing funds across entities. CPLC also manages a community development financial institution (CDFI) that does loans and grants.

Overall, 50% funding from government - all levels; 40% from self generated revenues i.e., multi family properties or client service fees for immigration; and 5% from philanthropic donations. There is a wide net of sources, and revenues shift based on the trends of the policies i.e., from drug prevention to workforce development to COVID-19 19 testing/food boxes; therefore flexible in programming and funding, which aligns with philosophy to encourage clients to be independent as well and to be empowered economically and politically.



From: 2017 Annual Report

Projects

CPLC is much larger than the market would tolerate for Perth-Huron, yet what that provides is a breadth of models to explore and learn from. The above shown map of service delivery, which was noted to support a community network of services in different regions. For example, CPLC has a hub and spokes model, where the housing is the spokes and clients are provided a holistic approach to integrated human services. 60% of CPLC programs are co-located i.e. workforce development, health, alongside community partners i.e. food, government services, dentist. This housing model was developed with support from health care providers who offered a low interest loan to create affordable housing around the services hub. This was considered a cost savings to health care system to provide access to community-based services instead of using high costs health care services.

In addition, CPLC has also acted as backbone org for spaces and flow thru money, provide guidance, consulting, partnerships, and act as fiscal agent to be more competitive in backend services. CPLC also bought and rehabbed foreclosed homes and did with 11 consortium members. The latter had a risk for lending involved and doesn't fit the affordable housing model, - acquisition and rehab of housing to provide 500 units... not 100% affordable model because don't want to create "low-income communities" and also want to go beyond government restrictions of 100% - therefore do 80/20 model: 80 workforce and 20 affordable - which is good for partnerships, maintains resale value, and dignity. Apartments are leveraged as collateral to re-invest into those communities with the community development approach.

Key Learnings

- Bring in finance, and other practice experts to develop new proposals/programs to ensure all bases are covered - "operate each program as a line of business" with 10/15% admin per project
- Access to cheap capital is needed. Leverage low interest rates, for example: 0% in construction phase (year 1), 1% in development phase (year 2-3) and, and 2% for operational phase.
- Stay focused on subject matter expertise and be innovative in that domain; stretching mission takes time, energy and loses focus
- Avoid duplication of work, making sure to have good and long-term leadership, with space and culture for making mistakes.



- Name: Wequedong Lodge
- Location: Thunder Bay, Ontario, Canada
- Website: <https://www.weqlodge.org/>

Mission

Wequedong Lodge is dedicated to ensuring a safe, comfortable and culturally appropriate environment for its clientele.

Vision

The vision of Wequedong Lodge is to operate and maintain a multipurpose, handicap accessible facility, which would offer, in addition to transportation and accommodations, a full range of programs and services (holistic and traditional health, long term and supportive housing, prenatal and palliative care) to eligible Aboriginal clientele.

Approach

Initially began as short-term accommodations in far north for First Nation, Metis and Inuit peoples in the region to access health services in Thunder Bay i.e., cancer, dentists, counselling, pre-natal. Many of the Indigenous people are residential school survivors and there was culture shock being in the city

Therefore, the wisdom was to create a medical hostel that was being funded by the Ministry of Indigenous Services. Clients had to relocate to Thunder Bay to get ongoing care i.e., palliative, ongoing care, pregnancy, dialysis - and couldn't go home. If it didn't operate, people would be staying in local hotels. Instead of government allowance, provided as services approved for non-insured health benefits, going to the person, it is managed through the Lodge.

Today, Wequedong Lodge is a non-profit that provides accommodations, meals, translation, transportation and referral services to First Nations (on and off reserve), Metis and Inuit clients

accessing medical care in Thunder Bay. Wequedong Lodge has qualified and experienced employees who deliver services on a twenty-four-hour basis. Wequedong Lodge is centrally located and is easily accessible to hospitals, clinics and transportation depots.

Communication and working relationships have been developed between Wequedong Lodge and Northwestern Ontario communities, nursing stations, physicians, health authorities and hospitals. Wequedong Lodge has developed a dependable reputation in providing a safe and secure environment for clients as well as a drug and alcohol-free environment.

Projects

The current 52 room and 1,120 bed hostel and community space is not ideally designed for long-term stay. Currently, this organization has an application with CMHC with rapid housing initiative to double capacity. The Lodge has financed purchase of land from surplus/savings - allowed from funder - to buy land. Now looking to finance build through CMHC support and with modular housing focus

Currently Getting quotes yet struggling to balance local relationships with cost-effective ones.

Key Learnings

- The Lodge is experiencing a gap in local community development support related to real estate. After hiring a feasibility consultant for \$100K, rather spend those types of funds on general contractors, engineers, architects, to help through process, and save money from consulting fees

Innovative Financing



- Name: Union Sustainable Development Cooperative
- Location: Waterloo Region, Ontario, Canada
- Website: <https://www.unionsd.coop/>

Mission

We will collectively purchase and manage commercial and residential buildings for long-term local benefit.

Approach

Original thought was to manage mixed-use properties to support small businesses (good homes for local businesses) yet for the first few projects with community and for financial reasons, focusing on residential housing. The team mostly born and raised, lived in this region, and all socially active to make the community better. They saw the need and were inspired by other actions in North America to fill the gap locally, without empire building ambitions, and creating a model to accelerate other communities to do this quicker.

People in small rural towns and big urban centres have begun to work together to buy, upgrade, and manage buildings with the goal of increasing the economic, social, and environmental health of the places they call home. The concept is simple: work together to purchase and fix up a property, rent it out with stable long-term rents, and democratically make decisions for community benefit. Waterloo Region is experiencing an exciting period of growth and change. To ensure that this development helps everyone, we need new approaches that remove land from the competitive pressures of the market. Union is demonstrating that the Opportunity/Investment Cooperative model is feasible in Ontario.

Union does this by raising money through community through equity shares that is then leveraged to get a mortgage to buy existing apartment buildings. The goal is to maintain affordable rental rates controlled by the community and renovated to keep comfort as well as financially feasible. Union recently received funding from CMHC through the National Housing Strategy Solutions Lab to further their efforts.

Projects

The decision criteria for property includes looking at much larger projects that have affordable rates and have current contracts with the housing manager, CMHC and owner wants to sell. Union then intervenes and acquires housing stock instead of it going back to private markets where rent rates will increase.

Current project is 18 units (17 two-bedroom and 1 one-bedroom) in the area of Waterloo region near transit, near bus/bike, near mall with price that is reasonable. Owners inherited

property from parents and looking to divest and see impact. Building is good shape with opportunity to make more energy efficient, while already being affordable according to CMHC rates. Expectations in the real estate market were to increase, and Union wants to keep affordable.

In addition, establishing partnership with Reception House (local settlement nonprofit) to work with refugees. A good partnership because Reception House is well established and have dedicated funding from outside of housing system and people are not as high needs as other housing needs i.e., mental, addictions and that living alongside other residents - and they sub-lease to use and simplifies process to only invoice one organization instead of individuals.

Key Learnings

- Leverage community capital to pool resources in order to begin access other funding sources that require a different risk tolerance
- Learn from cooperative models that work with community to ensure local governance and shared wealth models over the long-term
- Acquire existing housing stock to manage increasing market rates by identifying sellers at the right time and working with partners to build relationships prior listing



- Name: Six Nations of the Grand River Development Corporation (SNGRDC)
- Location: Ohsweken, Six Nations of the Grand River, Canada
- Website: <https://sndevcorp.ca/>

Mission

Ensuring economic prosperity without compromising our community values
SNGRDC is committed to ensuring that our cultural and community values guide our pathway to economic development. SNGRDC's Guiding Principles are reflective of these values and create the foundation for all business decisions.

Vision

Supporting a healthy community for today and the faces yet to come. SNGRDC is committed to tackling community priorities, reducing funding gaps and creating meaningful employment opportunities for the people of Six Nations.

Approach

Economic development used to be managed by Council and the community was not satisfied with the results. Launched in 2015, it took 8 years to start and 32 council resolutions, because the community was divided on how to move forward. Once approved, Council provided \$18M to start as a guarantee. And because residents cannot own anything on the reserve - no equity - all activities are owned by Council. The funds have been paid back and the guarantee is still there. The new entity has better wages, benefits and performance bonuses and has helped pay for better housing, improved water quality, and more. It is a

nonprofit, yet more closely described as a social enterprise, because all funds get recycled back into the community.

The purpose of SNGRDC is to generate income, outside of the federal funding, to tackle community priorities that affect the Six Nations Community as a whole. This includes improving social conditions, aiding in infrastructure development and creating a healthy & sustainable environment for individuals, families and businesses to thrive.

SNGRDC is governed by an overarching Advisory Committee, a Board of Directors and the Economic Development Trust together these governing bodies form the SNGRDC Group. This governance framework was developed following the **Tewawennaró:roks – “We Gather Our Voices”** community engagement project which gathered insight from the community regarding the creation of a community owned Development Corporation.

As mentioned, the sole owner is the Council and they relinquished abilities to make decisions to governance board 1) Advisory Board -acts in best interest of public and oversight of Board of Directors and Board of Trustees. Representing values and all major financial decisions 2) Board of Directors - direction of companies being operated by SNGRDC 3) Board of Trustees - spends the profits, based on what the Board of Directors doesn't request to re-invest to put into new projects, and decides how money gets flowed into the community.

SNGRDC manages Six Nations' economic interest for several economic development projects and opportunities on and around the Six Nations territory. This includes Property Management, Tourism, and Business Management of several enterprises i.e.. Bingo, Renewable Energy. It also operates Joint Partnerships that are break even companies to make jobs.

The Economic Development Trust (EDT) is the mechanism in which surplus profits generated by the Six Nations of the Grand River Development Corporation are invested into the Six Nations Community for the collective benefit of its members.

Projects

The community already has a housing department, which applied to the trust to pay for the housing. The trust aid for infrastructure of \$2M, including roads and hydro, for an 80-unit lot which helped get it shovel ready. This then helped increase the eligibility and successful access to CMHC funds to move the project forward.

Key Learnings

- Economic activities can be directly re-invested into social infrastructure and community benefit initiatives
- Local governance can help direct funding decisions related to large scale infrastructure projects
- Less focus on ownership increases focus on shared vision and creates more space for collaboration

Challenges Operating Local Development Corporation

Housing Development Corporation – London, Ontario

According to the Housing Development Corporation (“HDC”) website, HDC in London centralizes the knowledge, skills, expertise and tools required to support sustainable housing development, inclusive of affordable housing. HDC offers consulting services to private and not-for-profit developers including research, navigating planning process, community needs assessment, preparing government funding applications, facilitating community connections and partnerships, investment readiness and funding procurement and connections to funding i.e. CMHC, local community foundation, etc.

Incorporated in 2015 by the City of London, HDC, a municipal service organization would lean on the expertise and resources of the municipality to bring other resources, plans and funding together to make (affordable) housing developments a reality in London and Middlesex County. At start-up, HDC would rely upon the existing affordable housing funds allocated to the City of London and other federal/provincial programs and funding, as well as administrative costs originally allocated to affordable housing development within the Civic Administration (which indicates the importance of a backbone organization)⁸⁴ with an increased flexibility because it did not have to adhere to the same level of policy and process as the City of London⁸⁵, was perceived as less bureaucratic by developers which would be catalyst to collaboration⁸⁶ and the ability to act as lead agency of policies for affordable housing⁸⁷.

What was intended to be a game-changer to attract and facilitate affordable housing developments did not unfold in this matter – in fact, on December 16, 2020, the Strategic Priorities and Policy Committee, a committee of City Council took first steps to dissolve the HDC and integrate its services and assets inside the municipal structure because:

- The municipal is behind on building 3,000 affordable housing units⁸⁸, and;
- An initial auditors report found that no incremental benefit in the number of unaffordable units was created since the inception of the HDC⁸⁹, nor increased levels of investment attracted to community⁹⁰;
- Recently, affordable housing projects have advanced quicker with a dedicated City Staff board, although temporary in nature, sets the stage for an integrated approach with City Administration;
- Current assignment of responsibilities in the housing ecosystem divides same or similar service with the potential for service impairment and duplication⁹¹

⁸⁴ A PROPOSAL TO ESTABLISH A HOUSING DEVELOPMENT CORPORATION, LONDON (HDC), STRATEGIC PRIORITIES AND POLICY COMMITTEE MEETING ON JULY 28, 2014, City of London, <https://london.ca/sites/default/files/2020-10/FINAL%20HDC%20PROPOSAL%20REPORT%20TO%20SPPC%20JULY%2028%20SIGNED%20PDF.pdf>

⁸⁵ Review of Service Delivery for Housing, City of London Service Review, summary Report, August 12, 2019, KMPG

⁸⁶ Ibid

⁸⁷ Ibid

⁸⁸ Strategic Priorities and Policy Committee – December 16, 2020, London Ontario City Council, YouTube, https://www.youtube.com/watch?v=-ML_08Hwkpl

⁸⁹ Report slams slow turnover, duplication in community housing, August 21, 2019, CBC, <https://www.cbc.ca/news/canada/london/london-middlesex-community-housing-1.5254895>

⁹⁰ Review of Service Delivery for Housing, City of London Service Review, summary Report, August 12, 2019, KMPG

⁹¹ Review of Service Delivery for Housing, City of London Service Review, summary Report, August 12, 2019, KMPG

- HDC process and focus may expose the City of London to increased risk⁹² by assuming equity interests in future affordable housing projects and an aspiration to take an active role in property ownership and development level exploring the City to increased risk with potential impacts on current funding sources related to housing, ownership liabilities and adding debt to the City's allowable debt repayment limit, effectively reducing its borrowing capacity.⁹³

In addition, community champions noted that HDC board meetings were closed to the public and there was no clear indication of key performance indicators or updates on the initial business case and strategic direction since the inception of the organization – this in combination with non-direct communication with City Council and unpragmatic leadership by the CEO, the City failed to drive accountability in the organization and the intended outcomes in community.

Important lessons to be learned from the dissolution of HDC:

- Avoid duplication of service in the local housing ecosystem;
- It is key to organization success to attract and retain strong and knowledgeable leadership and an individual leader with strong ties to community and access to 'social' capital;
- During start-up and design of the enterprise, specify clear roles and responsibilities for the entity, its operations, leadership and staff;
- Set a well formulated strategic direction (by ways of a strategic plan) that requires periodic updates to community and the Board of Directors, which will drive accountability for the organization;
- Understand, clarify and define scope of risk appetite by member organizations to avoid unwanted exposure to risk in the future.

For municipalities, an integrated approach to cultivate and attract affordable housing may be the way forward as no other Service Manager in Ontario apart from the City of Toronto utilizes a separate stand-alone corporation for affordable housing development.⁹⁴

⁹² Ibid

⁹³ Ibid

⁹⁴ Review of Service Delivery for Housing, City of London Service Review, summary Report, August 12, 2019, KMPG



Community Engagement Process

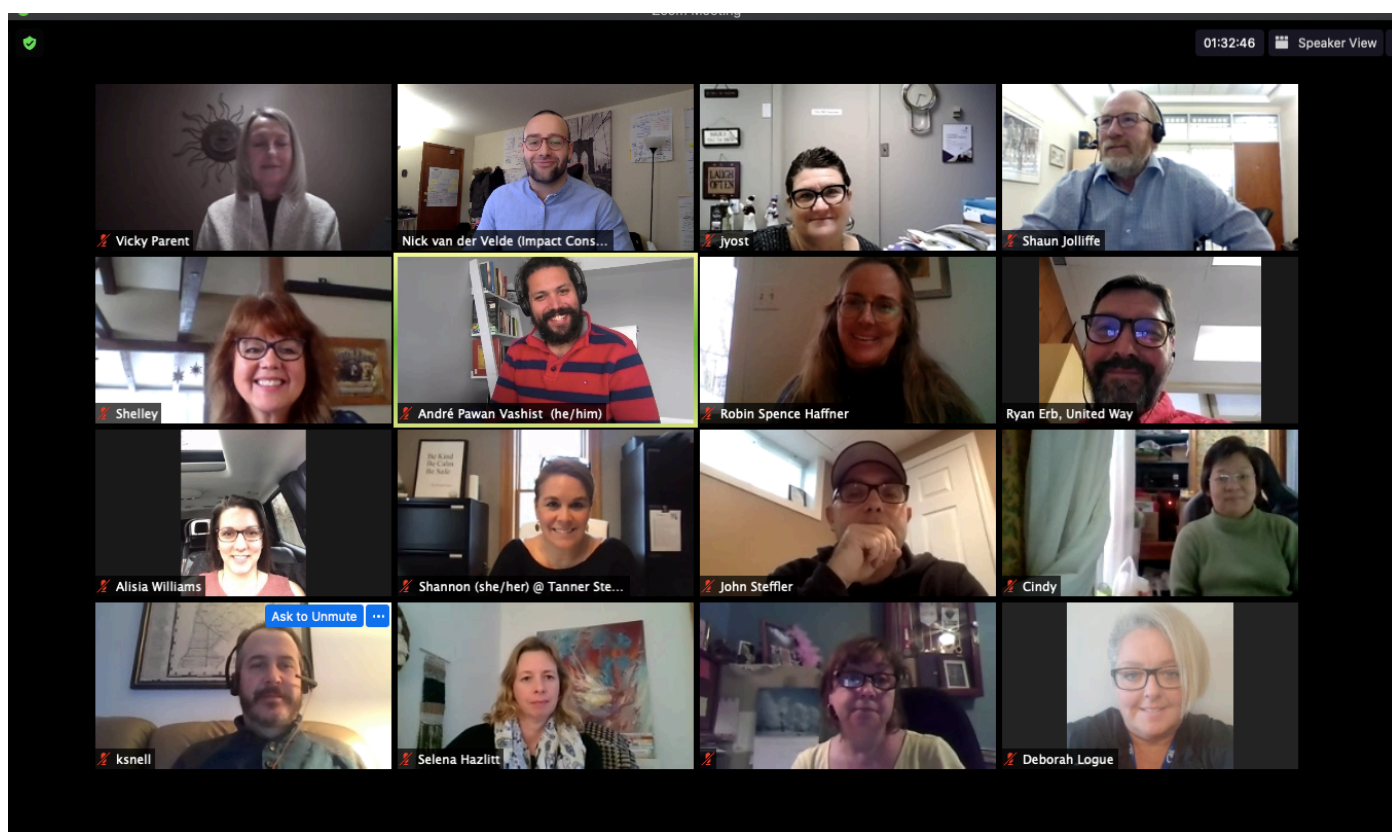
Community Engagement Process

The consulting team approached the community engagement with the following lens: “Is Huron-Perth ready to create a new community development entity?” The literature review in this report illustrated a narrative of several concentrated challenges in community. More importantly, by interviewing several local community development initiatives in both Perth and Huron Region, the consulting team became aware that no organization holds a range of tools that is a unified response for the local ecosystem.

Conditions Needed Criteria for Success			
Community Need	Task Force & Call to Action	Validated Data Target	Education Housing/Hubs
Leadership Buy In	Clarity of CDC Model	Trusted Community Champions	Pitch Opportunity (Case)
Money and Assets	Operations & Development Dollars	Land	Financing Access
Incubation Partner	Working Group Check	Staff Lead	Active Research & Community Engagement
Qualified Team	Community Development	Development & Construction Expertise	Strong Finance Expertise & Funder Relationships

Based on two focus groups held in January 2021, the consulting team evaluated several local organizations in the Perth and Huron region. Stakeholders completed an assessment of feasibility for a new entity to operate based on the following conditions: Community Need, Leadership Buy-in, Money and Assets, Incubation Partner and Qualified Team. The chart featured below illustrates the assessment model used based on successful organizational practices and experiences.

List of stakeholders, quotes from community and all answers related to this exercise are available in Appendix C: Focus Group Participants and Focus Group Assessment of Feasibility Conditions.



Focus Group #1: Social Service Providers in Perth and Huron Region, January 2021



Focus Group #2: Municipal Staff from Perth and Huron Region, January 2021

Voices from Community

"In North Perth we have done extensive work on the community hub model. We cannot get \$9M for the entity. Will the model be able to access dollars? We need access to funding that comes from the community. That people can invest in."

"We need better coordination between the Counties - multiple initiatives already exist. Are there any other initiatives in the community that are doing this work?"

"We have not had the buy-in. Struggle to pull people together. Lots of talk."

"Takes a lot of community capital to push this forward, risking time and resources to develop something new."

"Completed 5 feasibility studies on hubs, lack success of fundraising from grants, what is the how?"

"For us working in the system, we don't have the time to coordinate. United Way, or CDC can coordinate these relationships and funding pots. We are very community based, if we are doing corporation for both counties, we need a working group that represents both communities - we don't want to compete for the same thing."

"Community needs are not understood well by larger community. Could be leverage point for CDC."

"We need mobilization of capital and human power around this issue. In my experience, many people are asking the same questions - people want to do it, don't know how to do it."

"Need better understanding of where the gaps are."

"The issue that I have comes down to is the ability to pay and who is going to own it. Capacity to deliver."

"We have applied for funding and not been successful. The days of relying on provincial and federal capital are done."

"What does this look like when this is up and running. I am still struggling with the name, community development corporation. Similar names to others in our community. This may create confusion with the council or the public."

"We did research 20 years ago on community hubs, and we found problems with confidentiality, sharing consent, common assessment, reporting with funders."

"I experienced top-down failure while managing a community hub."

"The more we can tap into the community the better. The money is not there in the municipality."

"There is a lack of understanding, the community thinks we have infinite resources. There has to be that level of trust and that level of working collaboratively."

"We are experience push back in the community for affordable or supportive housing - people don't want that in their neighbourhood."

Summary – Based on our assessment tool developed on research of promising practices and models, and input from local stakeholders, the conditions are at various stage of readiness:

Community Need:

- *Present:*
 - There is a clear community need identified by several working groups on various topics;
 - There are agreed upon plans for community development. Many people asking the same questions;
- *Missing:*
 - More engagement of people with lived experience is needed. General community awareness and understanding of the needs;
 - Mobilization across sectors i.e., economic, community and nonprofit spectrum to develop solutions cutting across with entity to hold that development;
 - Access to capital;
- *Risk:*
 - Investment in education that may not lead to a change in values or perception;
 - Differing definitions i.e., spectrum of housing, can lead to confusion, miscommunication and disagreement;

Leadership Buy-in

- *Present:*
 - Leadership by PHUW and bringing community together to build understanding;
 - Perth CFDC Perth providing loans to builders for attainable housing;
 - Community Foundations;
 - HP and Area Ontario Health Team;
 - Religious Groups;
 - United Way Committees;
 - Partnerships with municipalities in the delivery of services;
 - Paul Nichol and Ryan Erb identified as trusted leaders;
- *Missing:*
 - Partnerships with heal teams i.e., connecting to social determinants of health to create credibility for projects and fundraising;
- *Risk:*
 - Framework and charter on how to work together - Partnerships to de-risk;

Money and Assets

- *Present:*
 - Municipal land inventory, tax exemptions, permit facilitation and in-kind support;
 - Rural Response has a social enterprise plan to diversify funds;
 - Large donors (health campaigns, new arena in North Perth);
- *Missing:*
 - Ability to pay and who is responsible for delivery;
 - Capacity to deliver on an organizational level;
 - Access to reliable funding source;
 - Presence of Libro Credit Union;
- *Risk:*
 - Municipalities put conditions on financial contributions;
 - Rely more on community (because too many asks to municipality);

Incubation Partner

- *Present:*
 - North Perth Hub is an example of starting point;
 - Stratford Community Foundation example of process of building trust;
- *Missing:*
 - More local agency beyond government funding;
 - Coordination to help plan and allocate resources for the different projects and service delivery;
 - Working group with reps from both communities;
- *Risk*
 - Improper management;
 - Move at the wrong speed to nurture trust;

Qualified Team

- *Present:*
 - Builders Association;
 - Indwell (faith based);
 - Union Sustainable Development Cooperative;
- *Missing:*
 - Lack people who are community builders and partnership brokers;
- *Risk:*
 - Regional approach welcome to support different contexts;
 - Needs analysis many years ago on employment hub: confidentiality between data, common assessment, and funding model of org based on stats.

Based on these findings, the consulting team considers the following questions to assess if there is enough viability to move towards a business modelling and planning stage:

Focus Group Question: Is there a common issue or challenge facing your community?

- **Conclusion:** Yes, there are many, yet not clearly articulated as a crisis.

Focus Group Question: Are community members aware of their power to act together to benefit the community?

- **Conclusion:** Limited group of community development professionals and a need to expand to broader audience base.

Focus Group Question: Are there examples where community members have acted together to achieve a common purpose?

- **Conclusion:** Yes: Hub concept and proposal development, community foundation development.

Focus Group Question: is there potential for a community development process to be inclusive?

- **Conclusion:** Willingness to have entity coordinate across both regions; acknowledged need for more lived experience and outcome of equitable access to services.

Focus Group Question: Do you believe there is willingness in your community to identify common ground rather than focus on differences?

- **Conclusion:** Key trusted champions identified to help facilitate process and need to clarify definitions of concepts and models.

Focus Group Question: Is community development understood as a process that will bring about change?

- Yes, and there are many stories and experiences being held by stakeholders carrying both negative and positive experiences of local community development.

Communities are dynamic and the current situation will change over time. We considered the following questions to assess if there was any resistance or barriers to developing the above conditions:

Focus Group Question: Has the community has already adopted a different approach or process for resolving the issues that are of primary concern?

- **Conclusion:** No, yet collaborative processes are underway i.e. Hub and Foundation

Focus Group Question: Is there anger and conflict among relationships that exist between community interests?

- **Conclusion:** Not witnessed from our engagement, yet there is healthy amount of critique and some noticeable trauma from previous efforts

Focus Group Question: Are community members resisting or do not accept the need for change

- **Conclusion:** It is unclear from our research

Focus Group Question: Are community leaders and volunteers involved in other projects and cannot make a commitment to a community development process

- **Conclusion:** There are a lot of active tables, and desire to see a table work across regions, yet may require shifting time allocations to make feasible

Focus Group Question: Is community capacity very limited due to issues of well-being or health, and these issues must be addressed prior to launching a community development process

- **Conclusion:** It is unclear from our research

Readiness is a key issue. The power of community development is that it is a long-term approach to build the conditions that support innovative solutions. It is important to start a community development process with a strong foundation and building on strengths.

There is a common challenge being faced by the community, yet it is not being prioritized broadly due to lack of clear mandate. There are several projects across both regions wanting to move forward, and a willingness to collaborate across regions and issues through a shared mandate. Therefore, **if trusted champions are willing to lead and community leaders are willing to invest time and effort, then developing a model to act as a community development entity for cross-regional and cross-sector solutions is possible.** The process will eventually require experienced community development, real estate development & operations professions and innovative financing models to open space for social and financial capital to be mobilized in renewed ways.

A key question to ask is: “it’s not about ‘if we do this – instead, what is the risk to our community, if we don’t?”

CDC Incubation Requirements



CDC Incubation Requirements

To help the CDC as it moves past its inception, the consulting team recommends to temporarily 'incubate' the CDC within a local organization. It is advised that at the start-up phase of the CDC, a community organization becomes the 'backbone' to the CDC to provide supports until the CDC can be financially and operationally self-sufficient⁹⁵.

Ideally, in the early stages, the back-bone institution will facilitate:

1. **Organizational Capacity** – To steward a working group comprising of local participants i.e. residents, municipal staff, anchor institutions, financial community, economic development or other community group to draft initial proposal / business plan to set the narrative for the future CDC;
2. **Municipal buy-in** – By leaning on existing relationships with councillors and municipal staff to have the complete support of local community / municipal council to ensure the CDC will represent the interests of the community at large⁹⁶;
3. **Research** - To be an effective source of communication and information and be market-ready for strategic planning and action⁹⁷;
4. **Connection to Partnership** - Partnering and maintaining relationships with local existing networks helps to further the goals of the CDC⁹⁸;
5. **Financial Support** - To provide initial financial support in the form of operating capital;
 1. **Legal** - To engage legal counsel in the initial stages of creating the CDC to ensure successful incorporation and comprehensive by-laws and policies;
 2. **First hire** - To support hiring an executive director;
6. **Human Resources** - To provide initial support in the form of dedicated staffing to ensure successful start-up;
7. **Social Capital** - The back-bone institution should have access to strong community commitment and a volunteer base (ultimately, this is required for the CDC)⁹⁹;

Examples in other communities:

- Edmonton CDC – in the initial start-up phase, the Edmonton CDC was incubated by the Edmonton Community Foundation, which at the time provided the CDC with organization support in the form of human resources, operating dollars and community connections.¹⁰⁰

⁹⁵ EDMONTON COMMUNITY DEVELOPMENT CORPORATION, MAKING THE CASE, April 2016, Another Way;

⁹⁶ COMMUNITY DEVELOPMENT CORPORATION (CDC) MANUAL 2017, Manitoba

⁹⁷ COMMUNITY DEVELOPMENT CORPORATION (CDC) MANUAL 2017, Manitoba

⁹⁸ Starting a Community Development Corporation, a Report Prepared for Colony Park CDC, the University of Texas at Austin, School of Architecture, Melissa Beeler, Changwhan Kim, Karen Peris, Dr. Elizabeth Mueller

⁹⁹ COMMUNITY DEVELOPMENT CORPORATION (CDC) MANUAL 2017, Manitoba

¹⁰⁰ EDMONTON COMMUNITY DEVELOPMENT CORPORATION, MAKING THE CASE, April 2016, Another Way

Legal Structure & Governance

It seems that **the traditional non-profit incorporation** provides enough flexibility to be suitable for this venture. However, several legal entities may be created at the time of engaging new projects or at acquisition of new land and/or properties.

Working Group – should be established to drive this initiative forward. The working group may exist of local service agencies, municipal staff, elected official, community and economic development initiatives, developers, builders and community residents.

Legal Structure: traditional non-profit corporation.

Provincial Incorporation Vs. Federal Incorporation - the process to incorporate a nonprofit provincially will take six to nine weeks. To incorporate a nonprofit structure federally will only take a few days. It is advised to pursue the federal route to incorporate a new nonprofit entity.

Cost - Regardless if the provincial or federal route to incorporate is pursued, the costs for this process are approximately \$1,000 - \$10,000 – which have been included in the start-up budget.

Board of Directors - at minimum, the new nonprofit structure needs three directors, which can be made up from the initial working group.

Funding procurement - members may operate temporarily as a Trustee, upon successful funding procurement. The Trustee would receive grant funding for the purpose of the CDC and transfer grant monies to the newly incorporated nonprofit entity. If the Board of Directors was not able to select a member as a Trustee, MakeWay offers a service that is similar. (**link:** <https://makeway.org>)

Service Agreement - the newly formed corporation would enter into a service agreement with a parent organization or backbone organization, as this entity would be responsible for hiring practices of the CDC.

Collaboration Agreement - by reference, may be understood as a partnership agreement, outlines the roles and responsibilities (including, responsibilities at exit, in case of failure) between the organizations that are part of the working group and/or board of directors.

Memorandums of Understanding - although, not a legal document, the CDC partner members should sign a MOU in pursuit of successfully setting up CDC.

Governance – the consulting team suggests that the CDC board of directors create special committees to create oversight and clear lines of accountability – they are: Finance Committee, Governance Committee, Development Committee.

Procurement – it is recommended that a procurement policy and a spending and signing authority is developed that provides the board of directors and more importantly the CDC's CEO/Executive Director flexibility and agility to move forward on deal and ensure deal flow.

Strategic Plan – another recommendation is for the board of directors along with the CEO/Executive Director to engage in a strategic planning exercise led by an external consultant for a time period that spans three-years at minimum and provide clear, specific and measurable strategic goals which can be developed into specific action plans on the Board, Committee and staff level.

Financial Analysis



Financial Analysis & Budget

Based on the literature review, additional research and interviews with CDCs across Canada and North America, the proposed enterprise for Huron and Perth Region **will not achieve financial self-sustainability through earned revenue in the near future**. However, a certain level of start-up capital, on-going revenue and income may be attracted by partner organizations buy-in, municipal funding and earned revenue by providing consulting services, project development and management expertise.

The CDC will need three types of financial resources:

- Start-up funding to incorporate and start the organization;
- Operational funding;
- Capital to cover pre-development expenses;
- In-kind resources in the form of land, human resources, local knowledge and social capital.

Start-up Budget & Replacement Cost

Start-up Budget - The start-up budget is responsible for several start-up items i.e. incorporation fee, several equipment items and a contingency budget at 10% of the total start-up budget. Typically, this budget would be spent before or during operationalizing the enterprise. **Currently, the start-up need is valued at \$568,750, which included \$58,750 for start-up expenses such as equipment and furniture, \$10,000 for incorporation costs and \$500,000 for pre-development charges.**

Replacement Budget – Based on a useful life of five years and 2% inflation, **each year, the enterprise should place \$11,603 into a reserve fund** to replace the major equipment items after the useful life is met or the equipment or item fails, whatever comes first. This replacement budget calculation is absorbed in the annual pro-forma and although not a 'real' operating cost, is a best practice in financial forecasting and business modelling.

Please note:

1. (The consulting team assumes that a start-up budget between \$28,700 and \$62,110 is reasonable for an enterprise that will settle in a 1,000 f² space. These numbers are based on CBRE's 2017/2018 Fit-Out Cost Guide.¹⁰¹)
2. Equipment replacement cost factors in the "current cost to purchase a piece of equipment", its "useful life in years", "inflation" and "cost at time of renewal", to understand monthly/annual budgeting requirements;
3. Estimates by Impact Consulting based on prior project experience; 2% inflation annually, not incorporating potential resell value of respective equipment items;
4. The initial capital budget includes a "Incorporation" and "Contingency" category, which have not been factored into the capital replacement cost calculation, as these categories are related to a one-time expense and are not required to be carried forward.

¹⁰¹ Please note: Capital Budget is estimated by Impact Consulting and may be subject to minor changes. Estimates are based on the NORTH AMERICA FIT-OUT COST GUIDE, 2017/2018 EDITION by CBRE, which details low, medium and high ranges for several cost categories, including: Construction, Soft Costs, Furniture, Fixtures and Equipment, and Audio/Video, Data & IT and Fees and Moving. Please note, that these costs relate to different cost categories per major urban North American Cities, such as: San Francisco, New York and Toronto. Therefore, capital costs may be slightly lower in a community the size of Perth and/or Huron County;

Pro-Forma Income Statement | CDC in Perth & Huron County

	Year 1	Year 2	Year 3	Notes
Revenues				
Individual & Business Contribut	-	-	-	Contributions made by local residents or businesses;
Other Contributions	-	-	-	Other contributions;
Federal Grants	-	-	-	
Provincial Grants	-	-	-	
Municipal Grants	-	-	-	
Commercial Loan Fees	-	-	-	Applicable if CDC would have a loan portfolio;
Commercial Loan Interest	-	-	-	Applicable if CDC would have a loan portfolio;
Net Bad Debt Writeoffs	-	-	-	Estimated to be in the 1-3% range;
Interest	-	-	-	
Sundry & other revenue	-	-	-	
Total Revenue	-	-	-	No revenue forecasting has been commenced due to early-stages of research;
Salaries, Wages & Benefits				
Salaries	199,237	203,221	207,286	Based on two FTEs with \$120,000 and \$80,000 annual salaries;
CPP	6,333	6,460	6,589	Canadian Pension Plan \$5.45%
EI	2,491	2,541	2,591	Employment Insurance @ \$2.76%
EHT	-	-	-	Exemption from Employer Health Tax is likely due to NFP status;
WSIB	5,043	5,144	5,246	Workplace Safety Insurance Board @ 2.88% (which may be a conservative).
Total Salaries, Wages & Benefits	213,103	217,365	221,712	
Office Space				
Office Lease	24,000	24,480	24,970	Office lease based on \$2,000 / month, adjusted for inflation by 2% per annum;
Total Office Space	24,000	24,480	24,970	
Utilities				
Electricity	1,244	1,269	1,294	Based on 1,000 f ² office space;
Natural Gas	546	557	568	Ibid;
Water	875	892	910	Ibid;
Water Heater (Contract)	6,000	6,120	6,242	May not be applicable - added to be conservative;
Total Utilities	8,665	8,838	9,015	
Insurance				
General Liability Insurance	3,000	3,060	3,121	
Other Insurance	3,000	3,060	3,121	May not be applicable - added to be conservative;
Total Insurance	6,000	6,120	6,242	
General and Administration				
Office Supplies	2,400	2,448	2,497	
Office Equipment	2,400	2,448	2,497	
Communications (Staff Phones)	3,600	3,672	3,745	Phone Contract;
Licensing	1,800	1,836	1,873	Project Management Software, other;
Professional Fees	60,000	61,200	62,424	Auditing fees, Consultants;
Board of Directors Expense	-	-	-	
Employee Training	3,600	3,672	3,745	
Website	2,400	2,448	2,497	Site fees, hosting fees;
Marketing	1,200	1,224	1,248	SEO, Advertising;
Accounting / Bookeeping Expe	12,000	12,240	12,485	Instead of a 0.5 or 1 FTE, it is recommended to outsource accounting needs;
Interest and Bank Charges	3,000	3,060	3,121	
Contingency	6,553	6,684	6,818	5% of total budget;
Total General and Administration	98,953	100,932	102,951	
Total Expenditures	350,721	357,736	364,890	
Surplus (Deficit) from Operati	(350,721)	(357,736)	(364,890)	
Capital Cashflows				
Land/Asset Maintenance	-	-	-	Assets and Asset maintenance has not been integrated in this financial model;
Loan Repayment	-	-	-	No debt has been associated with this financial model;
Capital Replacement	11,603	11,835	12,072	Replacement of various equipment items based on five year useful life;
Total Capital Outflows	11,603	11,835	12,072	
Net Cashflow	\$ (362,324)	\$ (369,571)	\$ (376,962)	No revenue forecasting has been commenced due to early-stages of research.
Cumulative Net Cashflow	\$ (362,324)	\$ (731,895)	\$ (1,108,858)	The CDC would need \$1.108M in start-up funding the be/remain operational in the first three years.

Notes on Pro-Forma Income Statement:

- The consulting team assumes that the CDC will lease a 1,000 f2 space in the region;
- The total administration cost will be approx. \$334,824 and is adjusted with 2% inflation moving forward each year;
- As part of the human resourcing, the financial model captures two full-time equivalent staff, one Executive Director at \$120,000 per annum and one Community Animator at \$80,000 per annum – Government remittances i.e. CPP, EI, EHT and WSIB are included in the model;
- Several of the costs illustrated in the financial model may be donated to the CDC as 'in-kind' cost, especially if one would consider the incubation partner that is need to ensure successful startup – items such as Office Lease, Utilities and Professional Fees may be donated in-kind and would lower the need for operating funding by approx. \$80,000 annually.

In the financial model, without revenue sources committed at this point, the CDC would operate at a deficit of approx. **(\$362,234) by year 1** and **(\$376,962) by year 3. In total, \$1,677M needs to be secured**, including \$568,750 in start-up capital and pre-development capital are required to sustain operations in the first three years.

Conclusion – At this point, no funding has been secured yet – however, one may appreciate that this is the feasibility stage of the CDC which explores possibility and potential fit into community. However, based on multiple community conversations, several funding sources may be available and accessible to the community development corporation. Based on this knowledge and under the condition that the CDC or it's working group can secure a mixture of in-kind donation, patient capital, grants, the operational model of CDC **demonstrates a fair degree of feasibility midst it checks a few conditions required for startup as illustrated in this report.**

Further considerations:

- Other items that should be considered are **donations of land** (by for instance, the local municipalities), which has the capacity to be developed;
- **In-kind donations in the forms of human resources or capacity** by support organizations will be helpful in establishing the CDC or equivalent;
- Based on an interview with Mark Holmgren, Executive Director of Edmonton CDC on January 7th, 2021 it became evident that a starting CDC or equivalent needs to have **access to financing** (which for the Edmonton CDC was \$10M through the local community foundation), and more importantly:
- **Development monies**, for without it, pre-development work cannot start and will significantly hinder the start and acceleration of projects;
 - **The consulting team estimates a need for \$500,000 - \$750,000 of capital specifically for the use of pre-development and development charges**¹⁰². While many pre-development expenses are recovered through the sale or take-out financing of a project, some expenses may not be recouped. Cash is required during the deal-making and due diligence phases;
- Cultivate **key human resources whom carry the knowledge of the development and construction process**, or the **ability to mitigate contention during community engagement** are crucial to the success of the organization.

¹⁰² This is validated through multiple subject-matter interviews, including the Common Roof, Indwell, CAHDCHO, who all develop and/or operate either community hub or supportive/affordable housing.

Funding Strategies - The consulting team reviewed a variety of financing mechanism and options. However, the Goderich Supportive Housing and Community Hub Feasibility Study by Susanna Reid (September 30, 2020) provides a comprehensive overview of the available funding and financing avenues for a potential CDC or the projects a CDC would be involved in, pending further research and community engagement. Details from that study range around financing can be found below.

CMHC, Seed Funding	<p>CMHC's Seed Funding program supports affordable housing through interest-free loans and/or non-payable contributions. The interest free loan offers a 3-year period to complete and submit a payment request. The loan can be combined with non-repayable contributions. The non-repayable contributions offer a 2 year period to complete and submit a payment request. There are two funding streams: one for new construction/conversions, and one to preserve existing community housing projects.</p> <p>Investment amount</p> <p>New construction: Contribution of up to \$150,000 and/or an interest free loan of up to \$350,000</p> <p>Preservation: Contribution of up to \$50,000 per community housing project. Amount can be increased to \$75,000 in some cases.</p>
Federation of Canadian Municipalities, Sustainable Affordable Housing	<ul style="list-style-type: none"> - Planning: grants of up to \$25,000 to cover up to 80% of eligible costs - Studies: grants of up to \$175,000 to cover up to 50% of eligible costs - Pilot projects of energy efficiency measures and onsite renewable energy generation: grants of up to \$500,000 to cover up to 80% of eligible costs - Retrofit of sustainable affordable housing: financing (a combination of a grant and loan
LHINs funding for support	The LHINs have contributed to Indwell supportive housing developments in other communities by providing funding for supports.
CMHC, National Housing Co-Investment Fund – New Construction Stream	<p>This fund prioritizes partnerships between governments, non- profits, private sector and provides low-cost loans and forgivable loans.</p> <p>Eligible projects include: community and affordable housing; mixed use market/affordable rental; new construction from a non- residential use to affordable multi-residential; shelters; transitional and supportive housing.</p> <p>Investment amount</p> <p>New construction: \$1,000,000 (loan and contribution) Repair and renewal: \$250,000 (loan and contribution)</p> <p>For contributions only smaller investments will be considered.</p>
CMHC, Rental Construction Financing	<p>Eligible borrowers include include municipalities, not-for-profit developers, and for-profit developers.</p> <p>Projects must be: purpose built residential rental, or a mixed use between residential rental and non-residential rental, that offers affordable residential rents, accessible units, greater energy efficiency and reduced greenhouse gas emissions, and able to demonstrate long term financial viability without subsidies. (CMHC, Rental Construction Financing Highlight Sheet)</p> <p>Investment amount: Minimum loan size \$1 million</p>
CMHC, National Housing Co-Investment Fund – Housing Repair and Renewal Stream	<p>This fund prioritizes partnerships between governments, non- profits, private sector and provides low-cost loans and forgivable loans.</p> <p>Eligible projects include: community and affordable housing; mixed use market/affordable rental; new construction from a non- residential use to affordable multi-residential; shelters; transitional and supportive housing. A minimum of 5 units/beds are required. Scattered sites are eligible.</p> <p>Investment amount:</p> <p>New construction: \$1,000,000 (loan and contribution)</p> <p>Repair/renewal: \$250,000 (loan and contribution)</p>
Canadian Co-operative Investment Fund	Offers loans to co-operatives including bridge loans, cash flow, equipment, mortgages and operating a capital. https://ccif.coop/
Community Forward Fund	Investment loans to the charitable and non-profit sector for amounts between \$50,000 to \$1,250,000 including Bridge Loans. https://communityforwardfund.ca/products/

In-kind contributions: fees or permits are waived by the local municipality

Municipalities are playing a substantial role to the development of affordable housing by waiving fees and permits, and providing municipal land, and offering incentives. The Goderich Official Plan includes Affordable Housing policies in Section 2.D.22:

- *The Town of Goderich will work with the County of Huron, other levels of government, non-profit organizations, and the private sector to address the significant need for affordable units in the Town. Goderich shall encourage the development of affordable housing by employing measures such as the waiving of fees, permits, development charges, other levies, density and parking requirements, or any other incentives as deemed appropriate.*
- The Town of Goderich has approved a by-law to encourage the development of affordable housing. The Affordable Housing By-law permits the use of municipal tools to encourage the development of supportive and affordable housing by not-for-profit and private developers.

Additional tools could be developed to promote the development for affordable housing. For example, some municipalities are offering financial incentives (forgivable loans) to private homeowners in order to develop a secondary residential unit within their residence (Region of Waterloo, ND).

Funding for Social Enterprise¹⁰³ – it is likely that the CDC will operate as a social enterprise and provide merit to local community and stakeholders. There are many different granting and lending platforms available and inherit to social enterprises on the federal and provincial level.

COVID-19 Recovery Funding¹⁰⁴ – with the impacts of COVID-19 on the local ecosystems, many different entities are stepping forward to offer relief and/or recovery funding which can aid the CDC and incubation partner with specific resources such as staff, knowledge and capital.

Land equity - Affordable and supportive housing developments can be financial supported by donations of land. There may also be an opportunity for a new not-for-profit developer to develop a land lease community. This would allow households to build new homes with minimal land costs (Parkbridge, 2020).

¹⁰³ Start, build, and grow a social enterprise: Grow your social enterprise, Innovation, Science and Economic Development Canada, Government of Canada, <http://www.ic.gc.ca/eic/site/053.nsf/eng/00009.html>

¹⁰⁴ Mitacs, CANADIAN BUSINESSES ARE EAGER TO RECOVERY QUICKLY AND MITACS CAN MAKE A DIFFERENCE, Mitacs, https://discover.mitacs.ca/business-strategy/?utm_source=google&utm_medium=ppc&utm_campaign=BSI_2020_PPC&gclid=CjwKCAiA6aSABhApEiwA6Cb_m_hpPI41BFFWdc7dPH0PC80QpfoFARcZ4YXgKfGscUh-DNiUCYf7wRoCyIMQAvD_BwE

Impact Investment - There are many examples of social financing models that have been established to support supportive/affordable housing projects or purchase real estate. This could be both either a municipal social debenture program, or a community program.

Type of Investment	Description
Municipal Social Debenture Program	<p>The City of Toronto has recently established a Social Debenture Program. One of the priorities for the fund is maintaining and creating affordable housing. It will also focus on transportation; neighbourhoods; climate change.</p> <p>For more information: City of Toronto website https://www.toronto.ca/news/city-of-toronto-issues-inaugural-social-bond-a-first-in-canadas-public-sector/</p>
Community Bonds	<p>The Community Bond is social financing tool that allows a non-profit establish financial capital. Invented by the Centre for Social Innovation in Toronto in 2010, it has been replicated in many other communities.</p> <p>For more information: Centre for Social Innovation website https://socialinnovation.org/wp-content/uploads/2020/05/CB2020-Full-Investor-Package-.pdf</p>
Issued debentures	<p>Huron County Economic Development engaged Scaled Purpose Inc. to develop a community investment model for affordable housing in 2018. While data was not available for Huron County, residents of Owen Sound and Stratford each contributed approximately \$33 million to their RRSPs in 2016. Assuming comparable contributions in Huron County, redirecting only 1% of these retirement savings would represent \$330,000 available for community-based investments.</p> <p>For more information: An outline of this investment model is has been developed. Sean Campbell, Scaled Purpose Inc. (April 9 2018) Community Investments for Affordable Housing: Developing a Model for Huron County. Unpublished</p>

First Year Guidance



First Year Guidance

As this feasibility study warrants a next step in exploring the operation of a CDC in Perth and Huron Region, it is crucial to establish a clear path forward. However, based on a literature review and in-person interviews with an array of economic development initiatives, CDCs and key local stakeholders, the consulting team identifies the following **optional and suggested pathways forward**, both for the organization and its projects. The list on the right is a mere suggestion that what a first year of operation and potential work plan may look like. Further development, inquiry and model selection will be required to formulate a final work plan.

While the first project may take time to define, it is crucial for the first project to have a high chance of success, rest on the values and needs of the local community and be highly visible to community. The consulting team recommends that 4-5 key projects in the main communities of both Huron and Perth Region are identified to garner maximum interest and alignment by community stakeholders, including municipality, social service agencies, economic development initiatives and staff.

ID	ORGANIZATIONAL RUNWAY	Timeline
1	Formalize the Creation of the CDC	6 Months
1.1	Finalize the ownership and legal structure	0 - 3
1.2	Identify an anchor institution	0 - 3
1.3	Establish a CDC working group	0 - 3
1.4	Receive approvals from Minister to incorporate CDC	0 - 3
1.5	Incorporate as a Non-for-Profit entity;	0 - 3
2	Develop partnership MOUs as required	0 - 3
2.1	CDC Working Group to Set-up Board of Directors	0 - 3
2.2	CDC Working group to schedule shareholders meeting to intro BOD	0 - 3
2.3	CDC BOD holds first meeting	0 - 3
2.4	Elect Directors	0 - 3
2.5	Review and Approve CDC By laws	0 - 3
2.6	Create Committees (Operations, Development, etc.)	0 - 3
2.7	Develop Business Plan to define program, funding, business model and partnership details	0 - 3
2.8	Obtain start-up funding of \$X as identified in section X of this report;	0 - 3
2.9	Recruit an Executive Director	0 - 3
3	BOD, ED establish operational requirements	3 - 6
3.1	Establish payroll, bank accounts, bookkeeping service or financial support	3 - 6
3.2	Establish CDC Liability Insurance, Directors' and Officers' Liability Insurance	3 - 6
3.3	Establish Staff compliment	3 - 6
3.4	Establish community outreach programs i.e. newsletters, consultations, etc.	3 - 6
3.5	Hire consultant to create board education program	3 - 6
ID	PROJECT RUNWAY	
1	Community Engagement	On-going
1.1	On-going Community Needs Assessment	
1.2	Align Community Needs with Current Political Climate	
1.3	Establish Community Support	
1.4	Prioritize Community	
1.5	Cultivate Community Support	
2	Due-Diligence & Site Secured	6-12 Months
2.1	Explore Property Opportunities	
2.2	Review County-owned surplus sites	
2.3	Review County-owned asset portfolios	
2.4	Review "problem" assets	
2.5	Site Review	
2.6	Preliminary Property Due-Diligence Process	
2.7	Initial Concept Design	
2.8	Agreement to Purchase with Conditions	
2.9	Phase 1 Environmental Site Assessment or Data Design System	
2.9.1	Approval to remove conditions from Agreement to Purchase	
2.9.2	Procure Architect	
3	Planning & Environmental Approvals & Permits	3 - 6 - 18 Months
3.1	Establish Due-diligence Budget	
3.2	Development of Funding Model	
3.3	Concept Design Finished	
3.4	Preliminary Building Design Discussion	
3.5	Conduct Geo Testing	
3.6	Pre Consult with Municipality	
3.7	The Planning Approval Process	
3.8	The Environmental Approval Process	
4	Construction Procurement	4 Months
4.1	Finished Schematic Design	
4.2	Building Design Iterations	
4.3	Design iteration Finished	
4.4	Site Plan and Building Permit Application Submitted	
4.5	Tentative procurement of contractors	
4.6	Building permit received from Municipality	
4.7	Permit Drawing Review	
4.8	Pre-Procurement Estimate	
4.9	Procurement of Construction Contract	
5	Award of Construction Contract	
5.1	Construction Begins	
5	Construction	12 - 24 Months
5.1	Construction begins	
5.2	Substantial Performance is Received	
6	Building Opening & Occupancy	2 - 3 Months
6.1	Holdback Due	
6.2	Commercial Space Leasing Agreements	
6.3	Setting up Occupancy Timeline (with or without Operating Partner)	
6.4	Warranty Review, 11 Months Post-Construction	
6.5	Building Opens	

Appendices



Appendices

Appendix A: Related Definitions and Frameworks Related to Community Development

The following are defined, contextualized and applied in reference to this study:

- Economic Development, including: national and provincial models
- Housing
- Community Hubs
- Community Economic Development, including: community wealth, inclusive economy, social enterprise, social finance and social innovation

Economic Development

The models referenced as CDC in the study include economic development initiatives, therefore we want to distinguish the broader ecosystem of economic activity to clarify what is perceived and practiced as overlap and not.

It is worth pointing out however, that economic development is not the same as economic growth. Where growth relates to an absolute change in numbers – more people, more businesses, and more building permits, economic development is often concerned with improvements, or the progress being made within a community or region. This can be defined as increases in the local standard of living, increases to household income, a more balanced tax assessment ratio to enable the provision of local services and amenities, or a level of business investment in excess of the cost to attract and retain those businesses.¹⁰⁵

Although we may see language like economic development corporations ("EDC") these initiatives are usually connected to municipalities. The term may also derive from an American approach and language.

In the United States, an EDS is usually a non-profit, whose mission is to promote economic development within a specific geographical area. These organizations are complementary to Chambers of Commerce. Whereas a Chamber of Commerce promotes the interests of businesses in a particular geographic area, an EDC typically focuses on longer term economic growth by attracting new businesses. Generally, an EDC can be found at the state level to attract business to a particular state. The state level EDC often works closely with local EDCs and may offer low interest loans, grants, tax credits and other economic incentives to attract businesses.

Much of the language around EDCs in Canadian context centers around First Nations communities, sometimes using the language of: Aboriginal economic development corporations (EDCs) are an important dimension of the Aboriginal business community. EDCs are the economic and business development arm of a First Nations, Métis or Inuit government, and are a major economic driver in Aboriginal communities. These community-owned businesses invest in, own and/or manage subsidiary businesses with the goal of benefiting the

¹⁰⁵ COUNTY OF MIDDLESEX ECONOMIC DEVELOPMENT STRATEGIC PLAN, January 2014, Millierdicksonblais, https://www.investinmiddlesex.ca/sites/default/files/Final%20-%20MC_EcDev_StrategicPlan.pdf

Aboriginal citizens that they represent¹⁰⁶. There are 260 active Aboriginal economic development corporations in Canada. The word Aboriginal again a term showing legacy from a moment in time.

Ontario - In Ontario, municipal governments operate economic development corporations, such as Waterloo, London, Kingston, Huron, to brand their economic entities that are arms-length from the municipal government. In addition, we do see the language of Invest (Region) for marketing the same activities as a department of a municipality.

We see a variety of entities involved in local economic development activity, in addition to municipal related entities¹⁰⁷:

- BIAs and Chambers of Commerce;
- Sector-based associations and initiatives;
- Businesses;
- Regional projects and initiatives (e.g., south coast tourism);
- Regional organizations (e.g., SCOR, SWEA, RTOs);
- Educational institutions;
- Community Futures Development Corporations;
- Workforce, immigration, and similar boards;
- Provincial government (e.g., OMAFRA, MEDI);
- Federal government (e.g., FedDev, Parks, consulate offices) .

They provide the following spectrum of services:

- Agriculture & local food;
- Business retention and expansion;
- Community capacity;
- Marketing;
- Newcomer attraction;
- Sector & cluster development;
- Heritage and culture;
- Human capital;
- Innovation and knowledge economy;
- Investment attraction;
- Small business and entrepreneurship;
- Tourism;
- Workforce development.

All of these programs represent varying degrees of staffing requirements, investment, partnership, and stakeholder engagement. There are, however, three functions that appear to be significant distinctions between the scope, size, and resources of the participating organizations: tourism, business development/entrepreneurship, and innovation functions.

¹⁰⁶ Community and Commerce, A Survey of Aboriginal Economic Development Corporation, Canadian Council for ABORIGINAL BUSINESS, <http://www.nadf.org/upload/documents/community-and-commerce-final-report.pdf>

¹⁰⁷ Comparing economic development corporation and internal department models: service delivery in Southern Ontario, Paul Parker, Evonne Donaher, PAPERS IN CANADIAN ECONOMIC DEVELOPMENT, <https://pced.uwaterloo.ca/index.php/pced/article/view/29/21>

OCI - The Ontario government operates formal programs that are ministry led and arm's length like the Ontario Centre of Innovation ("OCI") that focuses on ensuring the people of Ontario reap the personal and economic benefits of leading-edge research underway at our publicly funded universities, colleges and research hospitals - research that can be transformed into technologies and services that enhance quality of life and help build a globally competitive, job-creating economy in Ontario¹⁰⁸.

Specifically, OCI supports the commercialization of academic intellectual property (IP), industry-academic collaborations and the development and adoption of emerging technologies. This includes overseeing the execution of advanced technology platforms that will equip Ontario companies to compete in a competitive global digital economy.

OCI also supports and invests in early-stage projects where the probability of commercial success and investment return on innovation are substantial. OCI's strong expertise in de-risking innovation helps attract private investors and other funders to new ventures, bolstering their success. They contribute as well to the development and retention of talent to ensure that industry has access to personnel with the most advanced skills and knowledge and that highly trained personnel find opportunities to apply their expertise in Ontario.

ONE - The Ontario government also supports the ONE, a network of business professionals and entrepreneurs in 100+ organizations across Ontario, with a full range of services to start and build small or medium size business / enterprise, at no cost. Services include: mentorship, training, research, connections to peers, markets, capital and government services¹⁰⁹. ONE members include Regional Innovation Centres (RIC) Small Business Enterprise Centres (SBEC) and Campus Linked Accelerators (CLA)¹¹⁰.

With over 40 locations, SBECs offer entrepreneurs all the tools they need to start and grow their businesses.¹¹¹

Regional Innovation Centres are primarily targeted towards tech startups and are meant to accelerate the early stages of business development. There are 17 RICs across Ontario that, among other supports, provide programming, mentorship, workspace, and access to startup funding.^{112,113}

There are 59 CLAs and incubators involving 44 academic institutions across Ontario and are sector agnostic serving the needs of startups from several industries. They provide access to services focused on specific sectors, such as information and communication technology (ICT) or health technologies. Others offer services targeting specific types of entrepreneurs, such as

¹⁰⁸ ONTARIO CENTRE OF INNOVATION, 2021, WEBSITE, <https://www.oc-innovation.ca>

¹⁰⁹ ONTARIO NETWORK OF ENTREPRENEURS, 2013, WEBSITE, <https://www.onebusiness.ca/>

¹¹⁰ Ontario Regional Innovation Centres (RIC) Tech Startup Resources, January 6, 2019, Mentor Works, [https://www.mentorworks.ca/blog/business-consulting/ontario-regional-innovation-centres/#:~:text=Regional%20Innovation%20Centres%20\(RIC\)%20offer,need%20to%20become%20market%2Dready](https://www.mentorworks.ca/blog/business-consulting/ontario-regional-innovation-centres/#:~:text=Regional%20Innovation%20Centres%20(RIC)%20offer,need%20to%20become%20market%2Dready).

¹¹¹ Small Business Enterprise Centre locations, Ontario, <https://www.ontario.ca/page/small-business-enterprise-centre-locations>

¹¹² Ontario Regional Innovation Centres (RIC) Tech Startup Resources, January 6, 2019, Mentor Works, [https://www.mentorworks.ca/blog/business-consulting/ontario-regional-innovation-centres/#:~:text=Regional%20Innovation%20Centres%20\(RIC\)%20offer,need%20to%20become%20market%2Dready](https://www.mentorworks.ca/blog/business-consulting/ontario-regional-innovation-centres/#:~:text=Regional%20Innovation%20Centres%20(RIC)%20offer,need%20to%20become%20market%2Dready)

¹¹³ List of Regional Innovation Centres (RIC), Ontario Centres for Excellence, Page 1, <https://www.oce-ontario.org/docs/default-source/default-document-library/list-of-rics.pdf?sfvrsn=8>

social enterprises or women-led startups.^{114,115}

Community Futures Development Corporations (Canada) - The Community Futures Program (CFP) was established in 1985, supporting the proliferation of Community Futures Development Corporations (CFDCs) and Community Business Development Corporations (CBDCs), and encouraging communities to direct their own futures. This unique program has given communities and their representatives the power to make their own decisions for the first time.¹¹⁶

According to Terms of and Conditions adopted by this network: The purpose of the CF Program is to help communities develop and implement *local solutions to local problems*. The program provides financial support to these organizations that, in collaboration with other partners and stakeholders, can assess their situation and develop strategies to meet their needs to provide support to small and medium-sized enterprises (SMEs) and Social Enterprises and to undertake appropriate community economic development initiatives.

CFDCs and CBDCs are incorporated, non-profit organizations established for a specified local service area, normally outside a Metropolitan Area (MA). These local organizations go by a variety of names, which currently include the following: Community Business Development Corporations (CBDCs) in Atlantic Canada; Community Futures Development Corporations (CFDCs) in Quebec and Ontario; and Community Futures organizations (CFs) in Western Canada. As well as CFDCs, Quebec supports Business Development Centres (BDC) located in rural areas and in the periphery of some urban centres and Community Economic Development Corporations (CEDCs) in disadvantaged urban areas in Quebec.

In addition, some CFDCs in Ontario, use the naming of “community development corporation”¹¹⁷ and “business development corporation”.¹¹⁸ Community Futures Ontario (formerly the Ontario Association for Community Futures Development Corporations Inc.) represents 61 Community Futures Development Corporations (“CFDCs”) - 37 in southern Ontario and 24 in the north of Ontario - that offer free business counselling, loans for start-up and expansion of small business, strategic planning on local projects and community economic development in rural areas. CFDCs provide flexible, repayable loans to small and medium sized businesses and are locally managed by a volunteer Board of Directors and funded with federal government support.¹¹⁹

The area served by a CFDC generally consists of a group of communities sharing the same job market. The 269 CFDCs and CBDCs making up the Community Futures Network of Canada are present in all the Canadian provinces, the Northwest Territories and Nunavut. They serve a population of close to 15 million residents, accounting for 45% of the Canadian population. The agencies are established in rural and semi-urban communities that face common challenges, including increased ageing of the population, migration of workers and businesses to urban

¹¹⁴ You Get What You Measure: Lessons Learned from Ontario's Campus-Linked Accelerators & Incubators, Dr. Martin Croteau, Mar. 2019, http://www.iincanada.ca/wp-content/uploads/2019/08/IINC-19_WPP_CLAs_Incubators_Final.pdf

¹¹⁵ Campus Linked Accelerators (CLA), Ontario Centres for Excellence, Page 1, https://www.oce-ontario.org/docs/default-source/default-document-library/list-of-clas_new.pdf?sfvrsn=2&sfvrsn=2

¹¹⁶ The CFDCs and CBDCs : A Winning Approach for Community Futures. Réseau des SADC et CAE, May 2015, https://communityfuturescanada.ca/wp-content/uploads/booklet_web.pdf

¹¹⁷ Orillia Area CDC, 1000 Islands CDC, Tecumseh CDC

¹¹⁸ Waubetek BDC

¹¹⁹ Community Futures Ontario, Website: About Community Futures Ontario, <https://www.cfontario.ca/index.php/oacfdccfontario>

centres, economic dependency on a limited number of industries, scarcity of resources and, in some cases, geographical isolation.¹²⁰

In Ontario, CFDCs have an infrastructure with a strong track record. Since 1995, CFDCs have invested \$2.13B in 27,196 businesses influencing 138,479 jobs at a cost per job of \$15,381. These businesses leveraged an additional \$2.09B in equity and third-party financing (ratio \$1.00 - \$1.02).¹²¹ In addition, 69,631 businesses received capacity support, here are some the model's key success factors:

- Governance based on a geographic community of interest;
- Developmental lending approach to clients (character based, varied collateral security, flexible terms, regular monitoring);
- Clear performance measures (cost per job, leveraged funds, 5.7% average losses);
- Adaptability to economic environment (1980's high interest rates, 2012 economic downturn, 2020 global pandemic);
- Improvement of delivery processes (Management Systems, Remote Delivery).

This is critical infrastructure to integrate into a more intentional community capital ecosystem in the province, alongside credit unions, co-operatives, and place-based impact investing funds.

CBDC - The Atlantic provinces use the language of Community Business Development Corporation (CBDC). A CBDC assists in the creation of small businesses and in the expansion and modernization of existing businesses by providing financial and technical services to entrepreneurs¹²², such as:

- Financial assistance is available in the form of loans, loan guarantees and equity financing to existing and aspiring entrepreneurs.
- Business counselling, help & advice is available to small businesses. We help businesses to succeed and therefore we give high priority to the advisory role of our mandate.
- Entrepreneurship development and training to individuals and small business owners/managers is available in many of our offices.
- Technical assistance usually takes the form of guidance and coaching, and sometimes advocating on behalf of our clients to other lending establishments or regulatory agencies.
- Target entrepreneurs who require customized financing not normally available from traditional sources.

CBDCs are not-for-profit community-based organizations run by volunteers from the local business community who believe in improving the economic viability of their communities. Investment decisions are made by an independent Board of Directors sensitive to the needs of its community. The directors are volunteers from the business sector dedicated to helping make their community a better place in which to live and work; and have an intimate knowledge of the local markets, the business environment and the people in their communities.

Boards of Trade and Chambers of Commerce - In English, the terms "board of trade" and

¹²⁰ Community Futures Canada, Website, <https://communityfuturescanada.ca/>

¹²¹ Systems Log 3: Five Ways to Catalyze Capital in Ontario, Pillar Nonprofit Network, 2020, <https://pillarnonprofit.ca/news/systems-log-part-3-five-ways-catalyze-community-capital-ontario>

¹²² What is a CBDC, CBDC, Website, <https://www.cbdc.ca/en/what-is-cbdc>

"chamber of commerce" mean the same and can either be used for an organization created under the Board of Trade Act (BOTA).

A board of trade is a voluntary association of people interested in fostering trade and industry, stimulating civic development, and generally promoting the welfare of the community and its surrounding areas. The people are often from different types of businesses that operate in a local area or region, such as a town, city or region. They can be public officials, business professionals and public-spirited citizens. Boards of trade are considered not-for-profit organizations.¹²³ The main objectives of a board of trade are to:

- Promote the general business interests of the members;
- Foster the growth of commerce and industry in a particular area or region.

Boards of trade can be created under BOTA or not-for-profit corporate legislation, such as the Canada Not-for-profit Corporations Act ("NFP Act"). Under any of these laws, the board of trade would be considered a body corporate, which provides the right to own and hold property in the name of the board of trade without creating personal liability for the members. Being a body corporate under the various laws presents both advantages and disadvantages. For example, BOTA ties the board of trade to a district, which is not the case with the NFP Act. Professional advice could help you ensure that the specific needs of your board of trade are met.

The Ontario Chamber of Commerce (OCC) has 140 member chambers of commerce and boards of trade.¹²⁴ The OCC does research on Ontario's policy issues, advocating for solutions that will foster the growth of Ontario businesses and lead to the creation of jobs in the province. Through focused programs and services, OCC supports businesses of all sizes, encouraging workforce development and inclusive economic growth. This work is based on the belief that strong businesses are the foundation of a prosperous Ontario.

Private Sector – The consulting team did not include private sector business development activities as part of this report.¹²⁵

¹²³ Creating a Board of Trade, Government of Canada, November 2016, <https://corporationscanada.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs07145.html>

¹²⁴ About, Ontario Chamber of Commerce, Website, <https://occ.ca/about/>

¹²⁵ Canada Business Development Corporations, Crunchbase, Website, <https://www.crunchbase.com/hub/canada-business-development-companies>

Housing

Affordable Housing, a term misunderstood by many and at times the basis of contention and confusion in community. For clarity and for the purpose of this study, the consulting team utilizes the Canada Mortgage and Housing ("CMHC") definition of the term 'affordable housing' which is *"housing is considered to be affordable when a household spends less than 30% of its pre-tax income on adequate shelter"*. We focus on affordable rental supply and not affordable home ownership.



(Above illustration by United Way Halifax - "Affordable 'Rental' Housing" is the step between community housing (subsidized housing, at times with supports) and affordable home ownership (referred to at times as 'attainable housing').

To provide an example for local context, affordability for a household with a total pre-tax income of \$40,000 per annum compared to a household with total pre-tax income of \$150,000 varies significantly – the first household can afford a maximum monthly rent payment of \$1,000 in order for their housing to be deemed affordable, whereas the latter households can afford \$3,750 for a maximum monthly rent payment to be considered affordable. It is important to consider that even if households live in affordable housing per the above definition it does not factor in conditions such as state of the property, age of the structure and adequate space or capacity that aligns with number of members on the households.

The Government of Canada, through CMHC, works with its provincial and territorial partners by providing funding to reduce the number of Canadians in need by improving access to affordable, sound and suitable housing under the Investment in Affordable Housing ("IAH") program. This funding supports initiatives like new construction, renovation, homeownership assistance, rent supplements, shelter allowances, accessibility modifications, and accommodations for victims of family violence, funding under the IAH is used by provinces and territories to:

- Increase the supply of affordable housing across Canada;
- Improve and preserve the quality of affordable housing;
- Improve housing affordability for vulnerable Canadians; and
- Foster safe, independent living.

Provinces and territories also deliver affordable housing programs that are not funded under the IAH. CMHC is mobilizing the expertise and energy of governments, non-profits, lenders, developers, social entrepreneurs and co-ops through a National Housing Strategy (NHS). The NHS Over the next decade, it will invest \$55+ billion to build stronger communities and help

Canadians across the country access a safe, affordable home. The goal of this historic strategy is to make sure Canadians across the country can access housing that meets their needs and that they can afford. Over the next 10 years, the Strategy will:

- Cut chronic homelessness in half
- Remove 530,000 families from housing need
- Invest in the construction of up to 125,000 new affordable homes

To achieve the goal, the strategy will first focus on the most vulnerable Canadians first.

OMHC - In Ontario, Ontario Mortgage and Housing Corporation¹²⁶ ("OMHC") administers housing programs or parts of housing programs under the Ontario Mortgage and Housing Corporation Act (OMHCA), including grants, loans and security for loans; and makes housing-related loans, grants, guarantees or advances according to the OMHCA and the Housing Development Act.

The Canada-Ontario Community Housing Initiative provides funding to service managers to replace the federal Social Housing Agreement funding that expires each year, beginning April 2019. Service managers can use this funding to:

- repair, regenerate and expand community housing
- protect affordability support for tenants
- support community housing providers whose original program arrangements are expiring
- help community housing providers become more sustainable

Service managers are required to give priority to Indigenous housing providers under the Urban Native Housing Program. Funding will also be available to support other legacy social housing providers who have received Social Housing Agreement funding through provincial ministries, such as supportive housing providers.

Canada-Ontario Housing Benefit - This program provides a direct, monthly benefit payment to eligible households to help pay their rent. The benefit payments are:

- portable, which means you may receive the benefits even when you move to another address based on the household income and local market rent.

Eligible households include:

- Survivors of domestic violence and human trafficking
- People experiencing or at risk of homelessness
- Indigenous people
- Seniors
- People with disabilities

¹²⁶ Ontario Mortgage and Housing Corporation, WEBSITE, <https://www.ontario.ca/page/ontario-mortgage-and-housing-corporation>

Ontario Priorities Housing Initiative - The Ontario Priorities Housing Initiative provides flexible funding to all 47 service managers and the two Indigenous program administrators to address local priorities in the areas of housing supply and affordability, including:

- New affordable rental construction;
- Community housing repair;
- Rental assistance;
- Tenant supports;
- Affordable homeownership.

THE HOUSING CONTINUUM



Housing Continuum, CMHC¹²⁷

Reaching Home and Community Entities - Reaching Home is a community-based program aimed at preventing and reducing homelessness by providing direct support and funding to Designated Communities (urban centers), Indigenous communities, territorial communities and rural and remote communities across Canada.¹²⁸

Capital investments are intended to increase the capacity or improve the quality of facilities that address the needs of individuals and families who are homeless or at imminent risk of homelessness, including those that support culturally appropriate programming for Indigenous individuals and families. To reduce overcrowding in shelters and limit the spread of COVID-19 transmission, communities may wish to use Reaching Home funds to, for example: purchase or repurpose existing properties to create new temporary housing (for example, motel and hotel spaces, community spaces), and renovate existing facilities (for example, shelters, transitional housing, permanent supportive housing, or non-residential facilities) to, for example, improve ventilation or increase the distance between residents

Eligible activities include:

- Renovation of emergency shelters, transitional housing, permanent supportive housing,

¹²⁷ About Affordable Housing in Canada, Canadian Mortgage and Housing Corporation, March 2018, Website, <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>

¹²⁸ Reaching Home: Canada's Homelessness Strategy Directives, November 2020, Website, <https://www.canada.ca/en/employment-social-development/programs/homelessness/directives.html>

or non-residential facilities, including:

- Renovating an existing facility for upgrades and to meet building standards;
 - Removing asbestos, mold, rodents; and;
 - Repurposing an existing property to create transitional housing or permanent supportive housing and expanding an existing facility;
-
- Repairs of damages resulting from housing placements (includes private market housing);
 - New construction of transitional or permanent supportive housing, or non-residential facilities (for example, community hubs to include furniture banks, drop-in centres, resource centres, outreach worker spaces, counselling spaces, laundry facilities, food banks), including if applicable tearing down an existing facility to build a new one;
 - Purchase of transitional housing, or permanent supportive housing, and non-residential facilities to create new space or units.

Each Designated Community has a Community Advisory Board (CAB), which develops the community plan, recommends projects for funding, and supports the response to homelessness at the community level. Funding is delivered through the Community Entity (CE) model. The CE, normally an incorporated organization (i.e. community's municipal government or an established not-for-profit organization), implements the community plan and is responsible for the selection, approval and management of projects.¹²⁹

The Government of Canada defines the Community Entity's role as follows:¹³⁰

- Providing administrative and other supports to the Community Advisory Board (CAB);
- Receiving all requests for funding;
- Working with community stakeholders to oversee the development and implementation of a systems-based approach to addressing homelessness;
- Supporting a transition to an outcomes-based approach;
- Soliciting proposals for community projects;
- Approving projects recommended by the Community Advisory Board in accordance with program terms and conditions;
- Contracting and monitoring all projects;
- Reporting on its activities and disbursement of funds;
- Collecting and sharing data and information;
- Reporting on results and outcomes of all funded projects;
- Submitting annual work plans;
- Monitoring and reporting on the development, implementation and success of the community plan including identified gaps in services that have been filled and those remaining, new partnerships forged, and the extent to which priorities have been met through sub-projects.

Housing Developers - Like EDC, there is a mix of internal and external development entities connected to local government, alongside private entities. We have interviewed organizations

¹²⁹ OECD Workshop: Homelessness and Affordable Housing Policies, Employment and Social Development Canada, Nancy Baker, November 2019, <http://www.oecd.org/social/soc/OECD-Workshop-Homelessness-PPT-S1-Baker-Canada.pdf>

¹³⁰ Reaching Home Community Entity, Namerind Housing Corporation, 2021, Website, <https://www.namerindhousing.ca/communityentityregina/>

that identify as non-profit and affordable housing developers in Models to Learn from.

The Province of Ontario, at that time, devolved the business and associated costs of social housing to the municipalities, the initial wave encompassed all of the former public housing units which had been part of Ontario Housing Corporation (OHC). The assets of OHC were divided amongst 47 different Service Managers, some to regional governments, some to municipalities and some to district areas.

As an example, the City of Peterborough, in their role as Service Manager for the City and County of Peterborough, became the “sole shareholder” of PHC, the largest single provider of housing in the social housing portfolio. The City had a choice of models for its local housing corporation and chose to leave it as a stand alone corporation, one of eleven in the Province.¹³¹ In addition, community based housing developers have been able to sell housing back to the municipality and act as a collaborator supporting strategic objectives for the region.¹³²

¹³¹ Homegrown Homes, World Habitat Awards, 2010, Website, <https://world-habitat.org/world-habitat-awards/winners-and-finalists/homegrown-homes/#award-content>

¹³² Peterborough Housing Corporation buys four properties from Homegrown Homes, MyKawartha.com, Taylor Crysdald, July 2016, <https://www.mykawartha.com/news-story/6782839-peterborough-housing-corporation-buys-four-properties-from-homegrown-homes/>

Community Hubs

There has already been extensive research in the region for various feasibility studies in the Perth and Huron regions. We add this area to provide comprehensive descriptions of these terms, and recommend further reading of local community hub research projects.

Community hubs are places where residents, parents and community members come together to explore new ideas, build creative solutions and develop relationships. They play a vital role in building community cohesion, wellbeing and vibrancy.¹³³

Community hubs provide a central access point for a range of needed health and social services, along with cultural, recreational, and green spaces to nourish community life. A community hub can be a school, a neighbourhood centre, an early learning centre, a library, an elderly persons centre, a community health centre, an old government building, a place of worship or another public space. Whether virtual or located in a physical building, whether located in a high-density urban neighbourhood or an isolated rural community, each hub is as unique as the community it serves and is defined by local needs, services and resources. When people think of community hubs, they think of places where people come together to get services, meet one another and plan together. We've heard that community hubs are gathering places that help communities live, build and grow together. No community hub is like another, as each brings together a variety of different services, programs and/or social and cultural activities to reflect local community needs. It is this diversity of activity that allows community hubs to play a critical role in building economic and social cohesion in the community.¹³⁴

As with the research of community development corporations, community hubs have developed due to the leadership of "local heroes" based on local needs, and they have faced a variety of challenges. One of the major challenges identified for local community hubs is leadership and accountability. There is no designated lead for overall community planning; it currently includes municipalities, school boards, social services, health and long term care agencies. It can be difficult to clarify roles, as community hubs involve these multiple local partners as well as provincial interests.

In cases involving a Community Health Centre, there is a lack of clarity as to whether they are mandated by the Ministry of Community Hubs in Ontario: A Strategic Framework and Action Plan p. 22 Health and Long-Term Care to be the lead agency, but this may or may not be the best role in the local context. The Local planning is further complicated by the geographical boundaries of school boards, municipalities, Consolidated Municipal Service Managers (CMSM), District Social Services Administration Boards (DSSABs), Local Health Integration Networks (LHINs) and other agencies that do not align. This leads to multiple planning tables, different mandates and complicated relationships.

Informal hubs don't require the same kind of organization and structure as formal ones. A hub

¹³³ How to Hub: Community Hub Development Toolkit, Social Planning Toronto, February 2019, Website, <https://www.socialplanningtoronto.org/hub-toolkit>

¹³⁴ Community Hubs in Ontario: A Strategic Framework & Action Plan, Special Premier's Community Hubs Framework Advisory Group, 2015, Government of Ontario, <https://docs.ontario.ca/documents/4815/community-hubs-a-strategic-framework-and-action.pdf>

with a formal structure is typically considered a legal entity. A hub with less structured governance will have less (or no) hierarchy: roles are filled based on community members stepping up to contribute their talents or stepping back to let others do so. Here are some possible governance models to consider:¹³⁵

Governance Led By	How it Works
A single funder	A single funder does all of the planning, financing and bringing people together to support the hub. This can help avoid the challenge of pulling together start-up funding (because the single funder provides it) but can potentially affect the long-term sustainability of the hub (since it depends on a single funder). However, it is always possible to bring in other sources of funding if needed.
An existing non-profit organization	An already established non-profit takes charge of the hub. This can be effective if that organization has credibility in the community and a well-supported, existing infrastructure in place. A possible drawback is that the non-profit will have competing priorities and other projects, which could mean the hub doesn't get the funding or attention it needs.
A new non-profit organization	A brand-new organization is created to run the hub, usually through private funding. This new entity will have a crystal-clear focus: running the community hub in pursuit of its vision. The new non-profit will need a dependable stream of funding to support the hub, and local not-for-profits could see it as competition.
A steering committee	A steering committee that includes members of the community can help ensure the hub continues to meet people's needs by giving the community power to make decisions about the hub's future. A possible challenge is that having multiple people responsible for the hub can cause confusion around accountability—which could mean not as much work getting done to make the hub the best it can be.
Multiple organizations	Having more than one organization share ownership of the hub has several benefits, including that each party will have to put less resources into the hub and there will be a broader pool of expertise at the helm. However, with more players at the table, accountability may be less clear and coordination may be a challenge, potentially making the hub less effective than it could be.
A government department or agency	A local or provincial government body manages the hub. A hub backed by government may have an easier time getting permits and other approvals for activities and programming. It might also have existing infrastructure at its disposal. On the other hand, needing to follow government processes could slow progress—and public funding is not always a given.

¹³⁵ Community Hubs by Design, Vibrant Communities Calgary, 2017, <http://vibrantcalgary.com/wp-content/uploads/2017/11/CommunityHubsByDesignToolkit2017.pdf>

Community Economic Development

Community Economic Development ("CED") is action by people locally to create economic opportunities that improve social conditions, particularly for those who are most disadvantaged. CED is action by people locally to create economic opportunities and better social conditions, particularly for those who are most disadvantaged. CED promotes holistic approaches, addressing individual, community and regional levels, recognizing that these levels are interconnected. Because this approach recognizes that economic, environmental and social challenges are interdependent, complex and ever-changing, we have added it as it cuts across many of the areas of work that interests this study, and includes additional economic activities.



CEDOs are not always easy to find in Ontario. Not all organizations identify their activity as CED, not all organizations have a website let alone internet accessibility, and many organizations and communities (particularly in the North) still experience great isolation from the rest of Ontario. We estimate there to be approximately 2,000 organizations involved in CED currently in Ontario, although we acknowledge that a truly complete picture of CED has yet to be illustrated.¹³⁶

¹³⁶ Profile of Community Economic Development in Ontario, The Canadian Community Economic Development Network, Elizabeth McBain and Matthew Thompson, January 2008, <https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/Profile%20of%20CED%20in%20Ontario.pdf>

2.5 Activities of CED Organizations

In the survey, participants were asked to list the types of activity they are involved in. From these responses we broke the activities down into the 7 distinct themes shown in Figure 4. Following the principals of CED's holistic, multi-faceted approach to community problem solving, survey respondents reported a wide variety of activities, with over 70% of respondents listing 5 or more.

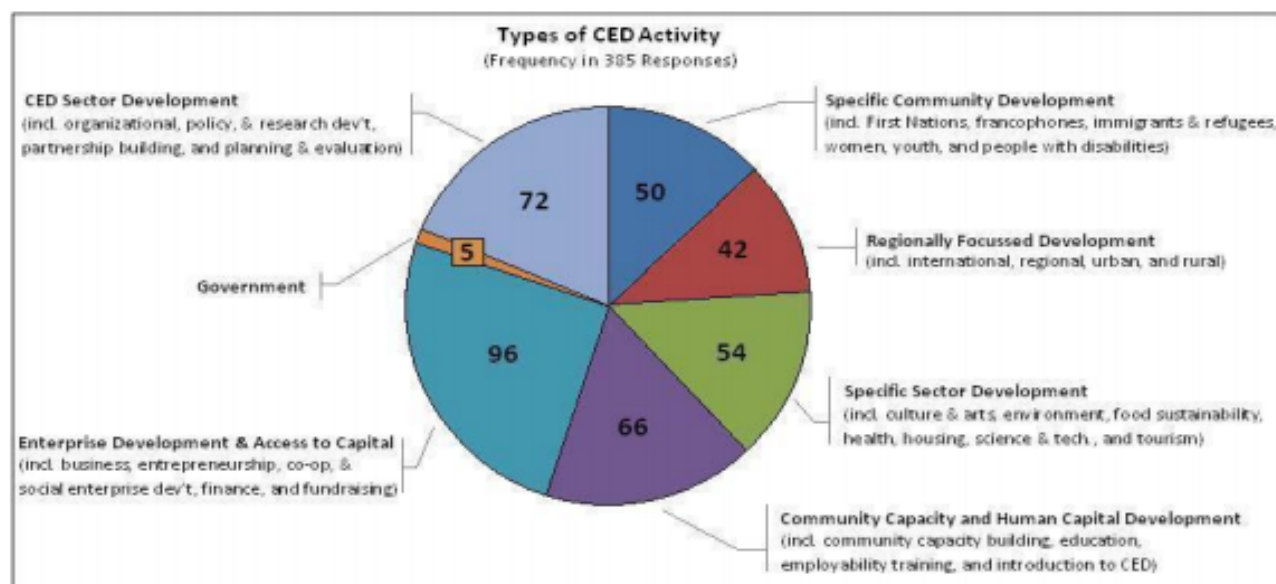


Figure 4: Types of CED Activity

The previous graphic is from the Canadian Community Economic Development Network report on profiling CED in Ontario.

CED activities can be charitable when they further a charitable purpose. Organizations that carry out CED activities may be eligible for charitable registration under the Income Tax Act if all their activities further charitable purposes.¹³⁷ CED refers to a wide variety of activities. Other terms that could describe similar activities include community capacity building, social enterprise, and social finance. In this guidance, CED activities may include activities associated with all such terms. Generally, CED activities involve improving economic opportunities and social conditions of an identified community.

CED activities may further charitable purposes that:

- relieve poverty
- advance education
- benefit the community in other ways the law regards as charitable

CED activities generally fall into five areas:

- activities that relieve unemployment
- grants and loans

¹³⁷ Community economic development activities and charitable registration, Government of Canada, July 2012, Website, <https://www.canada.ca/en/revenue-agency/services/charities-giving/charities/policies-guidance/community-economic-development-activities-charitable-registration-014.html>

- program-related investments
- social businesses for individuals with disabilities
- community land trusts

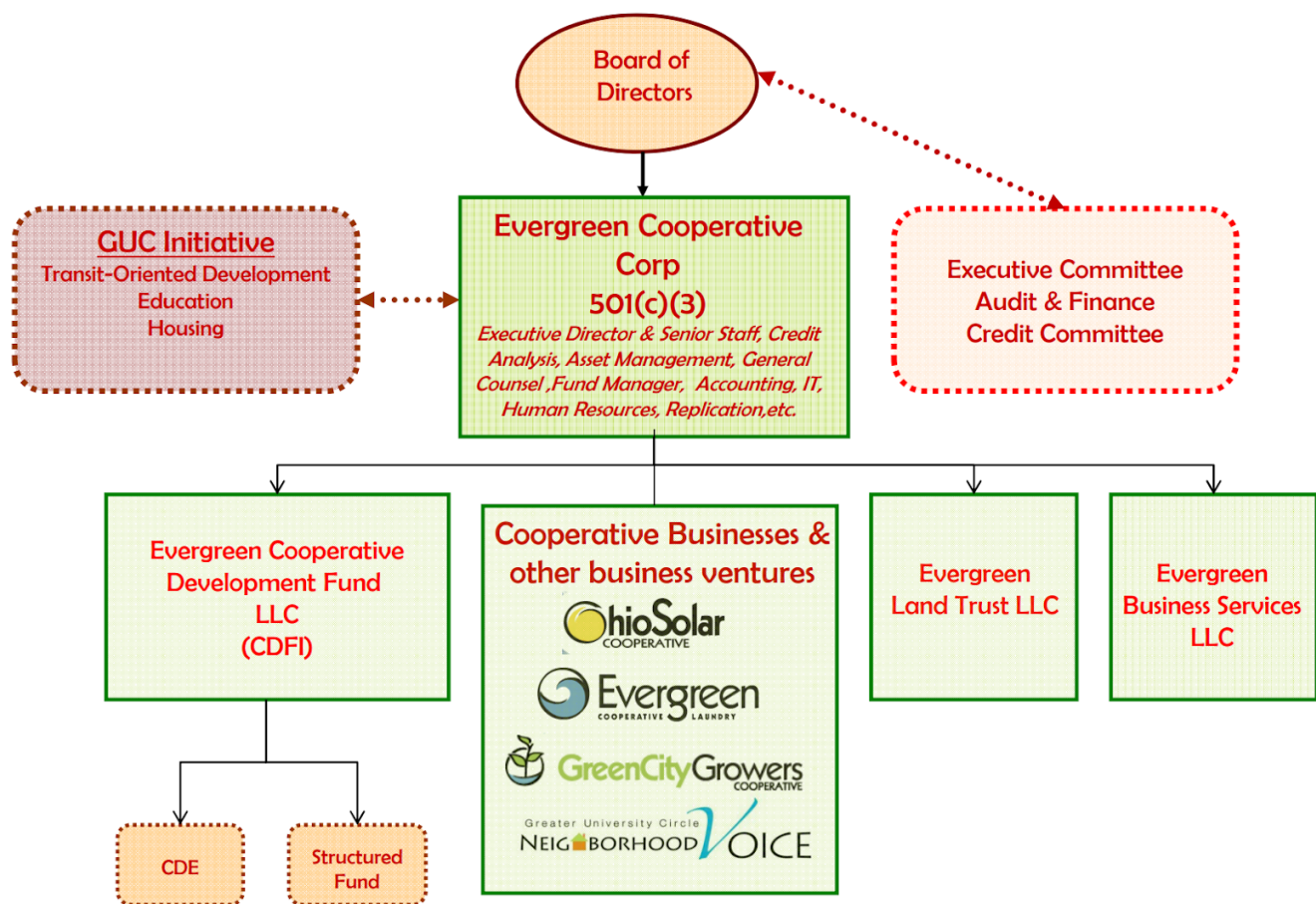
In Ontario, there used to be a Community Economic Development Act established in 1993 and repealed in 2003.¹³⁸

CED and Housing - With the financial support of the Canada Mortgage and Housing Corporation (CMHC), the Community Data Program of the Canadian Community Economic Development Network has launched a Solutions Lab project called "Developing easy-to-use community decision-making tools to help achieve National Housing Strategy goals". Working in partnership with municipal and community sector organizations active in the housing sector, the CDP Solutions Lab project will strengthen evidence-based planning and decision making using innovative methods and tools to transform municipal and neighbourhood scale data into better programs, policies and operational decisions. These methods and tools will respond to the real constraints of time and analytical staff support needed to apply data to housing-related decisions affecting neighbourhoods and communities

Community Wealth and Inclusive Economic Development - The Democracy Collaborative in the US mapped the growing tendency across different sectors to rethink ownership of wealth. Inspired by the depth and breadth of activity taking place quietly in communities across America, we focused as an organization on helping channel this incipient energy into a more coherent movement, building our Community-Wealth.org platform as a place where an exchange of strategic developments could be made across traditional silos. Using the idea of community wealth building as a central guiding principle to encourage productive collaboration, we began organizing roundtables in cities across the country to bring together key stakeholders for discussions of the need for transformative urban economic development solutions. One of these roundtables, in Cleveland, Ohio, blossomed into an economic inclusion strategy in the city's low-income communities known as the Evergreen Cooperative Initiative, see figure below:¹³⁹

¹³⁸ Community Economic Development Act, 1993, Government of Ontario, 2003, Website, <https://www.ontario.ca/laws/statute/93c26>

¹³⁹ Our History, Democracy Collaborative, Website, <https://democracycollaborative.org/history>



Case Study - The Evergreen Cooperatives, nested as they will be within this nonprofit entity and “keeper of the vision,” operate unlike traditional worker cooperatives. The Evergreen model builds in worker ownership and control but under the umbrella of broader democratizing and green principles. It is a community building model in its essence. A 15-member board of directors governs the ECC, including anchor institution executives, representatives from Evergreen cooperatives, local and national financial institutions and investors, and the keepers of the vision including the Cleveland Foundation.¹⁴⁰

In addition, there are domestic examples of this work in Ontario inspired CED and Community Wealth, and take on different terms and contexts:

Cooperatives - As its name implies, a co-operative is about people coming together to meet a common need - be it economic, social, cultural, environmental - or all the above. It is a versatile business model that can operate in every sector of the economy, and in both urban and rural settings. Please note that when using the term “co-operative,” we are referring to both non-financial and financial co-operative organizations.¹⁴¹ A co-operative is a legally incorporated corporation that is owned by its members, who use the co-operative’s services or

¹⁴⁰ Field Guide to Investing in a Regenerative Economy, Evergreen Cooperatives Field Study, Capital Institute, https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/FieldGuide_CapitalInstitute.pdf

¹⁴¹ What is a cooperative, Ontario Cooperative Association, Website, <https://ontario.coop/what-co-operative>

purchase their products. They can and do provide virtually every product or service, and can be either for-profit or nonprofit enterprises. Co-operatives are community-focused businesses that balance people, planet and profit. They are democratic and value-based by nature, and are often formed to fill a void within a community, to seize local opportunities and to meet the needs of its member-owners. Whether the members are the customers, employees or residents, they have an equal say in what the business does and a share in the profits. Profits are distributed to members based on the amount of business they do with the co-operative. As such, co-operative businesses keep dollars circulating within the local economy, provide secure employment, and help revitalize, build and sustain healthy communities.

In addition, there are structures that have been developed in different regions that mimic these principles: Across Canada there are several Opportunity and Investment Cooperatives that mobilize capital for local initiatives:

- **Nova Scotia** - Community Economic Development Investment Funds ("CEDIF") and Community Interest Company ("CIC");
- **British Columbia** - Community Contribution Company ("CCC") and development of networks like the Community Impact Investment Coalition;
- **Community Bonds** are a social finance tool that allows an established organization to leverage their community of supporters to help finance the purchase of a fixed-asset, like a new space or major equipment.¹⁴²

The aforementioned models have been helpful in raising funds for the following initiatives:

- Community Hubs;
- Sustainable Food Systems;
- Co-Working Spaces;
- Sustainable Energy Projects;
- Inclusive & Affordable Housing;
- Arts & Culture Hubs.

Inclusive Economy - Inclusive economy is one in which there is expanded opportunity for more broadly shared prosperity especially for those facing the greatest barriers to advancing their well-being.¹⁴³

Think Upstream and Inclusive Economy London are examples of how these terms and approaches are being renewed in local communities as priorities shift and there is a willingness to shift social and economic models.¹⁴⁴

¹⁴² Tapestry Community Capital, Website, <https://tapestrycapital.ca/>

¹⁴³ The Five Characteristics of an Inclusive Economy: Getting Beyond the Equity-Growth Dichotomy
Emily Pacetti, December 2016, <https://www.rockefellerfoundation.org/blog/five-characteristics-inclusive-economy-getting-beyond-equity-growth-dichotomy/>

¹⁴⁴ Inclusive Economy, Think Upstream, Website, <https://www.thinkupstream.ca/inclusive-economy>

Social enterprise - “A social enterprise is an innovative business model, whether not-for-profit or for-profit, that pursues a social, cultural or environmental mission through the sale of goods and services, with the majority of net profits directed back to its mission.”

Source: Discussion guide for the Investment and Readiness Stream of the Social Finance Fund, Definitions section, Employment and Social Development Canada

There are an estimated 10,000 in Ontario and this model has gained a lot of traction in dissolving the dichotomy between for profit and nonprofit, to create business models that combine people, planet and prosperity.

Social finance - “Social finance uses standard financial tools and instruments to leverage the economic, social and environmental value created by organizations in the non-profit and for-profit sectors or in the hybrid space between them. These organizations are usually mission-driven and seek to maximize all three forms of value.”

Source: Impact Investing / Social Finance, Carleton Centre for Community Innovation

Impact investing refers to “investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.” Over the past two years, 22 reported impact investments in Canada have grown from \$14.8 billion to \$20.3 billion. This represents 38% growth in impact AUM over this two-year period.

According to the 2020 Annual Impact Investor Survey from the Global Impact Investing Network (GIIN), the global market for impact AUM is estimated at \$715 billion (USD). Canada therefore accounts for approximately 3% of the global market for impact investing.

Social Innovation - The Government of Canada recognizes that new and innovative approaches are required to tackle these social issues. That is why the Government has committed to developing a Social Innovation and Social Finance Strategy for Canada.¹⁴⁵

Social innovation refers to the creation, development, adoption and integration of new and renewed concepts, systems and practices that put people and planet first. At their best, social innovations tackle the root causes of problems by changing the systems that are causing the problem.¹⁴⁶

Here's how social innovation hopes to distinguish from other approaches: aspires to solve the root causes of issues, to avoid endless spending by problem solving at an ecosystem level:

- Experiments with new approaches to breakthrough institutional inertia
- Acts inclusively by working directly with communities and people with lived experience
- Leverages markets for scaled impact
- Collaborates and shares resources to ensure that we all flourish.

¹⁴⁵ Social Innovation and Social Finance Strategy, Employment and Social Development Canada, Government of Canada, 2020, <https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/strategy.html>

¹⁴⁶ Unlocking Canadian Social Innovation, Social Innovation Canada, 2018, Website, <https://socialinnovation.org/wp-content/uploads/2018/12/Unlocking-Canadian-Social-Innovation-.pdf>

After two decades of bottom-up development, Canada is poised to become a global leader in social innovation. The seeds of local social innovation ecosystems were formed in the non-profit sector in response to the funding cuts and soul searching of the mid-to-late 1990s. Since then, social innovation has grown to be embedded in university programs, local initiatives, and provincial laws.

Now practitioners are beginning to connect nationally as never before, and the field is going to enter a new phase of growth and development. As social innovation grows and develops it is influencing the nonprofit sector in Canada. There are over 170,000 nonprofits and charities and Canada. The sector employs over two million people and provides a larger share of the economy than the manufacturing or automotive sectors.

Social entrepreneurs and intrapreneurs have complementary strengths and weaknesses. While their outsider status gives social entrepreneurs more freedom to create changes that upset existing structures, this status also tends to limit their access to the power and resources necessary to change systems. In contrast, while their insider status can constrain their freedom, it also grants social intrapreneurs more access to the power and resources social entrepreneurs often lack. This complementarity gives social 18 entrepreneurs and intrapreneurs the potential to be effective allies working across institutional boundaries.

Intermediaries build connections, foster collaborations, provide research and information, and act as platforms for education and action. Funders, investors, clients and customers play crucial roles in growing and shaping emerging projects and organizations. While the spotlight often falls on the social entrepreneurs and intrapreneurs, the web of intermediaries does much to create the conditions in which their organizations or projects will succeed or fail.

A friendly reminder about community development from the Community Development Handbook:¹⁴⁷

Responding to a challenge or opportunity - A crisis which threatens the viability of the community or an opportunity to enhance the quality of life in the community is often the driving force for community-based action. Community members perceive that action must be taken. A multitude of circumstances could occur that cause a community to respond.

Examples of negative circumstances that can motivate communities to consider a community development approach are:

- closure of a primary industry upon which many of the community members are dependent,
- a community facing significant social problems but with little that can be achieved until issues of community health and well-being are addressed,
- too many young people leaving the community,
- withdrawal of government funding for an initiative upon which the community is highly dependent,
- frustration about the results of previous efforts and the desire to use a different approach.

¹⁴⁷Community Development Handbook: A tool to build community capacity, Human Resources Development Canada, 1999, <http://publications.gc.ca/collections/Collection/MP33-13-1999E.pdf>

Community development is not solely pursued as a response to negative circumstances or a crisis. Increasingly, community development is viewed as a way to build upon strengths (capacity) and take advantage of opportunities. Some communities view the community development process as a way to tap into the multitude of strengths, skills and abilities of community members.

When does community development happen? Community development is a planned process that requires certain prerequisites. Effective community development most often happens when

- A challenge or opportunity presents itself, and the community responds;
- Community members are aware of their power to act together to benefit their community;
- There is a desire to build on diversity and to find common ground;
- Change is taking place and community development is understood to be a positive approach to manage this change.

Community development is a tool for managing change and, therefore, is not:

- A quick fix or a short-term response to a specific issue within a community,
- A process that seeks to exclude community members from participating,
- An initiative that occurs in isolation from other related community activity.

Community development is about community building as such, with the process as important as the results. One of the primary challenges of community development is to balance the need for long-term solutions with the day-to-day realities that require immediate decision and short-term action.

Appendix B: List of Interviews and Interview Questions

Organizations Interviewed:

- ☐ North Perth (Economic Development with Municipality)
- ☐ St Marys (Economic Development with Municipality)
- ☐ Tanner Steffler Foundation
- ☐ InvestStratford
- ☐ Economic Development and Tourism (Perth County)
- ☐ CAHDCO
- ☐ Edmonton Community Development Corporation
- ☐ New Path Foundation
- ☐ Indwell
- ☐ Kirkland & District Community Development Corporation
- ☐ Perth CFDC
- ☐ Huron County Economic Development
- ☐ Community Futures Huron
- ☐ Wequedong Lodge

- ☐ Union Co-op, Kitchener (Cooperative model for raising capital for housing project)
- ☐ Dixon Hall
- ☐ Six Nations of Grand River Development Corporation
- ☐ Chicanos Por La Causa
- ☐ New Dawn
- ☐ Langs Community Hubs
- ☐ United Way Toronto

Sample Interview Questions (not all used):

Name of organization

- Legal Structure
- What year did you start?
- Geographical scope
- Demographics you serve
- Vision - why did you start this initiative?
- Mission - what is the business model?
- Total staff levels? (FTE)
- Where did the initial capital funding come from?
- Where does your continued operating funding come from?
- What guides you to make decisions i.e. projects to get involved in? Program inception? To not get involved? How do you set priority?
- What type of projects have you engaged in? (describe size/type, etc.)
- What were early stage learning lessons that you can share with us?
- Do you have any stories of failure that you are willing to share with us?
- Who are the key partners in the community?
- Sample documents ex: governance policies/by-laws; financial statements (three years, ideally); first year work plan
- In your opinion, what are the typically high-level phases projects/programs move through? Idea to inception
- How do you measure success? What are your Key Performance Indicators?
- From the inception of your organization to the first project you got involved in? How long was that period?
- How does your organization define success? How do you know if you have been successful?
- How much capital funding did you start with?
- What is your governance structure?
- What type of Finance and Accounting System is in place?
- What conditions were in place that have allowed up to start up and sustain/scale? ie. community support, funding, government/regulatory, project, market gap, etc.
- Partnership - what is in place to make these partnerships official? MOU, contracts - what does this look like??
- Insight into lending activities past year (2019)
- In your opinion, what is the biggest barrier in holding your organization back to create more impact?
- Are there other vehicles better suited than a CDC to do this type of community development that we are after? (Community hubs and Affordable Housing)
- What is holding projects back / biggest barrier to achieve/increase its impact?
- Was there an anchor institution involved at the start-up phase of your operation? (Or was there a lead-entity?)
- Would you be willing to review our first year work plan?
- Why was this institution selected to become an anchor during the start-up phase?
- What do you need to work with Perth-Huron CDC, if applicable?
- Where does other revenue come from?
- Do you develop yourself? Or, are you a catalyst for developers to come in your community? What does this look like?

- If a housing project came across your desk, do you have the resources/knowledge to engage with this project?
- Do you actively build affordable housing projects, or are you attracting developers to build such projects?
- Intro us to other CDCs/relevant organizations?

Appendix C: Focus Group Participants and Focus Group Assessment of Feasibility Conditions

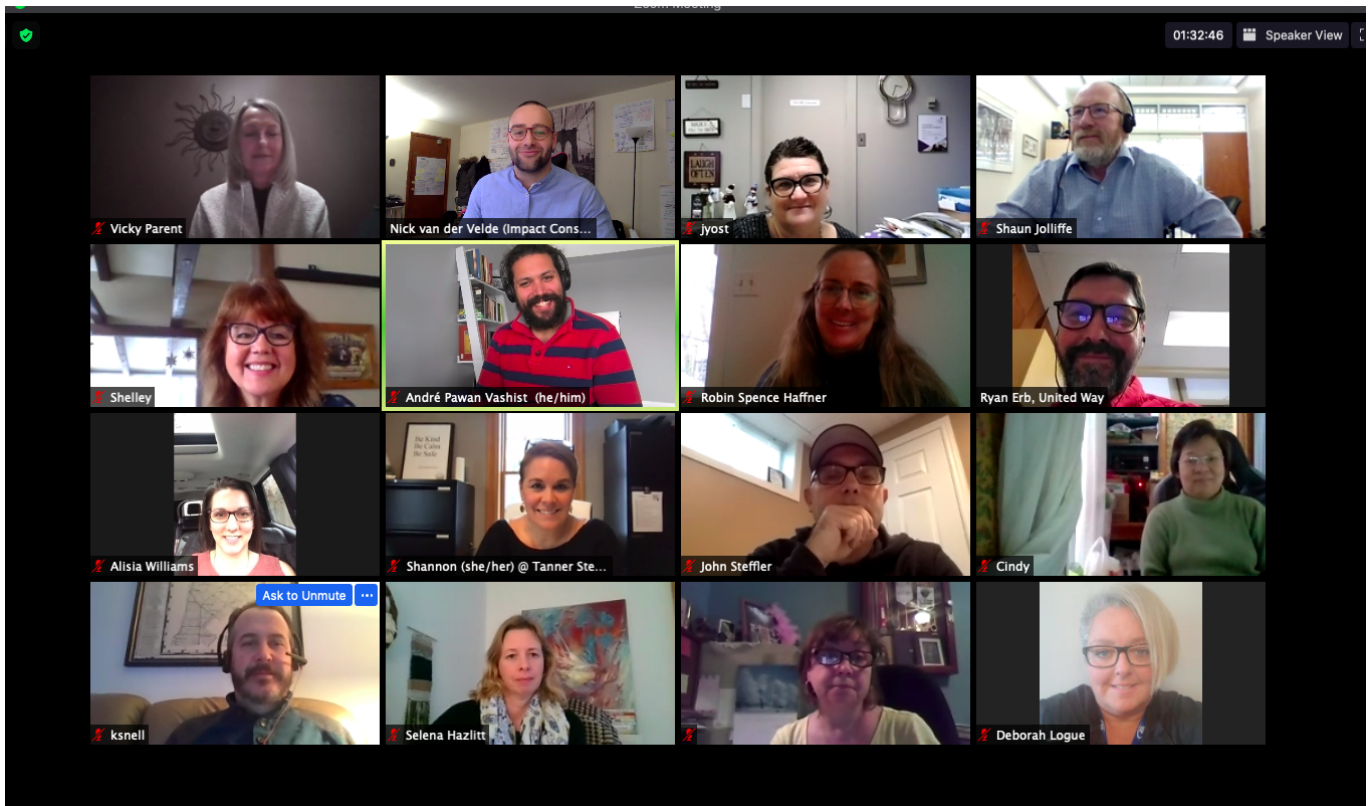
Focus Group #1

- Lisa Wilde, Executive Director, the Emily Murphy Centre and Supervised Access Programs of Perth/Huron
- Kriss Snell, Municipality of North Perth
- Deb Logue- Victim Services Huron
- Shelley Blackmore, Chair of the United Way North Perth Community Committee
- Shannon McGavin from the Tanner Steffler Foundation Selena Hazlitt - Rural Response for Healthy Children
- Vicky Parent - Huron Safe Homes for Youth
- Cathy Ritsema, Alzheimer Society Huron County
- Alisia Williams Vice Chair of the United Way North Perth Community Committee
- Cindy from Walker Place

Focus Group #2

- Joan Thompson, CAO, City of Stratford
- Paul Nicols, General Manager, CFDC Huron
- Kris Snell, CAO, North Perth
- Dan Best, CAO, South Huron
- Kim McElroy, Director of Social Service
- Joelle, SRPC

FOCUS GROUP #1



Stakeholders:

- Lisa Wilde, Executive Director, the Emily Murphy Centre and Supervised Access Programs of Perth/Huron
- Kriss Snell, Municipality of North Perth
- Deb Logue- Victim Services Huron
- Shelley Blackmore, Chair of the United Way North Perth Community Committee
- Shannon McGavin from the Tanner Steffler Foundation
- Selena Hazlitt - Rural Response for Healthy Children
- Vicky Parent - Huron Safe Homes for Youth
- Cathy Ritsema, Alzheimer Society Huron County
- Alisia Williams Vice Chair of the United Way North Perth Community Committee
- Cindy from Walker Place

Quotes from community:

"In North Perth we have done extensive work on the community hub model. We cannot get \$9M for the entity. Will the model be able to access dollars? We need access to funding that comes from the community. That people can invest in."

"We need better coordination between the Counties - multiple initiatives already exist. Are there any other initiatives in the community that are doing this work?"

"We have not had the buy-in. Struggle to pull people together. Lot's of talk"

"Research is in place that suggests we have to move forward. CDC - biggest plus is the collaboration piece"

"If we had access to capital, we can demonstrate that we can get to a place of operation, challenge is in the initial capital section."

"Big believer in community hubs, build it and they will come. Operationalizing would be the biggest contribution."

"Takes a lot of community capital to push this forward, risking time and resources to develop something new."

"Completed 5 feasibility studies on hubs, lack success of fundraising from grants, what is the how?"

"For us working in the system, we don't have the time to coordinate. United Way, or CDC can coordinate these relationships and funding pots. We are very community based, if we are doing corporation for both counties, we need a working group that represents both communities - we don't want to compete for the same thing."

"Community needs are not understood well by larger community. Could be leverage point for CDC."

"Think about the feasibility of an entity to do this, you notice the fractionality in both counties. If you are talking about developing 5 community centres, that may work. If you are talking about one that is a big hurdle."

"United Way is the bridging organization and is bridging these causes. In terms of leadership, I see United Way as that leadership."

"The risk if we don't act is not being able to provide equitable access to services."

Conditions Assessment - Jam Board Output

1. Community Need

Which Conditions are Present?

- Each organization participating in community hubs discussion
- Housing Services Manager - Databases

Perth

- Mayor's Housing and Homelessness Taskforce - North Perth
- Housing and Homelessness Committee in Perth
- Housing and Homelessness Committee North Perth
- Poverty reduction committee north perth
- Perth Build for Zero Group

Huron

- Huron County Housing and Homelessness Steering Committee
- Huron County Homelessness Task Force
- Huron poverty to prosperity committee
- Active Working Wellness Community Hub in Huron
- Active Youth Advisory Council in Huron regarding Hub Activation
- Social recovery task force report for Town of Goderich (July 2020)
- Street to Feet - Exeter

Which Conditions are Missing?

- Overlap and missing information/communication
- Circles in North Perth, Bridges Out of Poverty Training
- More engagement of people with lived experience is needed
- General community awareness and understanding of the needs is missing
- Citizens awareness of issues - sense of crisis

Risk Level and Tolerance

- There are families that have been in the area for many years. There are old values and opinions. it's hard to change those values.
- 5 years of awareness to understand hub in Perth

2. Leadership Buy In

Which Conditions are Present?

- Leadership by PHUW and bringing community together to build understanding
- HP and Area Ontario Health Team
- Religious Groups
- United Way Committees
- Stratford Perth Community Foundation
- Partnerships with municipalities in the delivery of services

Which Conditions are Missing?

- Partnerships with municipalities in the delivery of services
- Work with the FHT's to build collaboration between physical health and the social determinants of health may help to provide credibility to the projects and funding
- Get involved with hospitals/Health Providers
- We don't have the awareness in community
- Hospital and health communities - able to raise funds for their projects

Risk Level and Tolerance

North Perth as more awareness and could take more risk (can't be only partner)
Partnerships to de-risk

3. Money and Assets

Which Conditions are Present?

- Rural Response has a social enterprise plan to diversify our funds. We are seeking funding to launch the plan.
- Huron County will have an inventory of open land as they are seeking land to expand County offices (that was pre-pandemic though)
- North Perth Community Hub is targeted to municipal owned land - North Perth Library
- Community Futures Development Corporation may be an option to explore
- Huron County - Jessica's place (Hospice) (\$2M) Land was donated for the build
- Worked with municipality to get the land
- Community foundation in Grand Bend
- North Perth - New Arena \$5.5M (\$1M came from local family)

Which Conditions are Missing?

- Fundraising approach from large grantmakers has not always been successful for hub projects
- Exhausted local service group and grant pathways
- Community will easily donate to things like the hospital or sports, but not so easily for poverty or homelessness.
- Libro Credit Union

4. Incubation Partner

Which Conditions are Present?

- No response

Which Conditions are Missing?

- Coordination of funding opportunities, concrete planning ie Indwell housing with hubs
- Would need a working group with reps from both communities
- Coordination to help plan and allocate resources for the different projects and service delivery
- Equitable access to services between communities because model development and funding allocations differ
- Decrease the capacity being asked to sit at different tables for different communities
- combining resources to address issues in both communities

FOCUS GROUP #2



Stakeholders

Joan Thompson, CAO, City of Stratford
Paul Nicols, General Manager, CFDC Huron
Kris Snell, CAO, North Perth
Dan Best, CAO, South Huron
Kim McElroy, Director of Social Service
Joelle, SRPC

Quotes from community:

"We need mobilization of capital and human power around this issue. In my experience, many people are asking the same questions - people want to do it, don't know how to do it."

"Need better understanding of where the gaps are."

"The issue that I have comes down to is the ability to pay and who is going to own it. Capacity to deliver and who is able to deliver this."

"We are trying to find capital and human resources. We can't open and develop community hubs."

"We have applied for funding and not been successful. The days of relying on provincial and federal capital are done."

"What does this look like when this is up and running. I am still struggling with the name, community development corporation. Similar names to others in our community. This may create confusion with the council or the public."

"We did research 20 years ago on community hubs, and we found problems with confidentiality, sharing consent, common assessment, reporting with funders."

"I experienced top-down failure while managing a community hub."

"The more we can tap into the community the better. The money is not there in the municipality."

"There is a lack of understanding, the community thinks we have infinite resources. There has to be that level of trust and that level of working collaboratively."

"We are experience push back in the community for affordable or supportive housing - people don't want that in their neighbourhood."

"Blending of the sector, and the gaps that exist. The mechanism that this CDC may address is the gaps that are addressed by need by social service providers, but not necessarily by mandate."

"Number of agencies to do good things - no one has the vehicle to address some of our needs - can bring all aspects of nonprofit, government and willing community."

"It has to be a trusted group - example, local community foundation has a slow start, had to build trust."

"I think there is positives if this is regional."

"I need this report to reflect the definitions we have used in the 10-year report - we have to be precise about the definitions."

Conditions Assessment - Jam Board Output

1. Community Need

Which Conditions are Present?

- Many people asking the same questions
- Invest Stratford - Attainable Housing report
- Community safety and wellbeing plan - related challenges - driving municipalities because mandated plans into operations, structure associated to support collaboration across counties
- Need housing for minimum wage employees

Which Conditions are Missing?

- Mobilization is needed
- Need services to reduce crisis services like police being called for social services that could intervene
- More education on the issue
- Gaps across sectors ie economic, community and nonprofit spectrum - solutions cutting across are missing and entity to hold that development
- Access to capital
- Definitions of spectrum of housing

Risk Level and Tolerance

- Affordable housing projects mandated to attached health services from ministry - and push back from mental health crisis ie don't want to live next to them
- "Not in my backyard" for the mixed housing project - Community not willing to mix income levels i.e. mixed housing due to risk of living with people in crisis

2. Leadership Buy In

Which Conditions are Present?

- United way support development of community safety and wellbeing plan
- Perth CFDC providing loans to builders for attainable housing
- Paul Nichol inspires a lot of trust in Huron
- Stratford Perth Community Foundation example of slow pace of trust building

Which Conditions are Missing?

- Framework and charter on how to work together

Risk Level and Tolerance

- Municipal and County buy-in is half the battle
- New investment fund example is trusting relationships - CFDC, Grand Bend Foundation, etc.

3. Money and Assets

Which Conditions are Present?

- Municipality has land
- 20 units in Exeter for Rapid Housing application, waved development charges, not able to waive property tax, support permit requirements
- In-kind contribution of municipality

Which Conditions are Missing?

- Ability to pay and who is responsible for delivery
- Capacity to deliver on an organizational level

Risk Level and Tolerance

- Municipalities put conditions on financial contributions
- Rely more on community, because too many asks to municipality

4. Incubation Partner

Which Conditions are Present?

- North Perth Hub is an example of starting point

Which Conditions are Missing?

- More local agency beyond government funding

5. Qualified Team

Which Conditions are Present?

- Builders Association
- Tap into faith-based org like Indwell
- Model like Union Sustainable Development Cooperative

Which Conditions are Missing?

- Lack people who are community builders and partnership brokers
- Regional Perspective Needed - Huron Perth Solution

Risk Level and Tolerance

- Regional approach welcome to support different contexts
- Needs analysis many years ago on employment hub: confidentiality between data, common assessment, and funding model of org based on stats
- We appreciate the participation and input to date of all the above stakeholders and looks forward to continued dialogue, collaboration and partnership in the future.



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Impact Consulting is the consulting arm to Pillar Nonprofit Network in London, Ontario, Canada. Our firm designs, implements and scales social impact initiatives in the nonprofit, charity, social finance, social enterprise and social innovation industry, across the nation.

We are leaders in the nonprofit and charity sector, **representing over 300 members** in the London, Ontario region.

We provide expertise in *real-estate impact* through our own social enterprise, called **Innovation Works, a 32,000-square foot co-working and collaboration shared space.**

In addition, our team provides expertise and guidance in the impact investing space through Verge Capital, our **\$2.15M loan fund that provides investment in social impact projects.**

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