



Update

Canadian Alternative Investment Cooperative

Volume 11, Issue 2

This and that.....

Happy Spring! And welcome to the second issue of Update for 2006.

The board of directors of CAIC have been very busy since our last "Update" getting your funds out and working in communities across Canada.

Projects range from affordable housing initiatives to fair trade organic coffee co-ops to taxi drivers seeking an equitable living. More on Page 4!

Beth and I have also attended conferences & workshops to spread the word about CAIC. Later this month I'll be attending a forum in Winnipeg, MB that brings together cooperatives, community investment organizations & credit unions from across Canada to learn about Corporate Social Responsibility and community investment and to explore opportunities for collaboration. As members of CAIC you can be proud that you

have been in the forefront of investing in a Corporate Social Responsible model for over twenty years. It is good to see a growing interest in supporting social enterprise initiatives.

Need a refresher on the kinds of projects CAIC supports? Check out our website at www.caic.ca and view our Application Guidelines & Loan Portfolio.

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New Investment & Membership Update

CAIC's board would like to take this opportunity to welcome a new member—**The Student Christian Movement**.

Joining in February 2006, the Student Christian Movement

has invested funds in the Social Mortgage Fund.

To find out more information about SCM check out their website at www.scmcanada.org.

Thank you to all CAIC

members for your continued faith in CAIC's stewardship of your investments.

CAIC Invests in Worker Cooperatives!

By Valerie Lemieux & Beth Coates

Striking a balance between social justice objectives and protecting members' investments has always been a challenge for CAIC. Our 20 year plus track record however is proof that we have been successful in doing just that. One area of financing, however that CAIC wanted to be more active in was loans to worker cooperatives.

The board revisited lending parameters with regards to worker cooperatives and sought to clarify lending criteria and policies. The first step was to do some research by connecting with co-op developers/ supporters in order to develop an effective framework which met their needs while staying in our risk parameters. The outcome was a clarification of worker coop lending parameters and the development of three lending categories which better reflected CAIC's lending

focus: Social & Affordable Housing Initiatives; Mortgages for Community-based Projects; and Social Enterprise Financing - including lending to worker cooperatives. (*Application forms & guides available on line at www.caic.ca*)

New Worker Co-op lending guidelines include a cap of \$50,000, a 50/50 risk sharing model, and a requirement that other social investors provide capital to ensure that the project is properly financed.

To date the results have been very encouraging as CAIC has been able to move forward with new investments or commitments to the following worker cooperatives:

Cooperative Radiophonique de Toronto— a French language radio station broadcasting to the GTA ~ www.radiotoronto.coop);

Calgary Taxi Cooperative— formed by a number of taxi drivers in the Calgary region who wanted an equitable work environment. (This worker cooperative is supported by co-op developer Chick Hurst ~ chickhurst@shaw.ca);

Grand House Student Co-op— an innovative student run project to build housing for architecture students near the site of the University of Waterloo, School of Architecture downtown Cambridge (old city of Galt) campus ~ www.wacsa.org/grandhouse/);

Planet Bean—a fair trade organic coffee worker cooperative located in Guelph ~ www.planetbeancoffee.com).

The floodgates have opened! Let the social enterprise economy flourish.

DO YOU KNOW OF A PROJECT THAT CAIC CAN HELP?

As an investor we know you want to put your money to work for positive social change. That's why CAIC's \$7.2 million fund was created— to lend to community-based projects in the form of loans, mortgages and equity investments.

NEED MORE INFORMATION! WE'RE ON THE WEB!

www.caic.ca

Investing in Community

By Jane Orion Smith, General Secretary of Canadian Friends Service Committee

The following is excerpted from an article originally printed in the national Quaker newsletter.

CFSC became a member of CAIC in 2003, continuing a commitment to alternative investment begun in the 1990s with efforts to support worker cooperatives through the then-existing Grindstone Cooperative Venture Fund.

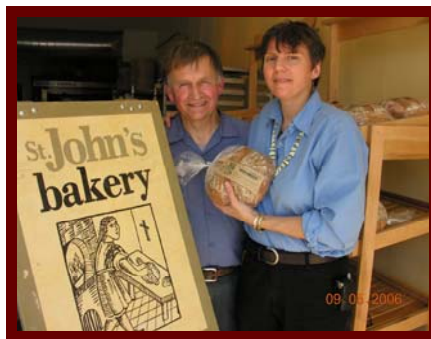
Formed in the early 1980s by religious communities, CAIC's purpose (in part) "is to be and to build an inclusive community through the gifts and the needs that each of us brings." Sound like any bank you know?

Indeed many groups (non-traditional business ventures and government-funded social agencies) that come to CAIC would not get a bank loan, being considered too risky. CAIC helps secure the infrastructure that helps the poor and dispossessed in Canada and seed alternative economic options. Though based in Toronto, CAIC invests from coast-to-coast. A soup kitchen in Port Alberni, BC; an agency helping prostitutes in Edmonton, AB; a fair trade cooperative (organic chocolate, no less) in Ottawa, ON; community loan funds in Trois-Rivières, QC and St. John, NB. Each of these CAIC partners, in their own way, is helping to fulfill CAIC's purpose—creating a more "inclusive community".

The 2005 AGM (More Than A Return) was held at St. John the Compassionate Mission. In reviewing the loan portfolios and the experience of one loan recipient, St.

John's Bakery, we learned about the essential, hopeful work that CFSC is supporting through its investment in CAIC. A project of the Mission, St. John's Bakery is training staff in the art of artisan bread, employing people who are often disenfranchised (homeless, refugees, physically and developmentally challenged). Production has gone from 50 loaves a week in 1998 to over 1,000 in 2006.

With CAIC's help, the new baking facility, complete with storefront, is opening in mid-May. Talk about "more than a return". Projects like



Orion with St. John's volunteer Fernando Theriault

the Bakery transform our world by helping people to become self-sufficient and providing the community with healthy organic bread.

Both St. Clare Multifaith Housing (transitional housing for homeless people in Toronto) and People in Need Shelter Society (shelter and services for psychiatric and mentally challenged adults in Edmonton) were able to buy their buildings through 15-year amortized mortgages with CAIC. Owning a building gives long-term security.

As Valerie noted, "Organizations can get bounced around when renting. Women's shelters, for example, need to be a presence in the community. Eventually they pay their mortgage off and they have an asset and have more ability to borrow if needed."

While early loans funded affordable housing, CAIC wanted to support worker cooperatives which "were small businesses with greater risk."

To realize this goal, CAIC's board agreed that they would lend up to \$50,000 to such ventures where there was shared responsibility in the loan risk. This model of mutual responsibility and risk-taking has proven successful. There have been few losses as groups "take stewardship very seriously", says Valerie and "if you run into difficulty, we will work with you."

Good projects are a challenge to find; the key components are a good business plan, staffing, and community support. "If they have support of the community at large" they tend to succeed. We are "open to looking at innovative, creative models that can be replicated", notes Valerie, like a current project proposal for an ecologically-sound co-operative student housing. Social Enterprise Financing "is open to a number of types of loans," explains Valerie. You can help as a member of CAIC by spreading the word about CAIC in your community. As Valerie pointed out, "Our members have often brought us our best projects."

Our Projects ~ Western, Central, Eastern Regions

Loans Approved— Calgary and Region Taxi

**Drivers
Worker
Cooperative
Ltd. ~
Edmonton, AB**
This project

came out of the desire of a number of independent taxi drivers to make a fair & equitable living. They chose the cooperative model as it provides a framework of support (both financial & administrative). CAIC has approved a \$25,000 loan with a number of conditions that need to be met prior to funds being advanced. The most important condition being that the taxi cooperative gain five new members with Calgary taxi plates. As in the case of most “small businesses” a critical mass is required in order to gain financial viability. We are hopeful that we can move ahead with providing funds shortly.



in supporting the radio cooperative we were not able to move ahead until they met a number of conditions. CAIC has advanced a \$25,000 loan in February.



Edmonton Inner City Centre Church Corporation ~ Edmonton, AB This registered charity was formed by several downtown churches (Anglican, Lutheran, Roman Catholic, Baptist & United) in Edmonton with programs that focus on at risk children, youth and housing. They came to CAIC for first mortgage financing for one of their current properties that provides long-term stable housing for women with a history of ongoing mental illness & low-income. The board approved a mortgage of @ \$135,000 for a five-year term. Funds were advanced in January 2006.

(Executive Director) of this student housing cooperative there is a definite need for affordable housing for the architecture students at the University of Waterloo Cambridge Campus. Who better to design & build the housing but the students themselves! CAIC has not formally made an offer to this cooperative (they weren't quite ready for that) but we have indicated that once they manage to get further along in their planning (& fundraising) we would be interested in providing financing. CAIC's board hopes that our “Terms of Discussion” letter will allow the students to fundraise & garner additional support for their project. Hopefully there will be more to this story in future issues of Update!



Cooperative Radiophonique de Toronto ~ Toronto, ON This brand new French language radio station began broadcasting to the GTA earlier this year. They approached CAIC for a loan last fall to finance the launch of their advertising campaign and although the board was interested



Planet Bean Inc. ~ Guelph, ON is a fair trade organic coffee roastery with expansion plans. They wish to purchase a larger roaster and re-locate their roastery to a larger building. They approached CAIC for a \$50,000 working capital loan. Given that their original loan application was a catalyst for our new lending parameters for worker cooperatives, CAIC's board was pleased to provide the loan. Funds should be advanced shortly.



Grand House Student Cooperative ~ Cambridge, ON
According to Chantal Cornu