



Tapestry

COMMUNITY CAPITAL

**Financing Affordable
Housing with the Power of
Community Investment**

**CMHC Housing Supply
Challenge Round 2**



About Tapestry

- We are a non-profit organization that supports social purpose organizations across Canada to raise impact investments using a social finance tool, called a **Community Bond**.
- We have developed a **straightforward process** that allows organizations to efficiently use community bonds to achieve their funding goals within 8-12 months. We help them to structure their investment offering, take their product to the community to raise investment, and professionally manage their investors.
- In the past 8 years, we have supported in raising over \$90M in community investment from more than 4,000 investors. This capital has been deployed by our non-profit and co-op clients to develop a range of essential community assets, including those in renewable energy, arts & culture, and education.

Community Bonds



1.

Community member
buys a bond.



**What are
Community Bonds?**

2.

You finance your
project.




3.

You repay investors
over time.



Like a traditional bond, a community bond is an interest-bearing loan, with a fixed term and interest rate, repaid at maturity. The key difference is that in addition to offering a financial return, they also offer investors a social or environmental return.



Financing affordable housing shouldn't be so hard...

But we know that it is. Here's what we've learnt from affordable housing providers so far:

- They face difficulty working with traditional financial institutions
- Waiting on grant funding often delays project development
- Grants place strict requirements on how funds can be used
- Aligning financing with project milestones and cash flow needs is a challenge
- Community resistance presents a significant development risk

Designing a solution

Through the **Housing Supply Challenge Round 2**, we are adapting our proven process for raising community investment to meet the complex needs of affordable housing providers. Our specialized support program will be designed to:

Increase the pool of capital available to affordable housing providers: Provide free support to affordable housing providers to successfully structure and raise community investments, enabling them to tap into private capital that would otherwise be inaccessible.

Increase flexibility & efficiency: Through stakeholder consultations, gain an understanding of investment terms that would be favorable to both affordable housing providers and community investors, and provide financial incentives, such as first loss capital, if required to gain market traction.

Catalyze community support and other funding sources: Through successful community financing campaigns, demonstrate and communicate widespread support for affordable housing projects. Work with traditional lenders to raise awareness of community bonds as a new source of equity and improve viability of mortgages being used alongside community investment.

Ease future funding: On average, 70% of community investors choose to reinvest in a future project rather than redeeming their bond. Where applicable, we will work with providers to ensure they can reap the benefits of reinvestment funds.



Has it been done before?

- The Mount, in Peterborough, Ontario, raised \$2M from 67 investors to acquire and redevelop 132,000 sq ft. former convent
- Developed the building into a hub with affordable housing, supportive housing, co-working, social services, and a community food centre
- Read the full story [here](#)





- Raised \$364,000 in community bonds from 40 investors
- Creating 31 affordable housing units designed to maximize space, safety, and accessibility for the low-income families, youth, and elders, currently being displaced or living in undignified conditions.
- Read more [here](#).



We want to learn from you

The Providers

Affordable housing providers willing to share their experiences with project financing and community engagement.

What financing challenges do you face?



The Activators

Retail and institutional impact investors, and local affordable housing advocates.

What would motivate you to invest in affordable housing?



The Supporters

Traditional lenders that provide mortgages to affordable housing providers.

On what terms do you lend to affordable housing providers?





What we can offer you

- The opportunity to investigate community bonds as an alternative source of financing
- An assessment of the community bond feasibility for your housing project
- Preferential participation in the implemented program



Please let us know if you are interested in participating

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