

SPRING 2022

# PORTFOLIO



## Project 10

### Projecting a brighter future in McCauley

**A**nna Bubel has at least 10 good reasons to feel positive about the future of her neighbourhood. As a long-time resident of Edmonton's McCauley community, she's well aware of what makes the area such a hidden gem, like its vibrant cafes and bakeries, open green spaces and multicultural makeup. But she's also familiar with many of the challenges that exist there — like poverty, addiction and abandoned or neglected properties.

"I've been in McCauley for close to 30 years now. Of course I love it here and I've made it my home," she says. "At the same time, there can also be this kind of low-level PTSD when you're exposed to the problems that you face here, again and again." ►



#### Money on a mission.

Since its inception, community housing has been a priority for the Social Enterprise Fund (SEF). As the pandemic focussed attention on the variety of housing needs Canadians face, SEF expanded our role through the imaginative use of social finance.

This special edition of *Portfolio* explores the eclectic ways we help clients translate opportunity into reality around housing. Housing needs differ depending on circumstance and time of life. SEF's \$19 million + invested to date in housing projects reflects a broad range of solutions. Solutions are as varied as our clients.

#### 431

Given the many ways impact can be analyzed,<sup>1</sup> and the number of partners involved in any one project, an easy impact measurement can be elusive. SEF's stance

of responding to our clients by accepting the priorities identified through *their* expertise has led to many different ways for SEF to address housing needs. If we have learned anything, we have learned that housing needs come in different shapes and sizes, as do the solutions. We hope that the stories in these pages will demonstrate some of these imaginative approaches SEF has been privileged to support.

Since 2008, SEF has helped create 431 housing units in Edmonton. We have played a small part in additional housing units across the country. Approximately \$19.5 million was placed in 11 projects, some of it already repaid and reinvested in new projects.

We at SEF are committed to this work. Let us know if you think there is something you think we might help you build.

1. The Global Impact Investing Network's ("GIIN") IRIS+ (Impact Reporting and Investing Standards) System define Number of Housing Units Financed metric as: "Number of housing units projected to be constructed or preserved as a result of investments made by the organization during the reporting period."

For the past 25 years, Bubel has been a part of various committees and initiatives looking to tackle the issue of problem properties in McCauley. In that time, she's heard first-hand accounts from tired neighbours, desperate to see change, and from tenants in the properties themselves, who've shared horror stories ranging from living with no running water to landlords renting out spaces like a bathtub or furnace room to sleep in.

"This is a problem that's intimately intertwined with drug addiction and homelessness, because many of the absentee landlords are drug dealers, and often people who also have addictions issues end up using these buildings to look for shelter," she says. "It's often vulnerable people being taken advantage of. And we're really struggling with absentee landlords who really have no regard for their tenants."

So in 2020, when she was invited to work with the Edmonton Community Development Company (ECDC) on *Project 10*, an innovative initiative working to transform derelict properties into affordable, family-friendly homes, Bubel jumped at the opportunity. ECDC had developed

a list of more than 200 problem properties in the core neighbourhoods of McCauley and Alberta Avenue. Through Project 10, they were ready to begin tackling the problem directly through the purchase and redevelopment of ten initial properties.

"When we started to collect data on the McCauley and Alberta Avenue area, we saw some patterns. We started wondering what if we could make some changes," says Karen Gingras, executive director of ECDC.

"This project is a hugely important response to one of the most significant problems we have to community health and safety," adds Bubel. "It's part of a much bigger issue of exploitation — homelessness, addiction, crime. These problem properties are a confluence of all these factors. By addressing them directly, demolishing them and starting something new, we're really looking to save lives."

Through Project 10, ECDC will purchase, demolish, and redevelop 10 properties across the Alberta Avenue and McCauley districts. Each will then be turned into condos or duplexes, with the goal of encouraging more families to move into the area. And while 10 might seem like just a drop in the bucket when there are hundreds of other derelict properties

on record, it's an important start to what Bubel and Gingras hope will grow into a much larger trend.

"Project 10 is really just the proof of concept for us. I'd love to take it to the next level, and get some private investors to make this even bigger. There are a couple of blocks with derelict properties where I would just love to go to the owners and say, 'Have we got a deal for you,'" says Gingras.

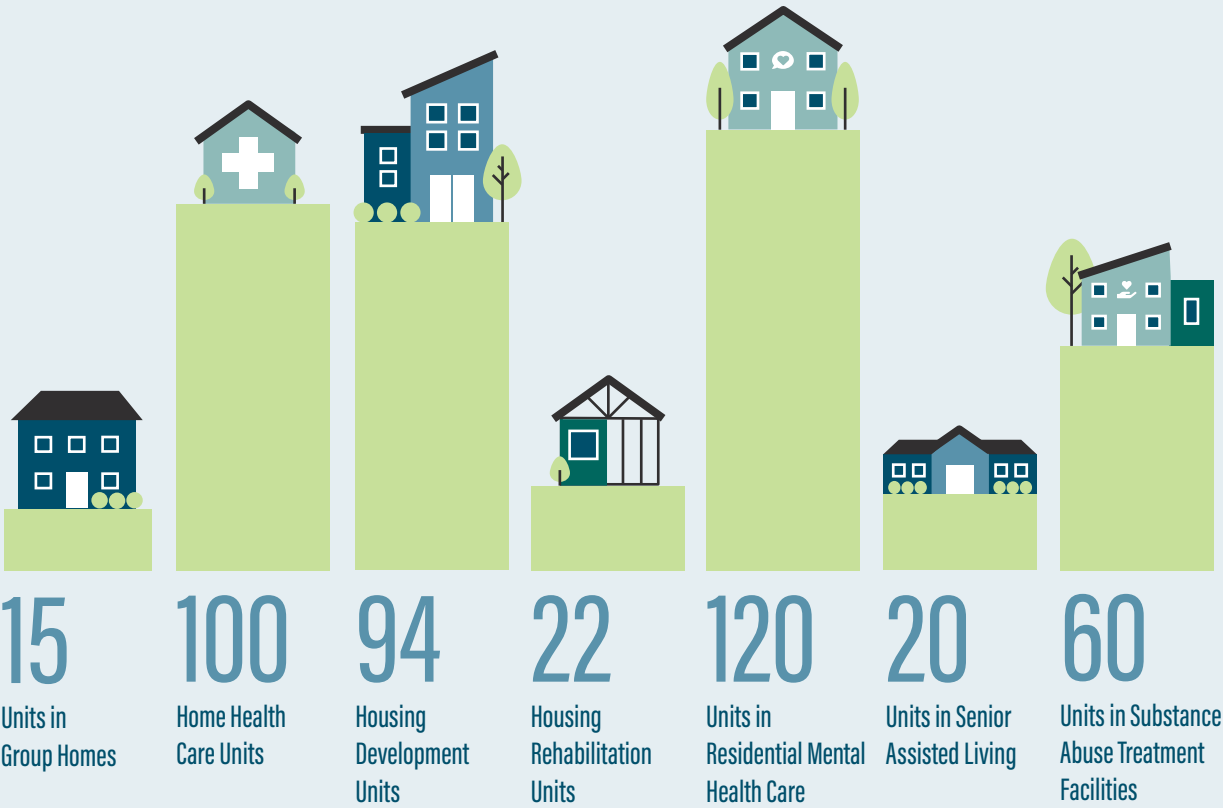
"There's a reason these houses have not been acquired and redeveloped already. The effort and the predevelopment expense is so significant that the math just doesn't work," adds Bubel. "But our deep hope is that Project 10 is the beginning of Project 40. Or more. We would just need significantly deeper pockets and larger working capital to figure out how to offset these extraordinary predevelopment costs."

As a proof of concept, Project 10 is well underway. In September 2020, the first two properties — homes that had formerly housed meth labs — were purchased. The properties were carefully emptied and remediated in preparation for demolition, including a costly and time-consuming asbestos abatement process. After months of work, the houses were razed and work could begin on building anew. It's a slow and expensive process — but as Gingras notes, the final payoff will be well worth it for the McCauley community in the end.

"We've learned a lot about predevelopment issues and challenges so far. These properties have had issues with biowaste, drugs, syringes — and all of these things are costly to deal with. And this provides an understanding as to why developers choose other neighbourhoods to build in: they can make more money, more easily in other areas," she says. "But one thing I don't think developers don't understand is the commitment of the residents to their neighbourhood here. There's a powerful sense of neighbourliness and community in McCauley, that you don't get just everywhere else."

SEF works as a financing partner to ECDC on several of its projects, including Project 10. □

# Types of units financed by SEF



Since 2008, SEF has invested over \$19.5 million in 11 projects related to housing. Those investments illustrate how eclectic the community's needs for housing can be, and add up to a varied portfolio that responds to opportunities identified by SEF's clients.

Depending on where they are in their lives, people have different housing needs. The wide range of approaches here highlight SEF's responsiveness as an investor. SEF is rarely the only partner in these projects, but SEF's ability to adapt can be key to make each of these projects happen.

The chart identifies types of housing that the community identified, and that SEF supported. The Philanthropy Classification System has been used to define the housing themes.

"Group homes" are for children who are unable

to live with their own or a foster family and who would benefit from a professionally supervised, treatment-oriented group environment.

"Home health care" represents the up to 100 seniors who can age in their homes without moving to a senior assisted living facility. The units financed for "Senior assisted living" are also specifically designed to meet the needs of Métis seniors in this case.

"Housing rehabilitation" are projects that clear slums and or abandoned buildings in residential neighborhoods to provide safe, sanitary, and pleasant places for people to live. This additional community benefit by adding housing while subtracting problematic buildings is what differentiates those units from the "Housing development" units. □

## Catalyst for Canadian Housing

In 2016, SEF placed capital in New Market Funds (NMF). By making an early commitment outside of its usual approach, SEF helped establish the Rental Housing Fund, which invests in multi-family affordable rental housing purpose-built in partnership with existing non-profit and co-operative operators. Since that time, NMF has committed over \$15.2 million to eight projects expected to create 536 affordable housing units across Canada. SEF's investment is a small part of the larger Rental Housing Fund, but SEF's early participation has had outsized benefits. These benefits include not just new homes, but new solutions and partnerships as Canada's social finance sector strives to address the country's affordable and supportive housing needs. □



# A NEW KIND OF FAMILY

## Finding better solutions to homelessness

An end to homelessness has always been central for the Jasper Place Wellness Centre (JPWC). And like many things they undertake to end the causes and effects of poverty in Edmonton — from Food4Good to Redemptive Developments — they're willing to look at innovative, holistic solutions. So began a different approach to supportive housing.

JPWC's first housing project, Canora Place, followed a traditional approach, but latest housing endeavors push the envelope. One of the first steps was creation of Simitu, the construction and development arm of JPWC's social enterprise, Redemptive Developments.

"When Canora Place was built, it followed the status quo of development. There were multiple lots brought together with one big building, and we followed all the current zoning bylaws and regulations at the time," says Steve Hughes, head of Simitu. "And it's this really beautiful apartment complex, but there are things that we knew we could change for future projects."

While Canora Place was a ground-breaking project at the time it was built, Hughes and Murray Soroka, CEO of JPWC, recognized that elements of its design were added because of conventional thinking, adding little value to end users. What's worse, some of these features, including the facility's large parking lot, came with a high price tag.

"On that building, probably about 25% of the overall budget was on items

that were of no value to the residents in the end," says Hughes. "A lot of these conventional expenses were dictated by the thought process of, 'Well, this is how you, you engineer a building, or this is just how things are done.'"

Never content to settle for the status quo, Hughes and Soroka vowed to do better with future builds. When talk of two new housing developments began, they knew things would have to be different. They began looking at different approaches used in multi-tenant housing units and found some inspiration in the Eden Alternative from the United States, a concept used in the construction of seniors' residences. The approach was simple enough: rather than designing a building that put staffing and institutional needs first, to design a space that encouraged health and wellbeing above all.

"We started to look at how a space could be designed for residents to be a part of improving their own wellness, and not just rely on it in a traditional institutional way," says Hughes. "As an example, if you were running a seniors' continuing-care-type facility, in the past you'd look at having the best balance of nurses or staff to residents. But what this model tries to prove is that actually, if you have fewer residents together, they will form more of a family bond and look after each other to the extent that you actually don't need as much institutional labour or support."



Guided by this overarching concept, JPWC's latest permanent supportive housing development consists of three separate housing blocks, each built on a single lot in the Glenwood community of West Edmonton. Each building contains 12 individual, private living units, as well as large common living room, dining room, and kitchen areas.

"We hope our residents will spend most of their waking hours in these areas, where there'll be a common TV lounge/living room, a large residential kitchen where they can interact with programming around food literacy and basic cooking skills. It's about trying to create a space where over time residents will bond, and ideally we can expend less effort to create a sense of wellbeing and overall wellness for our residents," says Hughes.

**"WE STARTED TO LOOK AT HOW A SPACE COULD BE DESIGNED FOR RESIDENTS TO BE A PART OF IMPROVING THEIR OWN WELLNESS, AND NOT JUST RELY ON IT IN A TRADITIONAL INSTITUTIONAL WAY."**

— STEVE HUGHES

Although the idea itself was simple enough, building it would be another matter, as traditional zoning regulations required that developers follow a more conventional approach to any multi-unit dwellings. At the time, language in Edmonton's zoning bylaw dictated that no more than three unrelated adults could live together in a dwelling, meaning that a twelve-person supportive housing facility was out of the question.

"I say this jokingly, but at the time, even the Golden Girls would've been outlawed in Edmonton," laughs Hughes.

As a result, it took a little more than two years for JPWC to acquire the necessary development permits and get the Glenwood building launched. Now that construction is well underway, Hughes is confident that the initial time invested in this new approach will pay off in the long run.

"Unfortunately to make change, seldom do you take the short path," says Hughes. "So far, our strategy is paying off. Our next stage is to prove that having 12 people living together under one roof is going to provide a better solution than having more than 12 live together in a more traditional setup."

Over the coming years, JPWC aims to apply the Glenwood model in properties throughout the city. As of early 2022, the company has purchased an additional 6 properties, with plans in the works for at least six more across the city.

These permanent supportive housing complexes are just some of JPWC's most recent projects. The company also recently purchased and renovated Stadium Plaza, an affordable housing complex built in 2017. ►





For the building’s previous owners, the apartment complex had been underperforming on revenues. Where they saw losses, JPWC saw an opportunity to diversify its housing portfolio while also creating jobs.

“We ended up doing quite a bit of maintenance work just to get it ready for our market, and we had our first intake of 12 women from Women Building Futures come through to work with Simitu on that project,” says Hughes.

Simitu—and the Stadium Plaza complex—build on JPWC’s legacy of providing wraparound supports to help Edmontonians move out of poverty. While some residents of JPWC’s permanent supportive housing complexes will need to remain there for months or years, others will be able to move up and out more quickly, into skills training and employment, as well as near-market housing options, like Stadium Plaza.

“Quite often, once you build stability around a person and help them get into supportive housing, things start to change,” explains Hughes. “Housing is the first step. Get a roof over their head and provide safety and stability, then you start to layer on supports and people will be accepting of help. Some will move rapidly, and some will move slower, but given the right support most people will be able to escape poverty.”

Regardless of how quickly or linearly JPWC community members move out of poverty, Hughes hopes Stadium Plaza will enable JPWC to support more residents for longer as they journey out of homelessness.

“It’s a way for us to support upward mobility in folks who are leaving homelessness. Over time, we are happy to see them move on, of course. We really do hope that they do end up in market housing, being independent and successful,” says Hughes. □

## Building Opportunity with Simitu

Following the success of Redemptive Developments’ employment model, Simitu offers employment opportunities to underemployed Edmontonians, in this case offering employment opportunities in construction and building maintenance across JPWC’s properties. Working in partnership with Women Building Futures, the company provides a safe environment for women entering the trades to gain skills and experience.

“We wanted to provide opportunities for women because there’s not as many as there should be in construction,” explains Hughes. “But the other aspect is that when the market gets hot—and eventually it will again—if you don’t have an approach like this in place, you run into problems. In Edmonton, that means you’re shutting out 52% of the applicant pool. So not only is Simitu focused on doing the right thing, it’s also just good business sense.” □



## Our House

### A different kind of home

To the untrained eye, the Our House addiction recovery facility looks like the average roadside motel. Nestled on a service road along a stretch of industrial businesses and motels, just shy of Edmonton’s city limits, Our House is an unassuming space. But for those who call Our House home, the 60-bed, all-male residential treatment facility is a haven — a safe space where they’re able to find the camaraderie and support they need to get their lives back on track.

“These are guys who have burned their lives to the ground, and we want to be able to offer them as much care and as much guidance as we can,” says Mark MacKenzie, former executive director. “What we really aim to do here is create a better world that is addiction free.”

Our House is justifiably proud of the successes of the many men who have graduated from its year-long residential recovery program over the years. “Someone after six months might have what they need out of what we offer and might be ready to integrate back into the community. In other cases, someone might need 18 months with us,” says MacKenzie. “Either way, we believe by becoming more individualized, we can be closer to an 80% graduation rate.”

Our House wasn’t always located on this unassuming service road on the outskirts of town. Its history dates back to 1984, when parish members of a downtown church opened a drop-in centre to support community members struggling with addiction. By the early 2000s, services had expanded and the group purchased the old Alamo Motel on Stony Plain Road, and converted it into a residential treatment facility. But in time, the old building needed additional upgrades, in particular critical repairs to the kitchen and dining room which threatened the facility’s continued existence. With the help of SEF, Our House was able to complete those renovations, ensuring its future in the community. □

# A Home for All

## Housing needs come in all shapes and sizes as this list of investments show

ORGANIZATION	LOAN DESCRIPTION	UNIT DESCRIPTION
Excel Society	Redevelopment of the Balwin Villa, a 105 suite Enhanced Designated Living site	Designed for clients with early onset dementia, mental illness or brain injury
Métis Capital Housing Corporation	Purchase and renovation of Holy Eucharist Senior Citizens Home property for the Nihgi Métis Seniors Lodge	Social and affordable housing for Métis seniors
Canadian Mental Health Association	Purchase of Northern Arms, a 15-unit apartment building where mental health services, resources, and crisis intervention are provided to tenants	Permanent housing with mental health services for CMHA clients, two units are allocated to Homeward Trust’s Housing First for Youth initiative, and two to the Centre to End All Sexual Exploitation
Jewish Family Services	Operating capital to support services provided to Holocaust survivors allowing them to stay in their homes as they age	Seniors able to remain in their homes through support for their health, lack of mobility, or financial hardship
Our House Addiction Recovery Centre	Kitchen renovations for centre providing residency program for addiction recovery. Additional capital to cover wastewater tie-in project	Men recovering from addictions
Jasper Place Wellness Centre	To build the Glenwood permanent supportive housing complex	Permanent supportive housing in a neighbourhood where the residents will have access to the services provided by JPWC
Project 10	To purchase 10 problem properties and redevelop them into family-friendly housing at market and below market prices	Family-friendly housing at market and below market prices
Boyle Street Community Services	To purchase two homes suitable for children’s housing programming	Children and youth ages 2 to 24 who are involved with Children’s Services
Jasper Place Wellness Centre	A mortgage to purchase an apartment for below-market housing and renovate to add density to the building	Supportive housing for people on Homeward Trust’s list of chronically homeless who are ready to move into their own homes

## Holocaust Survivors Aging at Home

**J**ewish Family Services (JFS) provides a range of services in community, including support to Holocaust survivors to enable them to live comfortable lives, and where ever possible, in their own homes. To do this work, JFS needed periodical cash flow support to bridge a lag in receipt of government grants to support the seniors' care, a financing tool they were able to access through SEF. In an October 2021 report, Jann Beeston, JFSE's Executive Director, wrote "if we had no operational loan access, it would leave between 79-100 Edmonton seniors, at any given time, unable to remain in their homes due to health, lack of mobility or financial hardship. It is an invaluable contribution to seniors housing in Edmonton." □



**431**  
**HOUSING**  
**UNITS**  
**CREATED**  
SINCE 2008

**\$19.5**  
**MILLION+**  
OF FINANCING PLACED IN  
**11 PROJECTS**  
— SOME OF IT ALREADY  
REPAID & REINVESTED  
IN NEW PROJECTS

**>30%**

OF SEF'S TOTAL  
INVESTMENTS ARE  
**IN HOUSING**

## Partnerships make impact investing possible

Social enterprises, like any small businesses, require access to capital to grow. Given their sometimes unusual structure or business sphere, social enterprises often face challenges finding the financing they need through traditional sources. SEF acts as a patient lender, working with these enterprises to meet their financing needs, whether through a big or small loan. Loans are repayable with interest — and in this way, the funds can go on to assist other social entrepreneurs.

SEF was established in 2008 through a unique collaboration between the Edmonton Community Foundation and the City of Edmonton. Other contributors to the fund have included the United Way, the Alberta Real Estate Foundation and several private contributors. So far, the fund has invested over \$75 million in more than 80 projects. More than \$20 million has been paid back, ready to do more good in the community as new loans.

**Jane Bisbee**  
Executive Director  
[jane@socialenterprisefund.ca](mailto:jane@socialenterprisefund.ca)

**Gail Yakemchuk**  
Business Affairs & Operations Associate  
[gail@socialenterprisefund.ca](mailto:gail@socialenterprisefund.ca)

**Alex Draper**  
Outcomes Associate  
[alex@socialenterprisefund.ca](mailto:alex@socialenterprisefund.ca)