



IMPACT REPORT 2021

*We unlock the power of
community-owned, sustainable
and affordable housing to
enhance quality of life for
everyone, today and for
generations to come.*

The Vancity Affordable Housing Accelerator Fund

**The Greater Vancouver
Community Assistance
Foundation**

Managed and Administered by:

Vancity Community Foundation

Vancity Community Foundation's offices are located on the territories of the xwməθkwəy̓əm (Musqueam), Skwxwú7mesh (Squamish) and selilwətaʔ/Selilwitulh (Tsleil-Waututh) Nations.

Introduction

Non-profit, co-operative, and Indigenous housing organizations play a vital role in addressing the growing need for sustainable affordable housing. With significant land equity, aging and underutilized buildings, and increased government investment in affordable housing development, housing organizations and other community-land owners are taking on the challenge and leveraging their assets and experience to build and preserve affordable rental housing.

Vancity and the Vancity Community Foundation have a long history of supporting organizations to undertake housing development. Through this work we learned that organizations face challenges accessing the early risk capital required to advance a project to construction and to unlock the conventional and government funding available for projects. Getting construction ready - completing design, demonstrating viability, and securing municipal and financing approvals - is time consuming and expensive.

In response, Vancity seeded the Vancity Affordable Housing Accelerator Fund in 2011 (formerly the Pre-Development Loan Fund) at the Greater Vancouver Community Assistance Foundation, a non-profit society managed by the Vancity Community Foundation. Our goal was to offer an accessible, low-cost, and patient financing option that augments and complements government funding for the pre-construction phase of affordable housing development.

In 2017, we received a \$6 million dollar investment from CMHC's Innovation Fund, and the Fund grew to \$15 million. By mid-2020, we had issued 64 loans for a total of \$21.9 million in financing and the fund capital was fully deployed. To meet the ongoing need for capital, in 2020 we created an investment offering for social impact investors interested in accelerating community-owned sustainable affordable rental housing. At the end of 2021, the fund capital reached \$21 million and had provided just over \$28 million in financing.

We are pleased to share the first Vancity Affordable Housing Accelerator Fund Annual Report highlighting the Fund's activity and outcomes that are contributing to greater housing affordability and stability for our communities.

Fund Objectives



To enable organizations to move their housing projects through design and the approvals process to get to construction by filling a critical capital gap.



To enable community housing organizations to compete with investors and market developers on real estate opportunities by providing capital to secure land and close on acquisition deals.



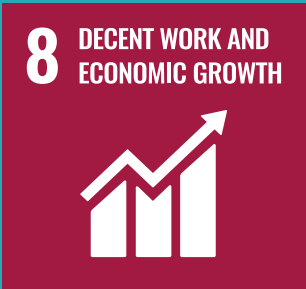
To create opportunities for investors looking for a modest, reliable financial return and social impact through affordable rental housing acquisition and development.

Meeting UN SDG Goals

The United Nations (UN) declared that adequate housing is “the right of every woman, man, youth and child to gain and sustain a safe and secure home and community in which to live in peace and dignity.” (International Covenant on Economic, Social and Cultural Rights). The UN also sets out Sustainable Development Goals (SDGs) as a blueprint for a more sustainable future for all. The investment fund advances the International Covenant and SDG goals, and in particular the following 4 goals:



Ninety percent of new homes in our portfolio will use less than half the amount of energy relative to BC Building Code (or 20-40% less energy with a low carbon energy systems). Close to one third of units will be built to a Net Zero standard. All units are transit accessible and one quarter of all projects will integrate other green building features such as green roofs, reduced water use, free transit and/or car sharing.



The housing sector supports economic growth through job creation related to the construction industry and additional demand for materials and services. Affordable housing leads to better economic opportunities by providing space for home-based enterprises and giving households more stability and time for productive activities.



Homelessness, high housing costs, overcrowding, poor housing quality and multiple moves can result in economic insecurity for individuals and families, poorer health and education outcomes, reduced quality of life, and can negatively impact local businesses. By supporting the creation of sustainable affordable housing for low-to moderate income households in the communities we serve, we can help improve quality of life.



We focus on projects that deliver homes to renters who are currently excluded from the real estate market and are facing housing insecurity. We support projects that provide a mix of affordable rental homes with an emphasis on low to moderate income households paying no more than 30% of their gross income on housing costs.

The fund also touches upon other SDG goals, notably Reduced Inequality (Goal 10), No Poverty (Goal 1), Affordable and Clean Energy (Goal 7), Climate Action (Goal 13), Gender Equality (Goal 5).

Fund Overview

Creating much-needed rental housing

Regions across Canada are experiencing an affordable housing crisis. More and more Canadians cannot access suitable housing based on their incomes, and are either paying too much rent, leaving them vulnerable to crises, or are living in housing that is not suitable to their needs. By increasing community-owned affordable housing we can improve the quality of life, stability, and health for individuals, families and the community.



Our Impact Map

01

More capital available during early stages of development

We offer 3 types of low cost patient loans that support the early stages of an acquisition or development project when capital can be hard to find or an organization is facing an equity gap.



02

Affordable housing projects move ahead faster

Loans cover significant costs to advance design, close on land, and obtain necessary permits and approvals, helping projects accelerate to construction and secure financing.



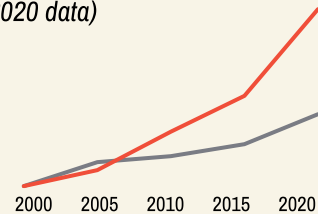
03

The supply of affordable housing increases

More affordable homes are available to those who need it. Because they are community-owned, they stay affordable. Communities and local economies are more resilient.

250,000 Households in BC

Spend more than 30% of their income on housing and are in need of more affordable housing options. (CMHC, 2020 data)



Income vs. Rent, Vancouver CMA

Index of:
— Average Rent
— Average After-tax Income

Statistics Canada, 11-10-0238-01
CMHC Rental Market Data

Catalyzing New Affordable Housing Projects

In addition to loans, we provide grants to support concept vision, feasibility, and the business planning phases of an acquisition or development project.

We also provide capacity-building grants to strengthen an organization's ability to undertake real estate development and offer a workshop series to help organizations build their real estate vision for affordable housing development.

Since 2017, the program has disbursed over \$3 million in grant funding supporting 129 affordable housing initiatives. Many of these projects are supported by the loan fund at a later stage.

Loan Products

The Accelerator Fund's low cost flexible loans support projects during the early phases of development – the acquisition and pre-construction phases – to cover expenses like detailed project design and drawings, municipal approvals, and project costing and financial planning. We offer the following three loan products:

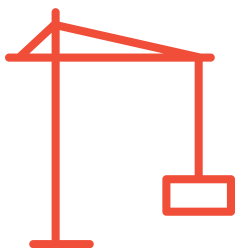
Pre-Development Loan



To help with soft costs associated with rezoning and development permit processes. These loans provide essential risk capital as the project advances into securing municipal approvals and more detailed design and planning.

- Offered at a rate of 2% simple interest
- Repayable upon the first draw of construction financing.

Pre-Construction Equity Loan



Similar in purpose to the pre-development loan, the longer-term patient nature of this loan provides greater financial stability for a project by remaining in the project during the construction phase and for up to 5-years post-occupancy.

- Offered at a rate of 2% simple interest
- Repayable upon the first refinancing of a take-out mortgage, ideally after five years of operations.

Acquisition Loan



Allows organizations to compete with investors and market developers on real estate acquisition opportunities by providing capital for down payments and short-term holding costs required to secure land and close on acquisition deals for buildings or turn-key units.

- The interest rate will vary, but typically ranges from 2-5%
- Repayment terms are determined on a case-by-case basis depending on the project needs and timelines.

Loan Portfolio Impact

Since 2011:

4,200 Affordable Rental Homes Supported
**4525 including all types of units*

28.1M Loans

57 Housing Projects

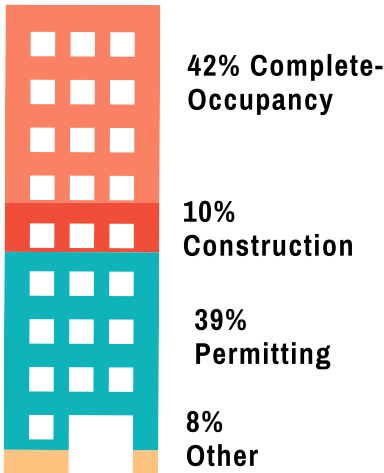
3,694 Net Increase Homes
Total net of pre-existing affordable housing units on the site

54% Projects build spaces that benefit community in other ways including:

342,751 Square Feet
Childcare, Youth, Family and Senior Programs, Meeting Space, Social Enterprises, Gallery, Retail, Restaurants, Non-profit Office Space, Studios etc.

261 Other Types of Units
Transitional Housing for Youth, Women, Refugees, Substance Abuse Recovery; Seniors Care.

Current Development Status

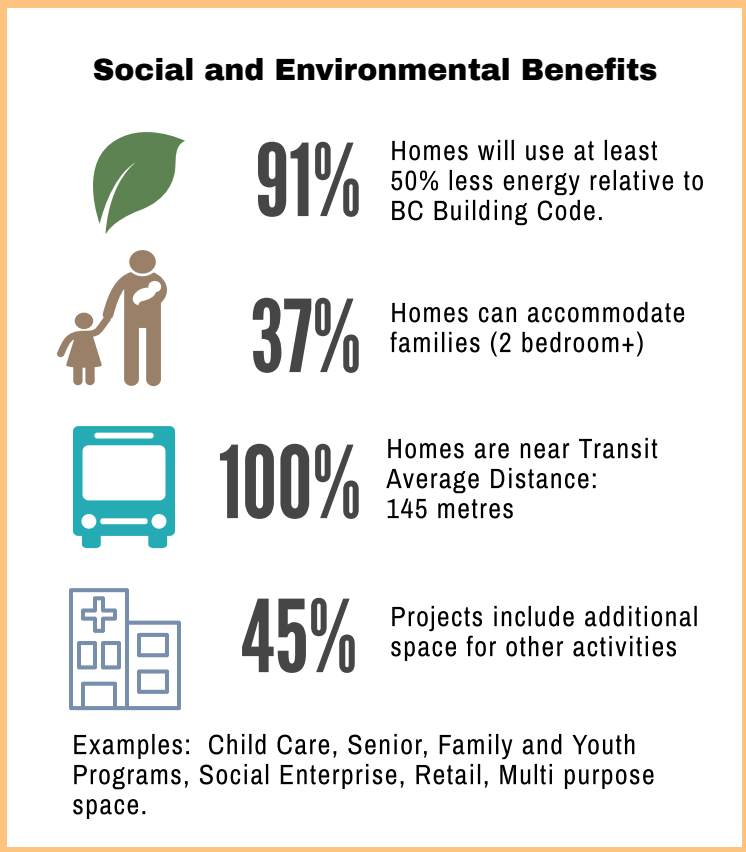
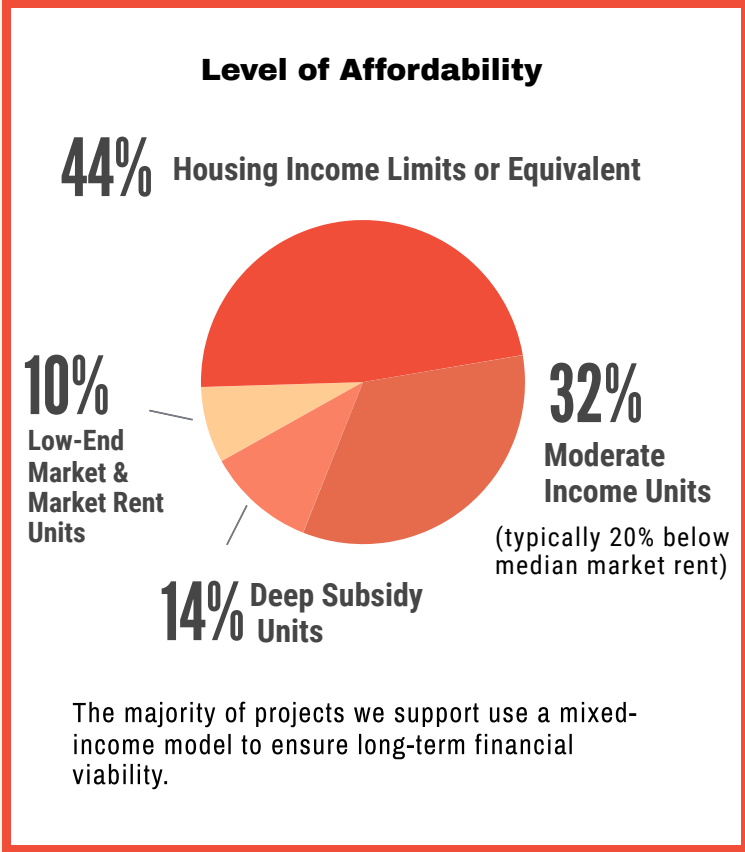


'Other' represents projects that are not proceeding as planned, but may be moving ahead as affordable housing projects, as well as projects that are not proceeding. Unit counts for projects may change due to project changes as they progress to construction and completion.

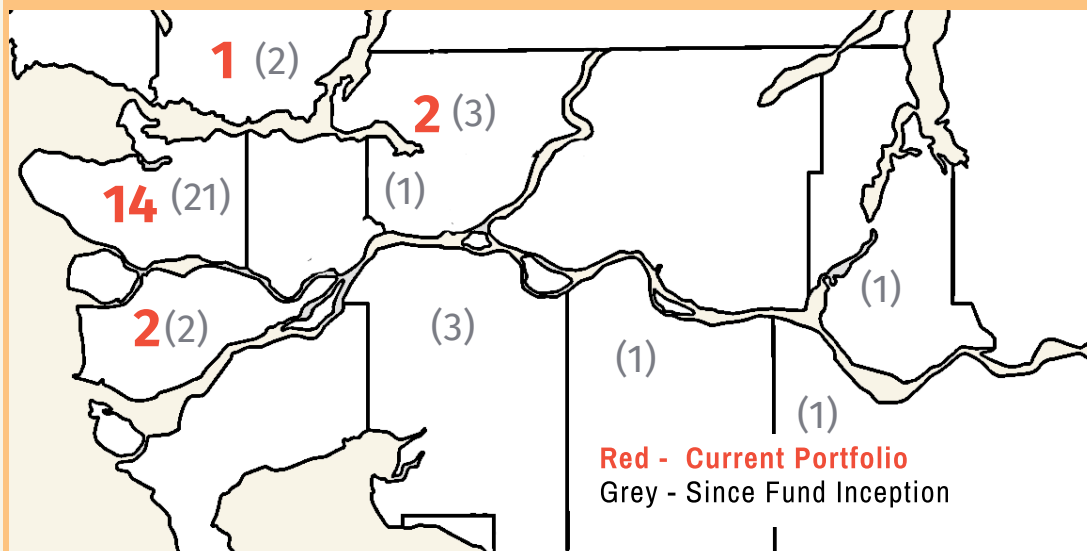


Loan Portfolio Impact

Since 2011



Project Locations



Vancouver Island	7 (13)	Other Regions in BC	4 (7)	Other Regions in Canada	1 (1)
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Our Active Loan Portfolio:

29

PROJECTS

Housing Development

18.7 M

LOANS

Loan Principal
Outstanding

2,610

HOMES

New & Preserved
Rental Housing Units

85%

PROJECTS

Bring Land into
Affordable Housing



Most projects transform underutilized land such as parking lots, aging non-residential buildings and empty lots into affordable development. The willingness of community-based organizations and municipalities to direct their land assets for this purpose helps to make this housing affordable.

2021 Projects Supported

Organization(s)	Housing Project	Loan Type	Affordable Units
Anhart Community Housing Society	138 Main St Vancouver*	PDF	42
Atira Development Society	450 Alexander St Vancouver	PCL	138
Brightside Community Homes Foundation	1425 & 1451 E. 12th Ave. Vancouver	PCL	157
	8725 French St Vancouver	PDF	94
Catalyst Community Developments Society Shepherd of the Valley Lutheran Church, Langley Housing Society	20067 72 Ave. Langley	PCL	82
	225 2nd St East North Vancouver	PCL	27
Greater Victoria Housing Society	2558 Quadra St Victoria	PCL	40
	874 Fleming St Esquimalt	PCL	137
	85 Belmont Rd Colwood	PDF	119
Soroptimist International of Vancouver	546 W. 13th Ave Vancouver	PDF PCL	135
Three Point Housing Society Lakeview United Church	2776 Semlin Dr Vancouver	PDF	31

* PDF: Pre Development Financing, PCL: Pre Construction Loan

2021 Project Profile

Building community, not just a home Soroptimist International of Vancouver

“As a result of the over-representation of women in low-wage work, women commonly must choose between paying rent or putting food on the table.”
- City of Vancouver Rezoning Application, 2020

Non-profit organization Soroptimist International Vancouver and Purpose Driven Development have submitted a rezoning application to the municipal government to redevelop the existing Soroptimist Apartment House (SAH) at 546 West 13th Avenue — near the southwest corner of Cambie Street and West 13th Avenue — into a new 133-ft-tall, 13-storey building.

The redevelopment site is occupied by a 1960-built, two-storey apartment building with 21 units, and is an eight-minute walk from the transit hub and within very close proximity to City Square shopping mall, Vancouver City Hall, and the Vancouver General Hospital campus.

Residents will have access to extensive outdoor amenity spaces on the ground level facing the laneway and on the 13th floor, which is adjacent to 1,500-sq-ft indoor amenity space.



Loans:
Pre-Development
Pre-Construction

Estimated
Total Project Cost: **\$55 Million**

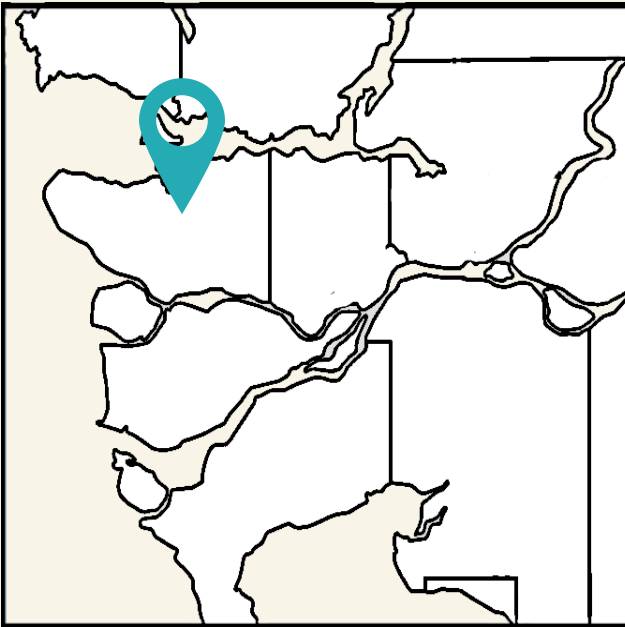
Expected
Construction
Completion: **2023**

135
Rental Homes

LEED GOLD
Low Emissions
Green Building

Targetted to:

- Single mothers and their children
- Women in the workforce
- Senior women



**546 West 13th Avenue,
Vancouver BC**

2021 Project Profile

Housing for Seniors and People with Disabilities

Brightside Community Homes Foundation

"These new homes will make the world of difference for seniors and people living with disabilities in the heart of Vancouver-Mount Pleasant."

- Melanie Mark, Member of the Legislative Assembly

Edward Byers House and Loyal Orange Manor provide valuable social housing for seniors in Vancouver. Both building are now more than 50 years old and show their age. Brightside Community Homes will replace the 57 existing units for 157 new units of below-market rental housing for seniors and people with disabilities.

All current residents will be able to move into the new building, maintaining their social support networks, and will continue to pay rents calculated according to their household income. Improvements in accessibility and amenities such as elevators will facilitate seniors' independence as they age in place. The building's Passive House Certification also means greater efficiency and lower costs, and contributes to Vancouver's vision of the Greenest City.

The project's rezoning application was approved in July 2020, and the federal government recently announced a \$44.5 million contribution towards its construction in February 2022.



Loans:
Pre-Development
Pre-Construction

Estimated
Total Project Cost: **\$40.7 Million**

Expected
Construction
Completion: **2025**

157
Rental Homes

Passive House Certification

Targetted to:
Independent living seniors
and people with disabilities

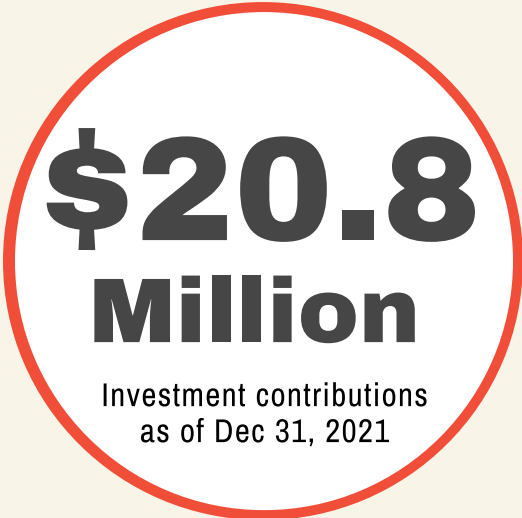


1425 and 1451 E. 12th Ave Vancouver BC

Financial Position

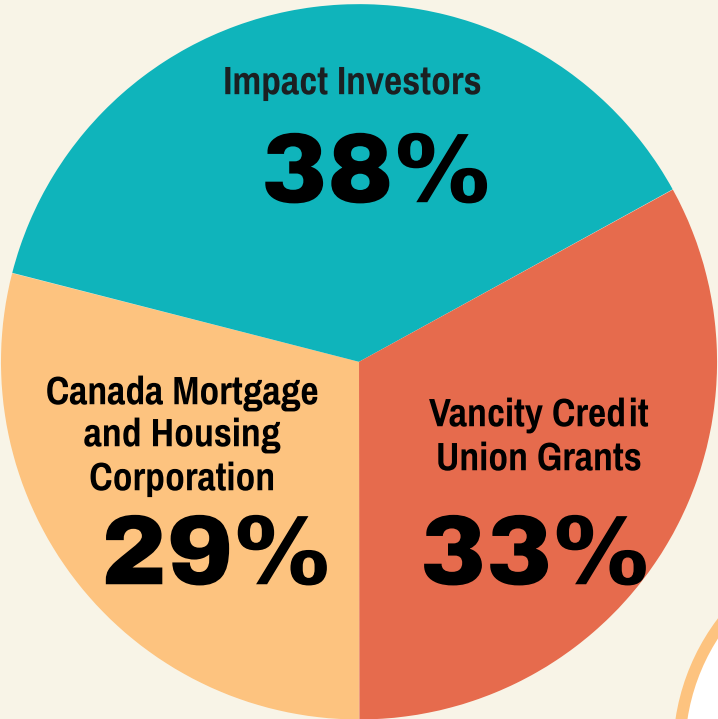
Fund Balance - December 31, 2021

Cash Available / Unallocated	\$1,911,820.89
Interest Receivable	\$655,909.03
Loans Outstanding	\$18,641,320.27
Total Assets	\$21,209,050.19
Impact Investment Loans	\$7,909,273.00
Interest Payable to Impact Investors	\$110,040.51
Total Liabilities	\$8,019,313.51
Total Net Assets	\$13,189,736.68



Capital Mix

Based on \$ Invested by Type of Investor since 2011



Loan Activity

Jan. 01 to Dec. 31, 2021

	Issued	Repaid	Written Off
Number	11	4	0
Value (\$)	\$4.27 Million	\$1.06 Million	0

Since Inception

	Active	Paid	Written Off	Total
Loans Issued (#)	42	31	2	75
Loans Issued (\$)	\$18.6 Million	\$8.9 Million	\$509,592	\$28.1 Million
Avg. Loan Amount	\$443,841	\$289,430	\$254,799	\$374.977
Interest Accrued	\$655,909	\$311,207	\$14,177	\$981,287

Thank you to our Investors

The Vancity Affordable Housing Accelerator Fund includes a flexible capital mix that includes grants, government funding and impact investments from individuals and institutions. This allows the Fund to maintain low cost and flexible financing for projects while paying fair returns and mitigating risk for investors.

We are grateful to collaborate with the Canadian Housing Mortgage Corporation and individual and institutional social impact investors who want to use their capital to support local, climate ready, affordable rental housing developments in community



Thank you for your support and dedication to help grow and preserve more affordable housing across British Columbia!

Loan Recipients

- Abbotsford Hospice Society

Anhart Community Housing Society

Atira Development Society

Atira Women's Resource Society

BC Artscape Society

Brightside Community Homes Foundation

Catalyst Community Developments

Community Land Trust

Community Living Society

Evangel Family Rental Housing Society

Fernwood Neighbourhood Resources Group

First United Church

Greater Victoria Housing Society

Hamilton East kiwanis Non Profit Homes

Hoy Creek Housing Coop

Immigrant Services Society

John Howard Society Thompson Region
- Lookout Housing and Health Society

Mission Association for Seniors Housing

Mount Douglas Seniors Housing Society

Odd Fellows Low Rental Housing Society

Phoenix Drug & Alcohol Recovery & Education Society

Progressive Intercultural Community Services Society

Rogers Court Society

Schwartzman Family Housing Society

Sea to Sky Community Services Society

Semiahmoo House Foundation

Soroptimist International of Vancouver

St. John the Divine Anglican Church

Sunshine Coast Affordable Housing Society

Three Point Housing Society

Vancouver Community Land Trust Foundation

Watari Youth Community & Family Services Society

