

Sustainable
Capacity
Foundation



Report

Grassroots Impact Investing

Eastern Ontario Case Studies



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Three colorful kites (yellow, green, blue, and red) flying on strings.



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FORWORD

Dr. Tessa Hebb

Impact investing is fast becoming a major trend in Canada resulting in positive impact for Canadian communities, including our own Ottawa/ Gatineau region. Investors are increasingly interested in opportunities that have both a measurable, positive environmental and/or social impact as well as a financial return. Sometimes labelled mission-based investing or social finance, impact investors include individuals, family offices, foundations, endowments, and even mainstream pension funds! The Responsible Investment Associates suggests that by 2019 \$20 billion was held in impact investments in Canada, an increase of 38% over the previous two years, with this growth continuing to today.

“Grassroots Impact Investing” provides a valuable window into the impact investing marketplace in our region. Going back over ten years, the Report details a number of successful impact investments in Ottawa/Gatineau. It provides important information on the opportunities, types of deals, terms, and outcomes from a range of impact investments. The Report lays out a track record for impact investing in our own community.

Impact investing requires three major components to be successful: the supply of capital, the demand for capital and the intermediaries that sit between them allowing the capital to flow. The supply of capital is usually motivated by a major societal issue that the investor wants to address. This could be climate change, affordable housing, precarious employment, or food security for example. You’ll find many of these issues underlie the impact investments detailed in this Report. The investor then determines the level of impact and the financial return they are seeking. These investors tend to be long term or patient and allow the investee time to generate both the desired impacts and the financial return.



The demanders of the capital can and do take a variety of institutional forms ranging from for-profit businesses and social enterprises, to nonprofits and charities. But they have one thing in common, they are all mission-driven! In seeking investment, investees ask themselves what are our assets? Who else values what we do? Who will invest in us? These questions unlock creativity and energy within mission-seeking organizations. You'll see this creativity and energy in the Case Studies detailed in this Report.

The third component of the impact investing marketplace is the intermediaries who enable the transaction between the well-intentioned impact investor and the mission-driven enterprise. Intermediaries develop the financial tools and instruments used in the transaction. They detail the terms of the deal. They facilitate the exchange both for the investor and the investee. They monitor and measure the progress of the investment. Usually they are well established in their community and knowledgeable in the area identified for impact. They become a valuable resource for investors and investees, and are essential for the success of the investment. The intermediaries showcased in this Report do indeed play this vital role.

I strongly recommend "Grassroots Impact Investing" for anyone considering an impact investment in our community. Reading the success stories and seeing the results of these investments will add an important guidepost in your journey.

Dr. Tessa Hebb
Carleton Centre for Community Innovation
Carleton University
August, 2021

Trusted Leadership



Kristina Inrig, President
Sustainable Capacity Foundation

Kristina Elizabeth Inrig is the founder of the Sustainable Capacity Foundation. She has served as the broker in all of the Grassroots Impact Investment examples outlined in this report.

Kristina holds a Master's in Philanthropy and Nonprofit Leadership and a Bachelor of Public Affairs and Policy Management from Carleton University. Kristina has served on many philanthropic teams including the Ottawa Community Foundation, TD Friends of the Environment Foundation, the Ontario Trillium Foundation, and the Laidlaw Foundation. She is the President and Founder of the Capacity Building Institute that provides impact investment training to philanthropic and nonprofit partners.

Kristina has extensive experience in impact investment and alternative financing models in philanthropy. She has led many direct impact investment activities in Eastern Ontario over the last 15 years. She worked to support the first local investments through the Community Forward Fund in the region. She has supported property transitions and real estate community investment with many local charities and non-profits. These early examples of Impact Investment in Eastern Ontario have led Kristina to be a sought-after consultant and supporter in the community.

Supporters And Partners

Through our local investments and community collaborations, we are able to demonstrate strong community support, leadership, and partnership.



Kristina Inrig, President
Sustainable Capacity Foundation



Dr. Tessa Hebb
Advisor



Simran Minhas
Intern



Christal Berkoh
Intern



Barb King
Watersheds Canada



Rena Upitis
Wintergreen Studios



Jean Ked Neptune
Sustainable Eastern Ontario



Alani Galbraith
Quintessence Collaborative



Nasha Choudhury
Capacity Building Institute



Marie Veilleux
Maison Tucker House

Grassroots Impact Investing

Eastern Ontario Case Studies

Eastern Ontario has become a leader in Grassroots Impact Investing, specifically in the sustainability sector. Through local investments and community collaborations, there has been a significant amount of impact investment activity over the past 15 years.

What is Impact Investing?

“Impact investing is an exciting and rapidly growing industry powered by investors who are determined to generate social and environmental impact as well as financial returns. This is taking place all over the world, and across all asset classes.”

Global Impact Investors Network

What is Grassroots Impact Investing?

The Sustainable Capacity Foundation focuses on local and community-driven impact investment opportunities at the grassroots level. We have coined the term “Grassroots Impact Investing” to describe these small-scale local investments in sustainable impact investing.

This report examines real examples of Grassroots Impact Investing that have taken place in the local sustainability sector of the Ottawa area. By showcasing this important stories and case studies, we are able to demonstrate the strong local and innovative capacity.



CASE STUDIES

Grassroots
Impact Investing

Wintergreen Studios

Wintergreen Studios
90 Wintergreen Lane,
South Frontenac, ON
www.wintergreenstudios.com



IMPACT INVESTING PROFILE

Total Impact Investment: **\$280,000**
Investment Vehicle: Syndicated and Private mortgage



ORGANIZATIONAL OVERVIEW

Wintergreen Studios embodies joyful ways of living in balance with the natural world. Their programs and off-grid wilderness facilities inspire people to live harmoniously, to become more resilient, and to return to their homes, workplaces, and communities nurtured and rejuvenated—ready to make a difference.

IMPACT INVESTMENT DEVELOPMENT

After Wintergreen Studios built their strawbale, off-grid centre in Frontenac County, they needed financing support. Kristina Inrig established a syndicated mortgage from two community investors and a private loan to support this transition.

“Working with Kristina Inrig helped us to transition our organizational finances and set up a unique mortgage structure for our property. This has helped our charity to experience impact investing firsthand and will ensure that we thrive in the future.” - Rena Upitis, President, Wintergreen Studios



Tucker House Renewal Centre

Maison Tucker House
1731 Tucker Road
Rockland, ON
K4K 1K7
www.maisontuckerhouse.ca



IMPACT INVESTING PROFILE

Total Impact Investment: **\$465,000**
Investment Vehicle: Vendor-Take-Back Mortgage and Loans



ORGANIZATIONAL OVERVIEW

Maison Tucker House is a retreat and environmental learning centre located in Clarence-Rockland Ontario. This 34-acre property includes a historic Georgian manor from 1870 as the centrepiece where many environmental and historic activities take place.

“We believe a sustainable world is possible in our lifetime and every individual has a powerful role to play. We want to ignite the spark in each person to live to their fullest and value the importance of caring for self, others and creation. We must work together and act wisely, defying boundaries that used to separate us because we know that a sustainable world can be achieved.” - Maison Tucker House Mission

IMPACT INVESTMENT DEVELOPMENT

The Tucker House property in Prescott-Russell has had several impact investments. The first was to transition the property itself from the Baptist church to the newly established charitable organization. This involved a vendor take-back mortgage over an extended time frame. They also established an investment with the Community Forward Fund (now New Markets Fund) as well as two investments for a 9.6kW solar energy system on the property supported by private loans.



Sustainable Eastern Ontario

Sustainable Eastern Ontario
2203 Alta Vista Drive,
Ottawa, ON,
K1H 7L9
www.SustainableEasternOntario.ca

IMPACT INVESTING PROFILE

Total Impact Investment: **\$100,000**
Investment Vehicle: Micro loan fund



ORGANIZATIONAL OVERVIEW

Sustainable Eastern Ontario is a network organization that fosters partnerships and collaborations on sustainability activities throughout Eastern Ontario. They connect sustainability groups together, develop strategic collaborations across the sector, build capacity of administration and operations, and celebrate successes across the region.

"We are raising the profile and capability of sustainability initiatives and telling the story of transition and resilience in our community." – **Sustainable Eastern Ontario**

IMPACT INVESTMENT DEVELOPMENT

Sustainable Eastern Ontario has provided cashflow loans and community funding to sustainability organizations in the nonprofit sector. This micro-lending program has provided loans from \$5,000 to \$15,000 to multiple organizations in the community. Over the last 10 years, Sustainable Eastern Ontario has distributed over \$100,000 in micro-loans to local groups as a way of conducting its own grassroots impact investing.



West End Well Holdings Inc.

West End Well Holdings Inc.
Formerly 969 Wellington St W
Ottawa, ON,

IMPACT INVESTING PROFILE

Total Impact Investment: **\$1,615,000**
Investment Vehicle: Syndicated Mortgages and Private loans



ORGANIZATIONAL OVERVIEW

West End Well Holdings Inc. was established as a holding company for a property located at 969 Wellington Street West in Hintonburg. The property was originally purchased to be the home of a community café and eco-grocery store, but unfortunately that co-operative model was not successful, although the building itself was purchased and retrofitted as planned.

“My involvement in the West End Well Holdings Inc. was a great opportunity to work with community-minded individuals who wanted to be part of a real estate transaction for the common good. Although it was unfortunate, that the co-op in the building did not succeed, I am proud of having helped bring in 1.6M in community dollars to help purchase and retrofit the building at 969 Wellington St W. It was a great example of community engagement and support.” - Kristina Inrig, Community Investment Lead

IMPACT INVESTMENT DEVELOPMENT

This organization purchased a property in Hintonburg, Ottawa and used 100% community investment for the building acquisition and retrofits. A first position syndicated mortgage for \$950,000 was established on the property, followed by \$370,000 in second position and \$295,000 in direct community loans. The property has now been sold and all investors were paid back their principal investments with some interest.



Sustainable Foundations Inc.

Sustainable Foundations Inc.
11-300 Earl Grey Drive
Kanata, ON



IMPACT INVESTING PROFILE

Total Impact Investment: **\$527,000**
Investment Vehicle: RRSP mortgages and private loans

ORGANIZATIONAL OVERVIEW

Sustainable Foundations Inc is a green real estate developer in the Ottawa area that purchased and retrofitted residential rental properties. Between 2010-2015, SFI held over 55 rental units across the region and leveraged community capital for acquisition and enhancements.

“I am proud to know that my RRSP money was being used for green rental properties across the region.” - Investor, Sustainable Foundations Inc.

IMPACT INVESTMENT DEVELOPMENT

This Eastern Ontario business focused on developing green real estate projects between 2010-2015 with over 500K in private capital investments. Funds were used for purchases, retrofits, and energy conservation measures.



sustainable retreat / retraite durable

sustainable retreat retraite durable
PO Box 154
Gracefield, QC
J0X 1W0

IMPACT INVESTING PROFILE

Total Impact Investment: **\$369,000**
Investment Vehicle: Foundation Loan



ORGANIZATIONAL OVERVIEW

sustainable retreat retraite durable is a nonprofit organization that holds 5 properties in Gracefield, Quebec. The purpose of this retreat facility is to provide staff and volunteers of environmental organizations an opportunity for retreat and learning.

IMPACT INVESTMENT DEVELOPMENT

This project in Quebec involved the purchase of a retreat space with community capital, including bridge financing and loans through the Sustainable Capacity Foundation. The properties were purchased between June and September 2021 and ongoing improvements and development to the space are envisioned, including the possibility for a tiny house showcase.





IMPACT INVESTING PROFILE

Total Impact Investment: **\$60,000**
Investment Vehicle: Foundation Loans



ORGANIZATIONAL OVERVIEW

The Capacity Building Institute is a training organization that supports small-shop nonprofit organizations across Canada in the sustainability sector.

IMPACT INVESTMENT DEVELOPMENT

This organization was provided with a start-up loan to support cashflow and project development for a new Learning Management System for the organization.





Community & Collaboration

Sustainable Capacity Foundation works to leverage key partnership across the region in order to source impact investment opportunities that are local and impactful in the community sector.

These are some of those partners:





Conclusions

The Sustainable Capacity Foundation works to support grassroots impact investing at the local level through investments in projects like the ones described in this report. We are actively working on projects across Eastern Ontario and will continue to expand our reach across Canada as our Foundation grows.

This report demonstrates that Eastern Ontario is an active and knowledgeable leader in impact investment at the local level. These direct investments in projects on the ground from renewable energy to property acquisitions show how community capacity can be built around impact investing over time.



NEXT STEPS

- Continue to document and share best practices around Impact Investing;
- Grow the Sustainable Capacity Foundation pool of capital for impact investing;
- Expand direct investments to new regions across Canada; and
- Bolster impact measurement tools to demonstrate impact.



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Foundation 

The Apartment: Sustainability Office
2203 Alta Vista Drive,
Ottawa, ON
K1H 7L9

1-888-385-1154
www.sustainablecapacityfoundation.ca
info@sustainablecapacityfoundation.ca

