



Update

Dear CAIC Members

By Valerie Lemieux, Outreach Coordinator

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Happy Spring! Well, we made it through what appeared to be an endless winter and have emerged with a few new loans and a pretty busy spring agenda! We have also gained a new member!

New Members & Investments ~

I'd like to take this opportunity on behalf of the board to officially welcome **Trinity-St. Paul's, United Church**, Toronto, Canada to CAIC. Trinity-St. Paul's joined in February (2001) and made an investment in the Social Mortgage Fund.

Thank you to the **Srs. of St. Joseph (Toronto)** for an additional investment in the Social Mortgage Fund and for re-investing their earnings for 2000.

The board would also like to acknowledge an investment by the **Presentation Generalate** in the Social Mortgage and Community Venture Funds, along with an investment by the **Srs. of Charity of St. Vincent de Paul** in the Authorized Investment Fund.

The following members have also continued with their commitment of previ-

ous years to re-invest their earnings. Our thanks to the **Jesuit Fathers of Upper Canada** (Social Mortgage & Community Venture Funds), the **Srs of Providence of St. Vincent de Paul** (Social Mortgage Fund) and the **Felician Sisters** (Authorized Investment Fund).

It is the continued commitment of our members that helps CAIC to grow and meet the ever-more challenging needs of our Canadian communities.

Meet CAIC's Board of Directors for 2001 ~

(left to right) Srs. **Shirley O'Rourke** csj and **Monica Spearin** IBVM, Directors, Sr. **Brenda Peddigrew** RSM, Vice-President, Mr. **Roger Snelling** (Montreal City Mission), President. Missing from the photo is **Fr. Dennis Foy** (Basilians), Treasurer.



A failing grade ~ Government withdrawal from Social Housing by Beth Coates, Financial Manager



View of west side, showing entrance of 25 Leonard Avenue

“Now reluctantly the federal government has realized that its participation is required if social housing is going to get built.”



View of the south side of 25 Leonard Avenue

The experiment was a monumental failure. For the last decade the federal government has not been involved in building social housing and five years ago, the Province of Ontario pulled out as well. The naïve hope was that the market would provide low cost housing. As Toronto’s tent city has proven, that didn’t happen. Governments knew there was a low probability of success. Housing is expensive to build and the rents that a private developer must charge to make a profit are beyond the means of many people on fixed incomes. Now, reluctantly the federal government has realized that its participation is required if social housing is going to get built.

This support is taking a different form than it did in the eighties when the federal government used mortgage guarantees to finance social housing. These guarantees were thirty-five year commitments and the federal government had little control over the financial operation of the housing co-op. The federal government’s new initiative, called SCPI—“Supporting Communities Partnership Initiatives” is designed to give community groups equity (an up-front grant) that should allow them to go to a conventional financier for a first mortgage. The theory is that the first mortgage payments should be covered by the housing project’s rents.

What community groups have been finding is that although some conventional lenders are interested in providing mortgages, there is a gap between what they are willing to lend, the government grant and the total project cost.

This leaves community groups looking for second mortgage financing. Normally second mortgages are very expensive. This was exactly the situation that the St. Clare Multifaith Housing Society found as it was trying to get the 25 Leonard Avenue Project off the ground.

25 Leonard Avenue is a four-story building close to Toronto Western Hospital that was used for doctor’s offices. St. Clare’s plan was to convert the doctor’s offices into small apartment units. 50 of these units could be converted at a reasonable cost as each of the offices had running water. The units would be for “transitional housing” which allows the homeless a stable place to stay but is not meant to be permanent housing. St. Clare’s would also make various social services available to help the residents re-enter society. The residents would only pay their housing allowance as rent.

The total project cost is \$4.6 million. The federal government (in partnership with the City of Toronto) gave St. Clare’s \$2.5 million. St. Clare fundraised another

\$100k which meant that \$2 million was required to complete the project. A conventional first mortgage was secured for on and CAIC was asked to supply the final portion. Because CAIC had good security (the project is valued at \$3.1 m) we were able to offer a reasonable rate of interest. One that St. Clare’s could afford. Construction will begin this month and the facility should be ready for occupancy before the fall.

During the first five years of the project, St. Clare’s will be eligible for a rent supplement from the province. This rent supplement will be used to pay down the two mortgages. At the end of the five-year period, the shelter allowance paid by the tenants should be sufficient to cover the building’s operating costs and the remainder of the mortgage.

Through SCPI, the federal government hopes to limit its financial commitment to a one-time grant. This will give community groups sufficient resources to finance social housing projects through conventional means.

This new model of social housing—a partnership between the federal government, municipalities, community groups and conventional lenders should lead to a demand for CAIC’s resources as a second mortgage lender in the future.

A dream come true! The Elizabeth Fry Society of Simcoe County ~ by Paula King, Executive Director

The Elizabeth Fry Society of Simcoe County was started as the result of a dream between a parole officer and her client. They used to reminisce about how the City of Barrie had very little resources for women, especially women in conflict with the law. There was no Sexual Assault Centre and no shelter for abused women. The client had used the services of the Elizabeth Fry Society of Peel and had served some of her time in their halfway house. She was very impressed with the agency's services and commitment to women. As a result of their conversations and desire to make positive change, the two women started the Simcoe County Chapter in 1989.

With the support of the Women Teachers Federation, they organized the first board of directors and started programming in the local courts. With one employee and hundreds of hours of volunteer work, the organization grew and prospered. It now employs 13 staff including the parole officer, who quit her job and is now the Executive Director.

The dream of the co-founders was to have a halfway house within the first five years. It took six years, but it was up and running in 1995. However,

six weeks later, the Ontario government closed all halfway houses in Ontario, opting for release under Electronic Monitoring. Five hundred men and women were arrested in the community and taken back into custody. Only 50 were released under E.M., while the balance stayed in jail. The government's effort to save money failed miserably!

Maple House, as the halfway house in Barrie is known, was kept open by offering housing to homeless women. Two years ago, Correctional Services Canada gave the agency a contract that made Maple House the only Community Residential Facility for federally sentenced women north of Toronto run by an Elizabeth Fry Society.

Over the next few years, the beds grew to the current nine, but the number of women requesting service was overwhelming. As a result, the decision was made by board and staff to increase the beds to twenty-seven. Support was garnered from Canada Mortgage and Housing, the Simcoe County Alliance to End Homelessness, the City of Barrie, United Way, and other social service agencies. The plans have been drawn and the building permit is only three weeks away.

One of our great supporters has been the Canadian Alternative Investment Cooperative, who without their help and concern, this \$1 million project would not have been possible. Through their intervention the agency was able to buy its current residence and obtain the needed mortgage. Beth Coates and Valerie Lemieux have assisted the agency throughout the whole process answering numerous questions and going out of their way to assist.

It is a known fact that Maple House has saved women's lives, whether they came from abusive situations, treatment centres, mental health facilities, correctional units or from the streets. Now, with the shovel in the ground in about a month, more women will be able to take advantage of Maple House and use their time to start afresh. Without CAIC, there would be no addition and renovation. Women would have died. Thanks CAIC, you're a lifesaver.



Paula King
Executive Director
Elizabeth Fry Society,
Simcoe County

"I have found this program to be of great benefit to me. I have learned how to deal with my feelings, to have more respect for myself and to have a better outlook on my life and my emotions are handled with a much better sense of worth."
Shoplifting Client



Support means providing services and programs for successful reintegration into society.

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Financial Partner to the Social
Justice Community

WE'RE ON THE WEB!
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The Canadian Alternative Investment Cooperative invests in groups working for positive social change and community economic development in Canada, that lack access to traditional financing. Of particular interest are investments that promote alternative economic structures and which act as a catalyst to structural change. We are committed to a fair rate of return and protecting our investors' capital.

Financing and funding available:

CAIC lends to groups, organizations and co-operatives that have a project of social benefit or economic development. We are not mandated to lend to individuals.

We currently operate with a three-fund structure:

Authorized Investment Fund (CMHC-backed co-operative housing projects);

Social Mortgage Fund (non-CMHC-backed mortgages);

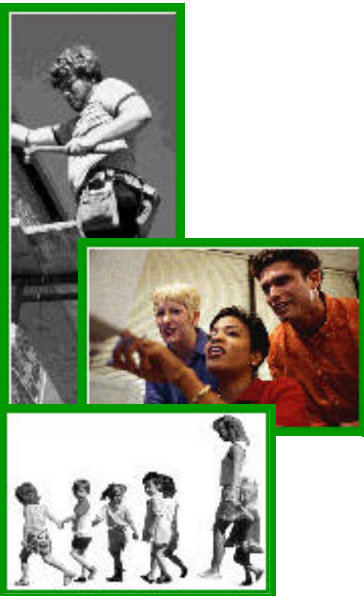
Community Venture Fund (loans & equity investments to organizations assisting the economic development of disadvantaged peoples and alternative economic structures);

Size of fund and range of loans:

CAIC's investment pool has grown to \$6.5 million. We provide mortgages (\$200,000 to \$600,000), loans (\$10,000 to \$250,000) and equity investments (\$10,000 to \$20,000).

For more information contact: Valerie Lemieux, Outreach Coordinator and/or Beth Coates, Financial Manager.

Our Projects ~ Western, Central, Eastern Regions



\$3 million available for projects of social benefit

New Loans

***Elizabeth Fry Society ~
Barrie, ON***

This group approached CAIC last October and was approved in November 2000. After some negotiating, I am pleased to report that a first mortgage was advanced in March with the potential of additional funds for renovation and development costs.

***St. Clare's Multifaith
Housing Society ~ 25 Leonard Ave., Toronto, ON***

We deviated from our usual protocol to enable this project to secure second mortgage financing for a 50 unit building that

will provide transitional housing for the homeless in Toronto.

***Sanctuary North ~
Toronto, ON***

This is a new project led by Mary Jo Leddy to provide a retreat for refugees. CAIC approved a loan that would help secure a property in the Bancroft area. Unfortunately, the property has fallen through and the project is currently on hold.

Loan Renewals

***Quebec City Community
Loan Fund ~***

This loan fund provides capital for small businesses in the inner city of Quebec.

Their five year loan term ended and they requested another. CAIC agreed.

***Bishop Savaryn Out-of-
School Care Society ~
Edmonton, AB***

This group provides day-care for working and middle class families in the inner city of Edmonton. They have established a good track record therefore the board agreed to renew their loan for another five years.