

**The Bond & Beyond:**  
Key findings from an environmental scan  
of community bonds across Canada  
July 2018



## Authors

Meredith Davis  
Good Roots Consulting  
[meredith@goodroots.ca](mailto:meredith@goodroots.ca)

Julia Grady  
10C Shared Space  
[julia@10carden.ca](mailto:julia@10carden.ca)

Stephen Woeller  
Terrapin Social Finance  
[stephen@terrapinsf.ca](mailto:stephen@terrapinsf.ca)

## About



Good Roots Consulting is a strategy and evaluation firm that helps non-profits, governments and other social purpose organizations strengthen their impact with minimal organizational resources.



Based in Guelph Canada, 10 Carden is a shared space community hub, offering individuals, professionals and researchers a place to gather/work and exchange ideas.



Terrapin Social Finance builds profitable and socially valuable relationships between impact investors and social enterprises, helping to raise and place capital and by evaluating and reporting outcomes.

## Acknowledgement

The authors wish to thank Beth Coates, financial manager at the Canadian Alternative Investment Foundation, Greg Goubko, community investment manager at Tapestry Community Capital and Brian Iler, lawyer at Iler Campbell in Toronto, for their advice and generous feedback in the development of this report.

## Disclaimer

Neither this document nor any information contained in it may be construed as either an endorsement or an offering of any financial investment and is provided solely for information purposes. None of the information or analyses presented are intended to form the basis for any investment decision, and no specific investment recommendations are intended.

## Report Contents

<b>1</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>2</b>	<b>INTRODUCTION .....</b>	<b>2</b>
<b>3</b>	<b>APPROACH &amp; PURPOSE .....</b>	<b>2</b>
<b>4</b>	<b>UNDERSTANDING THE CONTEXT .....</b>	<b>3</b>
<b>5</b>	<b>OVERSIGHT OF COMMUNITY BONDS .....</b>	<b>3</b>
<b>6</b>	<b>COMMUNITY BONDS SECURED BY REAL ESTATE OR OTHER REAL PROPERTY .....</b>	<b>4</b>
6.1	COMMUNITY BONDS ISSUED WITHOUT THE SECURITY OF REAL ESTATE .....	4
<b>7</b>	<b>RRSP ELIGIBILITY .....</b>	<b>4</b>
<b>8</b>	<b>COMMUNITY BONDS ACROSS CANADA.....</b>	<b>5</b>
<b>9</b>	<b>SUCCESS FACTORS .....</b>	<b>5</b>
<b>10</b>	<b>CHALLENGES.....</b>	<b>6</b>
<b>11</b>	<b>CHANGES IF DONE OVER AGAIN.....</b>	<b>7</b>
<b>12</b>	<b>DESIRED SOLUTIONS AND SUPPORTS.....</b>	<b>7</b>
<b>13</b>	<b>FUNDING STRATEGIES .....</b>	<b>8</b>
<b>14</b>	<b>MOTIVATIONS OF BOND HOLDERS.....</b>	<b>9</b>
<b>15</b>	<b>WORKING TOGETHER.....</b>	<b>9</b>
<b>16</b>	<b>WHAT'S NEXT FOR YOUR ORGANIZATION? .....</b>	<b>10</b>
	<b>APPENDIX A: COMMUNITY BOND DETAILS.....</b>	<b>11</b>
	<b>APPENDIX B: COMMUNITY BOND RESOURCES .....</b>	<b>17</b>

## 1 EXECUTIVE SUMMARY

This report summarizes information from a scan of community bonds issued in Canada by social purpose organizations. The goal of the report is to establish a 2018 snapshot as a resource for organizations considering fund raising through their own community bond issue. The report draws on the experience of organizations and social finance intermediaries with direct experience issuing community bonds to raise capital.

Who should read this report?

- Executive directors of social purpose organizations exploring options for capital raising
- Directors of social purpose organizations
- Development officers
- Fundraising & community development consultants

Key Findings

- Community bonds are a relatively new capital-raising tool for social purpose organizations (e.g. non-profits, charities, social enterprises). In the majority of cases reviewed for this report, community bonds have been used successfully to finance the purchase price of real estate, playing the role of a second mortgage and filling the gap between an organization's down payment and a commercial mortgage.
- Community bonds are quite simply loans from an organization's supporters (known as bond holders). Bonds must not be confused with donations nor bond holders with donors. Bonds must be repaid and therefore should only be used to finance activities capable of producing a revenue stream sufficient to pay both principal and interest on the bond.
- Community bonds are largely free of government oversight which is seen as an important enabler of non-traditional actors to raise capital by issuing securities. By the same token, it is the duty of social purpose organizations issuing community bonds to ensure this approach to raising social capital is never exploited for private gain, which would inevitably give rise to regulation.
- Organizations must plan for the bond and beyond. Those we spoke to referred to the challenge of shifting gears from capital raising for facilities to program mode (operations) which also requires ongoing cash flow. Financial stress can only be mitigated with a realistic business plan that accounts for both capital raising and funding mission-related operations.
- Community bonds offer social purpose organizations the opportunity to both raise capital and to further professionalize by building capacity and competency in financing activities more common to mainstream business.

Community Bonds are emerging as a practical social finance tool within reach of many charities and non-profits that have existing assets and revenue and that may wish to acquire new facilities or improve existing ones. Community bonds offer social enterprises a new approach to expand their businesses and their social impact. Some interviewees expressed that community bonds help to level the playing field with mainstream business by putting new financial tools in the hands of social change organizations.

## 2 INTRODUCTION

Community bonds are interest-bearing loans issued by non-profits, charities and co-ops to raise debt financing often for capital projects. Like all social finance tools, community bonds can be effective when used in the right context.

Community bonds offer a relatively new approach for Canadian non-profits, charities and co-operatives to raise capital from impact investors who seek opportunities to make direct community investments.

Community bonds have grown in popularity outside of an extensive regulatory framework which is seen by many contacted for this report as an important enabling factor in their success. Community bonds are a social finance tool that allows charities, non-profits and co-ops to broaden their funding base however, without regulation, there is no government agency providing oversight or support.

While structuring a community bond is relatively straightforward, a great deal of work is required to create a viable business model and to successfully engage investors. Organizations must possess or quickly develop financial competency among staff and directors. A good bond offering also requires access to highly competent legal advice.

The following document was prepared with the intention to centralize important information necessary to strengthen the practice of issuing community bonds.

This document represents the opinions of the bond issuing organizations and social finance intermediaries we spoke to in an environmental scan. If the information presented runs contrary to the experience of the reader, we encourage you to share your feedback and the body of information will be strengthened.

## 3 APPROACH & PURPOSE

In April 2018, Terrapin Social Finance, Good Roots Consulting and 10C Shared Space conducted an environmental scan of community bonds, bond issuing organizations and related social finance intermediaries. The impetus for this work came from 10C's recent community bond experience. As 10C shifts gears from bond-based capital raising to focus on mission-related program activities, important questions have arisen. What is the impact of bond raising on other revenue streams such as charitable fund raising? What's the best way to engage bond holders in social mission?

This project was funded by the Ontario Trillium Foundation and was given the name: **The Bond and Beyond**.

Ten community bond issuing organizations from across Canada were contacted as well as six social finance intermediaries engaged in supporting community bond issues. Based on these conversations we were able to identify a total of 13 community bond issues in Canada all located in Ontario and Quebec. There is currently no directory of Canadian community bonds, therefore we expect there are bond issues missing from the list contained in this report.

The purpose of these conversations was twofold:

- To report on the current state of the community bonds across Canada and to gather insights around success factors and challenges related to issuing community bonds, motivations of community bond investors and overarching fundraising strategies of which community bonds are a part.
- To create a directory of community bonds in Canada. Our hope is this report will serve as a starting point that will be maintained over time as bonds missing from this report are discovered and new bonds are issued, in order to continually build the knowledge base related to this emerging form of social finance.

It is our hope the information shared in this report will be helpful for organizations considering community bonds. We encourage readers' participation. If you are aware of a bond that is not captured in this report, we ask you to contact [julia@10carden.ca](mailto:julia@10carden.ca) with details.

We are grateful for those individuals who spoke with us. Here is what they shared.

#### 4 UNDERSTANDING THE CONTEXT

When an organization issues a community bond they are making a binding commitment to pay the bond holder a set rate of interest over the life of the bond and to return their capital at the end of the term (Hebb, T., 2012). Community bonds are more common in the USA where they have been used to successfully raise hundreds of millions of dollars for community infrastructure. A well-known known US example is the Calvert Community Investment Note which leveraged \$200M in assets over a 15-year period (Canadian Taskforce on Social Finance, 2010). A Canadian leader in community bonds is the Centre for Social Innovation (CSI) in Toronto which raised \$2 M in its first bond series to secure ownership of its Annex location and a further \$4.3 M to secure ownership of a new permanent location on Spadina Avenue. Based on these trail-blazing experiences CSI published the user-friendly guide entitled [The Community Bond: An Innovation in Social Finance](#).

Community bonds are growing in popularity:

- With impact investors who want to align their investments with their values. Community bonds offer the opportunity for direct community investment.
- With Canadian non-profits and charities who welcome the opportunity to broaden their base of support and raise capital through a community bond issue.

#### 5 OVERSIGHT OF COMMUNITY BONDS

For non-profit organizations and charities, there is no formal oversight agency responsible for community bonds. However, a critical piece of national legislation that speaks to rules regarding exemption from prospectus requirements normally required when issuing securities is called National Instrument 45-106 and has in its section 2.38 under Part 4 - [Other Exemptions](#), a specific reference to non-profit organizations (Hughes, S., Capacity Build Consulting, 2013). This document has been adopted by provincial securities commissions. In this section, entitled Not for Profit Issuer, it states:

*2.38 The prospectus requirement does not apply to a distribution by an issuer that is organized exclusively for educational, benevolent, fraternal, charitable, religious or recreational purposes and not for profit in a security of its own issue if:*

- a. no part of the net earnings benefit any security holder of the issuer, and*
- b. no commission or other remuneration is paid in connection with the sale of the security.*

Apart from the above regulation, the community bond-issuing organizations can be considered self-regulating, underscoring the need to establish a well-informed community of practice in the interest of both investors and organizations who face considerable reputational risk should a bond issue not go so well.

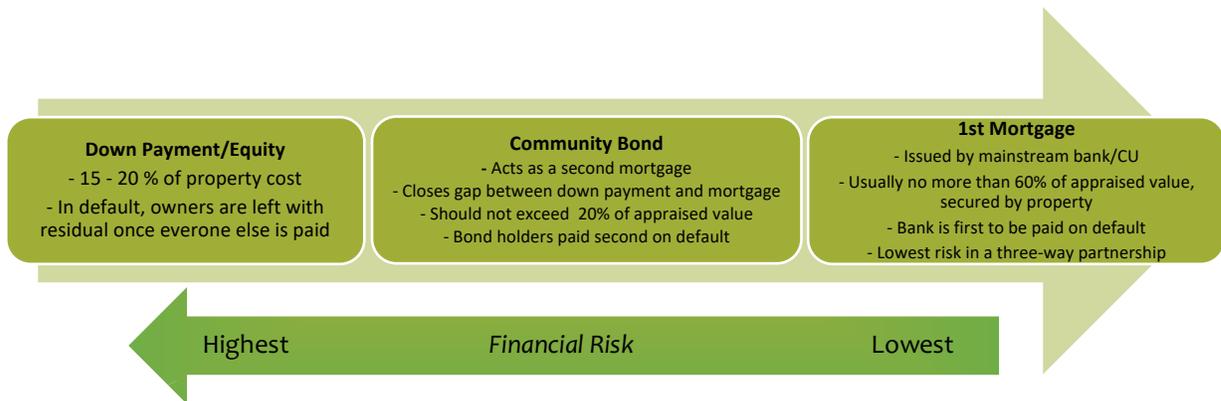
Co-operatives (both for-profit and non-profit) in Ontario issuing community bonds are overseen by the Financial Services Commission of Ontario (FSCO).

6 COMMUNITY BONDS SECURED BY REAL ESTATE OR OTHER REAL PROPERTY

The experience of interviewees demonstrates that community bonds have been successfully employed as a second mortgage in the acquisition of real estate. In this case, the real estate provides security to the bond holders, the details of which are spelled out in a bond holder agreement.

Figure 1:

- The large arrow pointing right illustrates how community bonds can fill the gap between an organization’s down payment (owner’s equity) and a commercial mortgage when financing the purchase price of real estate.
- The smaller arrow illustrates the increasing financial risk associated with each of three positions.



6.1 COMMUNITY BONDS ISSUED WITHOUT THE SECURITY OF REAL ESTATE

There was one example found in the scan of community bonds issued without the security of real estate. In this case community investors were asked to invest with repayment of principal and interest based on expected future revenues. Social finance intermediaries and others consulted for this report advised that community bonds must always be attached to a “sure thing” that’s capable of delivering a predictable revenue stream which in turn provides the means to repay investors’ principal and interest.

7 RRSP ELIGIBILITY

The question of RRSP eligibility was raised with interviewees and elicited the general opinion that it is both possible and desirable to be able to include community bonds in a retail investor’s RRSP portfolio despite the fact that doing so adds complexity to an already complex activity. Further work is needed across the sector to further develop solutions for RRSP eligibility.

Three resources on the matter of RRSP eligibility surfaced in the environmental scan:

- [Community Bonds: A Non-Profit Financing Tool](#), (Hughes, S., Capacity Build Consulting, 2013)
- [Breaking Barriers: Holding Community & Green Bonds In Registered Accounts](#) (SolarShare Blog, 2017)
- [Barriers to Putting Community Bonds into RRSP Accounts](#), (Farthing-Nichol, D, MaRS Centre for Impact Investing, 2017)

## 8 COMMUNITY BONDS ACROSS CANADA

We were able to identify 13 organizations across Canada that have issued community bonds. This is not necessarily an exhaustive list. A number of these organizations had issued multiple bonds to fund the same or multiple projects.

### **Project Types**

Of the 13 organizations that had issued community bonds: four had used them to finance coworking spaces, three were affordable housing projects, two were focused on building renewable energy (one solar and one biogas), two were community cinemas, one was a historical costume restoration initiative and one was a food co-operative retail store.

### **Locations**

Nine community-bond issuing organizations were in Ontario and four were in Quebec.

### **Capital Goals**

Capital goals of the bonds ranged from \$20,000 to \$12 million, with the average goal being \$1.5 million (although this number is skewed by one organization) and the median goal being \$600,000.

### **Number of Investors**

The minimum number of investors in a bond was one and the maximum (although this was spread over a few different bonds issued by the same organization) was 1,600. The average number of investors was 248.3 (although this number is skewed by one organization) and the median number of investors was 85.5.

### **Types of Investors**

Investors in community bonds included individuals, companies, other non-profit organizations, foundations, member-based organizations and interest groups, local political parties, United Way chapters, business improvement associations/chambers of commerce and faith-based groups.

For a more detailed breakdown of the information surrounding the various bonds issued see Appendix A.

## 9 SUCCESS FACTORS

Interviewees shared factors that they feel are important for ensuring a successful community bond issue. Success factors include:

- Strong social capital that an organization can turn into financial capital (e.g. a tight-knit community; a broad-based constituency; existing relationships founded on a mutual understanding of social problems and commitment to social justice). One organization shared: *“If we didn’t have a strong community, nobody would have jumped in. Having your base of community before you get started and having that reputation. It would be hard to do right out the get-go with no community. It’s called a community bond after all.”*
- A supportive board of directors who will endorse the initiative and help prepare the solicitation.
- Partnerships with other organizations that have issued community bonds or have knowledge in this area (e.g. TREC\*, MaRS, CSI).
- Using the bond to simultaneously achieve other purposes beyond raising capital (e.g. to raise awareness about what the organization is doing; to position the organization as innovative and cutting edge; to build new partnerships and relationships; to help people think critically on a broader scale about how to support social purpose work in addition to traditional philanthropy).

---

\* Toronto Renewable Energy Cooperative (TREC) is a leading developer of community power projects with extensive experience using community bonds to finance community owned power generation projects across Canada. They recently launched a new social enterprise - [Tapestry Community Capital](#) with a mandate to help non-profits and co-ops undertake community bonds.

- Having a staff member/volunteer/contact on-site or readily available with strong financial literacy.
- A highly visible community champion with credibility who can leverage their resources and networks and bring it online (e.g. a lead donor, a local politician).
- A partnership with a financial institution that is willing to take risks and innovate with social finance tools such as the community bond (e.g. Concentra headquartered in Saskatchewan which allows self-directed RRSPs in community bonds).
- An iconic project (e.g. a rich history in a building being repurposed such as with 10C in Guelph and The Mount in Peterborough; meeting an identified community need).
- Simplicity around bond terms from an administrative and a communications standpoint and simplicity of paperwork.
- A well-thought out timeline that promotes a sense of urgency (e.g. have raises tied to project milestones) because people tend to leave investment decisions to the last minute.
- A mindset shift that permeates the entire organization to get into the investor mindset, as opposed to the more familiar donor mindset (e.g. understanding the importance of risk management).
- Stacked financing or a portfolio approach where the community bond makes up only a part of the financing.
- First loss capital from government.

## 10 CHALLENGES

Interviewees also shared challenges that they encountered or have witnessed related to community bond issues. Challenges include:

- Issuing bonds and serving customers requires a lot of work, time, money and digital infrastructure. A high level of financial documentation and communication is required with investors on a group and individual basis.
- Changes to projects over time and having to update information packages.
- Reaching beyond the fairly engaged initial investors (e.g. getting referrals from investors who were less keen to talk about their investment than they would have been a donation).
- Low levels of financial knowledge and literacy among staff and board members.
- Lack of extreme clarity internally and externally around legal and financial details surrounding the bond (e.g. how bonds mature, automatic reinvestment, inheritance claims).
- Lack of awareness and understanding about what a community bond is and how it works.
- There are only a few financial institutions in Canada willing to embrace this kind of innovation. Canadian banks are not known for their risk taking. If the financial institutions were to get on side to support this (e.g. by facilitating RRSP and TFSA eligibility), it would incentivize more people to participate.
- Paying back investors too early or late.
- High legal costs: investors have many questions that need to be fielded by a lawyer.
- Because it is a new model, due diligence/risk management on the part of investors can be intensive. People question the regulatory side of things because they don't understand how community bonds fit within the traditional regulatory world of investments.
- Partners and structures can shift.
- Knowing how to set the interest rates.

- Suspected loss of charitable donations to bond investments: an unintended consequence.
- Underestimating the size of the project and the length of time to complete it – once you take people's money you start to accrue interest.
- Risk averse boards of directors.
- Issuing bonds early in the initiative, which made it difficult to estimate numbers accurately.

## 11 CHANGES IF DONE OVER AGAIN

Interviewees reflected on things that they would do differently related to the community bond process if they were to have all of the insights that they have now. Changes mentioned included:

- Budgeting to have an accounting firm on contract to work with them through the entire bond process or having an accountant on the board.
- Paying for a professional to create an offering statement for them and manage the process.
- Mitigating excessive legal costs.
- Asking investors to donate their interest back to the project.
- Being clearer on the worst-case scenario relating to a large renovation.
- Being more strategic around whom to approach to become bond holders. (e.g. Can they bring other things to the relationship such as business knowledge?)
- Developing clearer agreements and ensuring that bond purchasers understood all of the legal details, especially when purchasing online.
- Seeking out an experienced mentor to explain the nuances of the decision they were making in issuing the bond.
- Deemphasizing the community bond as an innovative tool and instead simplifying the message by calling it a loan.
- Issuing more bonds since the process was more successful than anticipated.
- Exploring other tools that were more appropriate for the particular situation than a bond (e.g. co-op credit, preferred shares – an option available to for-profit co-ops).
- Working with all levels of government to have some first loss capital behind the bonds to guarantee them.
- Starting the process earlier.

## 12 DESIRED SOLUTIONS AND SUPPORTS

Interviewees shared their ideas for solutions or supports that they wish had been in place prior to issuing their bond and/or that they feel would be helpful for other organizations undertaking a community bond issue now. Ideas include:

- A how-to-guide to community bonds.
- Practical tools and templates (e.g. a good promotional e-mail, a spreadsheet to track bond investments prepopulated with calculations, a bond offering document).
- Human resources and professional support (e.g. marketing, legal, financial modelling, business structuring; and somebody on hand to provide advice in specific situations and brainstorm with).

- Mentorship from other organizations that had issued community bonds in the past (e.g. knowing what rate to set the interest at and a clearer understanding of how to communicate the bond separately from the project).
- Local knowledge and support (in particular, legal knowledge).
- Digital infrastructure.
- More funding for intermediaries and support groups like VERGE Capital, MaRS and TREC/ Tapestry Community Capital to do due diligence on behalf of investors to make it easier for them to support these types of projects and to create pooled loan funds.
- More funding for those same intermediaries and support groups to help organizations get set up with the right systems, provide legal and financial advice and to support them through the process of issuing community bonds.
- Government support for the advancement of these types of campaigns and the community bond as a tool.
- Public awareness campaigns about the community bond as a tool.
- Engagement with the financial industry to get them to support this model.
- First loss capital from the government and other incentives from investors until the community bond and wider social investment sectors have a stronger track record.
- Growing the social impact investing space more broadly, which will in turn increase the success of tools like community bonds.
- An oversight body to maintain the integrity of the community bond tool.

### 13 FUNDING STRATEGIES

Interviewees shared their insights around how community bonds can and should fit within a broader funding strategy pursued by an organization. They also discussed issues and strategies around shifting to more traditional fundraising post-bond.

All of the projects had diversified revenue models. Firstly, the projects had some way of generating revenue from their project (e.g. rent from tenants, sales of food, energy contracts with the provincial government). Cash flow from the investment is a necessary precondition in order to consider a community bond, which needs to be paid back.

Organizations had also received bank financing (e.g. mortgage, loans); government loans and grants (e.g. provincial mortgage grant, regional government loan, provincial and municipal rebates); financing from a commercial lender; crowd funding; and grants from private or community foundations. Non-repayable grants often provide organizations with the equity they require to secure a bank mortgage.

A few organizations noted the financial pressures they faced to meet operational and program costs upon completing their bond-funded capital project. One intermediary consulted for this report pointed out, these pressures are often result from a lack of a realistic business plan. Others suggested approaching investors to become organizational donors post-bond. Others indicated some investors donated their interest back to the organization unprompted; in one case an investor matched their bond investment with a donation

Many of the organizations that we spoke with did not have charitable status and therefore did not receive a significant amount of their funding from private donations as they were unable to issue charitable receipts.

The key informants who we spoke with from the intermediary and support organizations had the following advice with regards to diversified funding models:

- Don't ask people to buy a community bond if what you are really looking for is a donation.

- Once you issue a bond to investors, it is essential to pay them back thus ensuring the credibility of the community bond as a viable social finance tool.
- Community bonds should only make up a portion of the financing of a project (e.g. 20 - 30%).
- Consider the community bond one part of an organization's funding mix. Build a relationship with supporters and offer them alternative ways to support your work (e.g. writing a traditional cheque or purchasing a community bond). Then you can meet the person where they're at and they can move up or down on a scale of risk depending on where their comfort level is.
- Be clear on the use of various funds. For example, bonds are typically tied to bricks and mortar and donations to the programs and program delivery vehicles.

#### 14 MOTIVATIONS OF BOND HOLDERS

Interviewees discussed their perceptions around motivations of bond holders to invest in their projects. Only a few organizations had done formal surveys with bond holders about motivations. The remainder had a more intuitive understanding of motivations based on conversations they had had with bond holders.

Interviewees shared how important they felt that two factors were on a scale of 1 to 5 in motivating individuals to purchase community bonds, with 1 being not important at all to 5 being very important. On average, financial motivations were ranked as 2.6 out of 5 and contributing to a community asset as 4.8 out of 5. Other motivations for investing mentioned include:

- Being a part of something;
- Investing in something tangible that they can see in action and/or touch;
- Alignment with mission or values (e.g. religious values, social justice);
- Contributing to social impact;
- Showing solidarity;
- Recognizing their privilege;
- Preservation of capital;
- Carrying on a legacy;
- Believing in the vision of a project;
- Having trust in an organization that has credibility and a history of good work in the community;
- Contributing to environmental sustainability;
- Promoting community bonds as a tool and encouraging other people to make similar investments;
- Bragging rights; and,
- Personal gratification ("feel good" factor).

#### 15 WORKING TOGETHER

Interviewees provided ideas for organizations that have issued community bonds to work more effectively together to promote the community bond model and the reach of community bond campaigns. Ideas included:

- Sharing tools and templates;
- Publicizing one another's bond offerings and sharing investment bases;
- Successful bond issuers providing mentorship and advice to less-experienced organizations;
- A conference to promote greater collaboration; and,
- Bundling all of the bonds into a common fund that would be managed by an asset management firm.

#### 16 WHAT'S NEXT FOR YOUR ORGANIZATION?

As noted in this research, 10C recently purchased a 15,000 square foot heritage building in the heart of downtown Guelph, Ontario. The project involved a mix of financing, including a bank mortgage, grants, sponsorship, partnerships and nearly \$2,000,000 in community bond financing. In 10C's case **community bonds are the heart of their project**. In line with their mission to create space for change, 10C would like to put all they've learned to work for not-for-profit organizations across Canada who are considering a community bond issue.

We encourage you to contact Julia Grady at [julia@10carden.ca](mailto:julia@10carden.ca) or 519-780-5030 to discuss how 10C can support your objectives through a new fee-for-service offering designed to assess, plan, and support your organization with the launch of a community bond campaign.

APPENDIX A: COMMUNITY BOND DETAILS

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
10C	10carden.ca	Guelph, ON	10C is a shared space and community event hub for changemakers in Guelph and they work to engage the community in discussions of importance.	Purchase and renovation of 10 Carden's new property at 42 Carden Street in Guelph (the 15,000 ft <sup>2</sup> Acker's Furniture building), with priorities including achieving full accessibility through the addition of an elevator and universal and accessible bathrooms.	\$1.9 M	A: 2.5%, min: \$2,500 B: 3.0%, min: \$5,000 C: 4.0%, min: \$10,000 D: 5.0%, min: \$15,000 E: 3.0%, interest paid semi-annually, 5-year term; min: \$1,000 (individuals) F: 4.0%, interest accruing, and compounding, interest and principal paid upon maturity, 5-year term; min: \$50,000 (foundations, institutions, organizations)	107	\$12,364

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
Brique par Brique	briqueparbrique.com	Montreal, QC	To develop community housing and social community space for residents of the Parc-Extension community.	Brique par Brique is a community housing project and social centre that will offer affordable apartments and shared space for community activities. The building will house over 50 tenants in 22 units. The lot is 4000 ft <sup>2</sup> and includes a wheelchair accessible common space and a playground and picnic area in the backyard.	\$250,000	1: 2% with a max. holding of 15 years (used to purchase property)  2: 5% with max. holding for the full 30-year mortgage period (for non-asset related expenses)	25	\$5,000
Centre for Social Innovation	socialinnovation.org	Toronto, ON	A coworking space, community and launchpad for people who are changing the world. A social enterprise with a mission to catalyze social innovation in Toronto and around the world.	First the coworking space: CSI Annex. Most recently, the Murray Building: A 64,000 ft <sup>2</sup> building located across the street from CSI Spadina at 192 Spadina. Tenants from CSI Spadina will be moved to this new building when the lease with the Robertson building ends in October 2018. The current tenants will also remain, existing vacant units be filled and the ground floor will be rented out as part of their event space rental business. They will gradually convert some of the building into the CSI model with shared facilities, meetings rooms, event spaces, offices and coworking.	\$6.3 M	Series C: 4%, min: \$10,000 D: 4.5%, min: \$50,000 min E: 3%, min: \$1,000. All of these offer a complimentary CSI Community Membership (E: with an individual investment of \$10,000 or more)		

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
Cinema du Parc	cinemaduparc.com	Montreal, QC	A Montreal cultural centre and a social economy enterprise dedicated to showcasing local and international cinema. Our unique programming and strong community roots situate Cinema du Parc at the heart of alternative cinema.	Renovation of the cinema (lobby and theatres) including new seats, carpet and signage so that the cinema can diversify revenues.	\$100,000	2%, 5-year term, min: \$500	129	
The Empress Theatre	cinemandg.ca	Montreal, QC	To manage the building that houses Cinema NDG.	Community cinema and cultural hub with a new performance venue and cinema with variable programming including film, opera, theatre, musicals and other diverse recorded performances. And will lead as a preferred venue for filming Canadian, Quebec and Montreal films. Community event spaces will be available for debates, programming and exhibitions and 400 m <sup>2</sup> will be available for rental offices by professionals, artists and production studios.				
Impact Hub Ottawa	ottawa.impacthub.net	Ottawa, ON	To build an ecosystem and culture of innovation, entrepreneurship and collaboration in Ottawa.	To finance relocation and infrastructure investments into their new home, including moving, doubling their space (e.g. having dedicated spaces for small teams), capitalization costs and costs to expand their community and programming in this new space.	\$100,000	1: 2.5%, 2-year term, min: \$5,000 2: 4% @ 5-year term, min: \$5,000	11	\$7,727

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
Le Grand Costumier	grandcostumier.com	Montreal, QC	To preserve the integrity of the costume collection it received from Radio-Canada, and to expand it and manage it for the creative community. Its intent is to spread word of the priceless cultural heritage the collection represents and promote the costume professions through a variety of activities aimed at the community.	Restoration and extension of the useful life of some of the costumes in the collection. This is part of a pilot project led by TIESS (Territoires innovants en économie sociale et solidaire).	\$20,000	2%, compounded annually, 5-year term, min: \$1,000	20	\$1,000
The Mount Community Centre	themountpeterboroug h.ca	Peterborough, ON	As stewards of a one of a kind space, The Mount Community Centre contributes to well-being by increasing access to housing, food and community services.	Development of a social hub in the historic former home of the Sisters of St. Joseph and includes 131,400 ft <sup>2</sup> of buildings (including housing, a commercial kitchen, and a chapel) on a 10-acre property in the middle of the city. It houses non-profit and private tenants to serve a variety of community needs, offers apartments at both affordable and market rents, office space for non-profits and local businesses, space for the performing arts and other community gatherings and a food centre.	\$2 M	3%, compounded annually, 5-year term, min: \$5,000	64	\$31,024

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
Pillar Nonprofit Network	innovationworks london.ca	London, ON	To strengthen individuals, organizations and enterprises that are invested in positive community impact.	Innovation Works London is a 32,000 ft <sup>2</sup> coworking space designed for social innovators, with 25+ organizations as tenants including Western University, Fanshawe College and Emerging Leaders.	\$1 M	3%, 5-year term; min: \$1,000	48	\$20,800
SolarShare	solarbonds.ca	Toronto, ON	To grow renewable solar energy in Ontario and educate the public about sustainable electricity.	100% of funds are used to directly finance solar projects across the province that are already built and producing sustainable revenue through FIT contracts with the Ontario government (which purchases electricity for 20 years). Solar Bonds are used to pay back the investors who finance the construction of solar installations.	\$12 M (2017 only)	1: 5%, 5-year term (annually), min: \$1,000 2: 6%, 15-year term, min: \$10,000	1,600 (current, have had more in the past)	\$14,272
West End Food Co-op	westendfood.coop	Toronto, ON	The multi-stakeholder food co-op promotes access to healthy and sustainable food and education; fair wages and meaningful employment; community participation; and opportunities to connect local producers and eaters.	Eco-renovations of a new natural food retail store in Toronto's west end by a fellow co-op; hiring start-up staff; purchase the first inventory of stock.	\$200,000 (1 <sup>st</sup> issue); \$100,000 (2 <sup>nd</sup> issue)	2.5%, 5-year and 10-year terms, min: \$500	230	\$790

Name of Organization	Website	Community	Mandate of organization	Description of bond funded project	Capital goal(s)	Terms	Number of investors	Average investment
YWCA Toronto	ywca-toronto.org	Toronto, ON	To improve the lives of women and girls. To serve women and families in four areas: 1) housing and shelter; 2) employment and skills development; 3) girls and family programming (e.g. child care, girls camp); and 4) advocacy.	300 units of permanent housing for three different residents groups: affordable rental units, units for Indigenous women and their families (including women-led families fleeing violence), and units for women with mental health or concurrent mental health and substance use needs.	\$1 M	Up to 3%, ~ 5-year term, min: \$50,000	1	\$1 M
Zooshare	zooshare.ca	Toronto, ON	To be a catalyst, through education and investment, in the growth of community-owned biogas plants.	Zooshare biogas co-operative is North America's first zoo-based biogas plant which will recycle manure from the Toronto Zoo and local food waste into renewable power for the Ontario grid. It will be located across the street from the Toronto Zoo.	1: \$2.1 M; 2: \$600,000; 3: \$1.1 M	1 (Founders Club): 7%, 7-year term, min: \$500 2: 6%, 6-year term, min: \$500 3: 5%, 5-year term, min: \$500	514	\$7,000

APPENDIX B: COMMUNITY BOND RESOURCES

<b>Key Background Resources</b>
<a href="http://tapestrycapital.ca/#about">http://tapestrycapital.ca/#about</a>
<a href="https://communitybonds.ca/">https://communitybonds.ca/</a>
<a href="https://fcm.ca/home/programs/partners-for-climate-protection/alternative-financing-mechanisms/bonds-and-bond-financing.htm">https://fcm.ca/home/programs/partners-for-climate-protection/alternative-financing-mechanisms/bonds-and-bond-financing.htm</a>
<a href="http://theonnc.ca/principles-community-financing-ontario/">http://theonnc.ca/principles-community-financing-ontario/</a>
<a href="http://tidescanada.org/wp-content/uploads/2015/04/Building-Capacity-Sharing-Values-Shared-Spaces-and-Social-Purpose-Real-Estate-Final.pdf">http://tidescanada.org/wp-content/uploads/2015/04/Building-Capacity-Sharing-Values-Shared-Spaces-and-Social-Purpose-Real-Estate-Final.pdf</a>
<a href="https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/community_bonds_-_white_paper_final_jan_2013.pdf">https://ccednet-rcdec.ca/sites/ccednet-rcdec.ca/files/ccednet/community_bonds_-_white_paper_final_jan_2013.pdf</a>
<a href="http://capacitybuild.ca/projects/clients/">http://capacitybuild.ca/projects/clients/</a>
<a href="https://www.socialpurposerealestate.net/">https://www.socialpurposerealestate.net/</a>
<a href="https://impactinvesting.marsdd.com/">https://impactinvesting.marsdd.com/</a>
<a href="https://impactinvesting.marsdd.com/resource/barriers-putting-community-bonds-rrsp-account/">https://impactinvesting.marsdd.com/resource/barriers-putting-community-bonds-rrsp-account/</a>
<a href="https://www.marsdd.com/wp-content/uploads/2017/05/MAR-CRP7339-CommunityBondsReport-03.pdf">https://www.marsdd.com/wp-content/uploads/2017/05/MAR-CRP7339-CommunityBondsReport-03.pdf</a>
<a href="http://theonnc.ca/services/nonprofit-lands-registry/">http://theonnc.ca/services/nonprofit-lands-registry/</a>

<b>Organizations Supporting Social Finance</b>
<b>Government of Canada Social Innovation Social Finance</b>
<a href="https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/steering-group.html">https://www.canada.ca/en/employment-social-development/programs/social-innovation-social-finance/steering-group.html</a>
<b>MaRS</b>
<a href="https://www.svx.ca/">https://www.svx.ca/</a> and <a href="https://impactinvesting.marsdd.com/venture-services">https://impactinvesting.marsdd.com/venture-services</a>
<b>VERGE Capital (program of Pillar Nonprofit Network)</b>
<a href="http://www.vergecapital.ca/about">http://www.vergecapital.ca/about</a>
<b>TREC Renewable Energy and Social Finance</b>
<a href="http://www.trec.on.ca">www.trec.on.ca</a>
<b>Tapestry Community Capital</b>
<a href="http://tapestrycapital.ca">tapestrycapital.ca</a>
<b>Territoires Innovants en Économie Sociale et Solidaire (TIESS)</b>
<a href="http://www.tiess.ca">http://www.tiess.ca</a>
<b>Canadian Alternative Investment Foundation</b>
<a href="http://www.caifoundation.ca/">http://www.caifoundation.ca/</a>

Organizations Offering Community Bonds
<b>10C Shared Space</b>
<a href="http://www.10carden.ca/community-bonds">http://www.10carden.ca/community-bonds</a>
<b>Brique par Brique</b>
<a href="http://www.briqueparbrique.com/en/brickbybrick/">http://www.briqueparbrique.com/en/brickbybrick/</a>
<b>Centre for Social Innovation</b>
<a href="https://socialinnovation.org/community-bond-2">https://socialinnovation.org/community-bond-2</a>
<b>Le Grand Costumier</b>
<a href="https://grandcostumier.com/en/support-us">https://grandcostumier.com/en/support-us</a>
<b>The Empress Theatre</b>
<a href="http://theatrempress.org/the-project/">http://theatrempress.org/the-project/</a> and <a href="https://novae.ca/en/2016/11/investing-your-money-in-local-organizations/">https://novae.ca/en/2016/11/investing-your-money-in-local-organizations/</a>
<b>Cinema du Parc</b>
<a href="http://cinemaduparc.com/en/community-bonds.snc">http://cinemaduparc.com/en/community-bonds.snc</a>
<b>Batiment 7</b>
<a href="http://www.batiment7.org/en/home/">http://www.batiment7.org/en/home/</a>
<b>Impact Hub Ottawa</b>
<a href="https://ottawa.impacthub.net/2017/06/23/invest-in-impact-community-bond-impact-hub-ottawa/">https://ottawa.impacthub.net/2017/06/23/invest-in-impact-community-bond-impact-hub-ottawa/</a>
<b>The Mount Community Centre</b>
<a href="http://www.themountpeterborough.ca">http://www.themountpeterborough.ca</a>
<a href="https://www.mykawartha.com/community-story/6108775-invest-with-social-impact-at-the-mount-community-centre">https://www.mykawartha.com/community-story/6108775-invest-with-social-impact-at-the-mount-community-centre</a>
<b>Pillar Nonprofit Network / Innovation Works</b>
<a href="http://www.pillarnonprofit.ca/news/community-bond-has-sold-out">http://www.pillarnonprofit.ca/news/community-bond-has-sold-out</a>
<a href="https://www.innovationworkslondon.ca/about/our-story">https://www.innovationworkslondon.ca/about/our-story</a>
<b>SolarShare</b>
<a href="https://www.solarbonds.ca/">https://www.solarbonds.ca/</a>
<b>West End Food Co-op</b>
<a href="https://westendfood.coop/feature/community-bonds">https://westendfood.coop/feature/community-bonds</a>
<b>YWCA Toronto</b>
<a href="https://www.ywcatoronto.org/ourprograms/shelterandhousing/permanenthousing/elmapartments">https://www.ywcatoronto.org/ourprograms/shelterandhousing/permanenthousing/elmapartments</a>
<a href="https://www.newswire.ca/news-releases/ywca-toronto-and-muttart-foundation-make-social-finance-deal-509249951.html">https://www.newswire.ca/news-releases/ywca-toronto-and-muttart-foundation-make-social-finance-deal-509249951.html</a>
<b>Zooshare</b>
<a href="https://zooshare.ca/">https://zooshare.ca/</a>