

13 Social Finance Strategies for Affordable Housing

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1. Non-commercial start-up lending

A philanthropist, community investor, community loan fund, municipality or NFP put up first loss capital loan to support entry to a commercial mortgage. The [Harmony Centre](#) in Owen Sound is an example of a social enterprise hosted in a historic church purchased in this manner.

2. Stacking & leveraging

A cohort of public sector organizations, that own property, use the value of existing properties to leverage commercial mortgage financing on a new development.

3. Nonprofit investment - community and social bonds

Creation of a community investment instrument that enables small local community investors to support a social objective – often underwritten by a municipal or other government grant or preferred rate loan. This [case study](#) is from a CMHC research project. This newsletter explains the [City of Toronto's use of social bonds](#) to support affordable and social housing amongst other municipal priorities.

4. Social purpose lending

A standing nonprofit loan fund designed to support social purpose startups, such as affordable housing. Usually affiliated with a banking institution such as a credit union and often affiliated with a philanthropic foundation. London Community Foundation's [Social Impact Fund](#) is an example.

5. Conversion of public property - the use of surplus lands

Surplus property owned by a public institution such as a church, school or other public or municipally owned land or building is contributed or leveraged as down payment value to enable mortgage investment to convert to housing.

6. Equity sharing models

Community or charitable funds to support direct entry into mortgage qualification in return for some qualifications on the purchase. Often in partnership with commercial developers for specific units in a commercial build. [Trillium Housing](#) and [Options for Homes](#) are examples.

7. Co-ops, co-housing, and land trusts

These are all forms of shared ownership where residents are shareholders in a nonprofit corporation. [Tree House Village](#) is an example as is [Glassworks Village](#) proposed for Owen Sound. These housing developments often include a [land trust](#).

8. Social enterprise developer

A niche in the development industry where the developer prioritizes affordability or other social value over profit.

9. Nonprofit development corporation

A nonprofit corporation that exists to develop subsidized or affordable housing sometimes to house a specific community. [Owen Sound Nonprofit Housing](#); [Miziwe Biik Development Corporation](#)

10. Sweat equity models

These housing projects use volunteer labour to reduce the build cost and increase affordability. [Habitat for Humanity](#) is a long-term builder using this model. Newer programs also include trades training opportunities for specific populations in a community such as youth or Indigenous women see [Keepers of the Circle](#) and [Purpose Construction](#)

11. Social procurement models

These housing builds commit to use labour and/or materials that are locally sourced to retain build cost value in the community. They often offer opportunities for special populations to gain experience or entry into trades industries. [Buy Social Canada](#) explains the process

12. Commercial leasing offsets

These housing projects include commercial tenant space to offset housing rental costs and contribute to a sense of community. These can include strictly commercial lower floor space, or social capital building businesses such as coffee shops or daycares.

13. Lease/rent to own

Currently, these are usually private tenant agreements that enable the application of rent to eventual ownership.