

**INVEST.  
BUILD.  
THRIVE.**



**REDWOOD  
COMMUNITY  
HOUSING BONDS**

Investing here. For good.



**Redwood Park  
Communities**

*Hope Through Housing.*

# **BUSINESS PLAN**

[redwoodparkcommunities.com](http://redwoodparkcommunities.com)

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# 1. Executive Summary

Redwood Park Communities is a Simcoe County-based charity founded in 2009 to create safe, affordable, hopeful housing where people thrive in community. Redwood is moving beyond social service to create social change, strengthening and transforming communities by building homes where people can connect, create, and contribute.



Since opening the doors of our first housing community in 2013, we have provided affordable housing with supports to over 500 people.

This includes:

- Women who had experienced gender-based violence but are now in new careers and healthy relationships
- Men who were working three jobs but still living in their cars due to the cost of housing
- Children who were in foster care but were able to return home once their parents secured safe, affordable housing

Redwood has big plans to create more safe, affordable, hopeful housing across Simcoe County. Projects totalling up to 146 units are ready to launch in the next 12 months, and new opportunities present themselves regularly.

To help finance these projects, Redwood is introducing **Redwood Community Housing Bonds**. For the first time, socially conscious investors have the opportunity to invest in affordable housing solutions in Simcoe County and help address this pressing need so our community can thrive. Your investment allows us to move critical housing projects forward now!

The bond offering will launch in Summer 2024, supporting the purchase of properties in Barrie and Orillia, and an expansion on a Redwood-owned property in Midland.



# 2.Our Organization

**We create safe,  
affordable, hopeful  
housing where people  
thrive in supportive  
community.**





## ORGANIZATIONAL HISTORY

Redwood Park Communities was founded in 2009 by Tim and Rhonda Kent, driven by their recognition of the pressing need for increased affordable housing within their community. They also recognized the role that having a community of support played in their own lives and how that would be an important element for people looking for a fresh start. Over the past decade, Redwood has evolved from a mere concept into a formidable organization that has successfully developed 57 units of affordable housing through a series of impactful initiatives.

Among these initiatives are **United House**, which provides safe and supportive housing for women and children impacted by gender-based violence, and the **Second Suites program**, established in collaboration with Community Builders and homeowners, to offer additional housing options. Another notable endeavour is **Lucy's Place**, a housing community specifically designed to support individuals who have experienced chronic homelessness. Opening soon will be **Lillian Place**, Redwood's Family Short-Term Supportive Housing Centre with twelve furnished apartments addressing the urgent needs of families facing homelessness. In total, we have had the privilege of housing over 500 individuals, making a significant difference in their lives and the community at large.

## IMPACT

Redwood envisions a community where everyone has a safe, affordable, hopeful place to call home. To contribute to this, Redwood Park Communities builds supportive housing with wraparound services tailored to the needs of the people living there.

To date, we've built 59 units and housed over 500 people - and we're just getting started!

**500+**

People  
Housed

**59**

Units of  
Housing

**7**

Housing  
Communities

**"I've only been here an hour, and it already feels like home."**

- Lucy's Place resident



### 3 STRATEGIC PLAN PILLARS



#### Create Attainable & Sustainable Housing & Supportive Communities

1. Increase the number of affordable housing units across the spectrum.
2. Expand Redwood's geographic presence.
3. Strengthen the engagement and interconnectedness of our community.



#### Develop Dynamic Economic Opportunities

1. Maintain & expand job skills and employment opportunities.
2. Create more affordable housing.



#### Utilize Innovative Financial Tools to Ensure Sustainability

1. Diversify from a donor/fundraising paradigm to centre around a community "investment" focus.
2. Take action to invite others to join us.

### PROPERTIES & SERVICES

Redwood Park Communities offers a range of housing and social enterprise initiatives, each designed to address specific needs within the community



#### United House

United House is our first housing initiative, opened in 2013. It provides safe and supportive housing for women and children impacted by gender-based violence in 8 fully furnished apartments. This property offers a secure environment where individuals can rebuild their lives and regain their independence. Through partnerships with community organizations, residents have access to essential services and resources such as mental health support and legal assistance.



#### Jubilee House

Jubilee House has provided supportive housing to women and their children in Orillia since 2000 under Couchiching Jubilee House, which joined Redwood in February of 2023. In addition to the four apartments, Jubilee House also offers in-community supports to women and women-led households with low incomes, including bus passes, Good Food Boxes, and a variety of programs to foster community and provide opportunities to try out new skills and experiences. We are pleased to build on the good work and reputation of Couchiching Jubilee House as we establish a presence in Orillia to help meet the affordable housing needs in the community.





### **Second Suites Program**

Redwood's Second Suites Program is a collaborative effort with Community Builders and homeowners to create additional housing options. This innovative program encourages homeowners to convert their existing space into affordable rental units. By doing so, Redwood increases the supply of affordable housing in the community, addressing the growing demand and helping individuals and families find stable and affordable homes.



### **Lucy's Place**

Lucy's Place is a housing community specifically designed to support individuals who have experienced chronic homelessness. In partnership with the Busby Centre, we work together to provide specialized services and resources to assist residents in recovering from their experience of homelessness and the unique challenges that are part of that experience. Lucy's Place offers a safe and supportive environment with on-site support staff, access to healthcare services, and programs to assist individuals in setting and achieving goals they set for themselves related to housing and life more broadly.



### **Ayub's House**

Opened in December 2023, Ayub's House provides two 3-bedroom apartments of shared affordable supportive housing options for men in a trades training program or employed in trades.



### **Lillian Place**

Redwood's Family Short-Term Supportive Housing Centre is a partnership with The Salvation Army and is dedicated to serving families in a housing crisis. This project provides temporary supportive housing to help families get back on their feet and back into permanent housing. Opening Fall 2024.



### **Furniture Bank powered by Redwood Park Communities**

Opened in 2019 in collaboration with a number of community partners, including the Toronto Furniture Bank and Jeff's Junk, and with support from United Way, our Furniture Bank has experienced 70% growth year over year, providing furniture packages to over 700 low-income and no-income households through 40 referring agencies while diverting usable furniture away from the landfill. This social enterprise also creates employment opportunities for those who face barriers.



## PARTNER



### **Tapestry Community Capital**

Tapestry Community Capital is Canada's leading service partner in the planning, issuance, and management of community bonds. They make the process of raising community investment simple and are supporting Redwood in our bond offering.

Tapestry believes in the power of social capital to unlock financial capital. They have helped to raise over \$100 million in community investment with some of Canada's most successful social enterprises, nonprofits, and co-ops.

# 3. Our Bonds Team



## **TIMOTHY KENT** **CO-FOUNDER AND CEO**

Timothy Kent co-founded Redwood Park Communities with his wife, Rhonda Kent, and board president Nathan Barnes. He is a prolific visionary and serial social problem solver and outspoken supporter of using common business practices and strategies to solve complex social and environmental challenges.

He has a strong record of building and leading high-performing teams of people to exceed stakeholder expectations across a variety of industries. Timothy has 23 years of leadership experience in the residential construction and property management industry, 13 years of leadership experience in the sports industry, and 6 years of leadership experience in the Investment Funds Industry.

Timothy is the co-founder of the local committee of Hockey Helps the Homeless, which partners with NHL Alumni to operate Pro-Am Hockey tournaments across Canada to raise funds in support of local charities addressing homelessness; co-founder of Community Builders, a social purpose construction company operating an Employment Readiness Training Program for youth experiencing barriers to employment; and a founding member of two other social enterprise initiatives, 1mpact Collective and Georgian Colleges – Social Enterprise Sector Development Group.

Timothy and his wife Rhonda are past high-level nominees for the Prime Minister's Award for Emerging Leaders in the volunteer sector as well as presenters at the 2022 Governor General's Leadership Conference. The Kents reside in Barrie, ON where they are very active with their local church, various social agencies, community sports and arts groups, and their children's schools.



## **JEFF BOND** **DIRECTOR, FINANCIAL PLANNING**

With 37 years of business experience and 22 years as a CFO, Jeff brings diverse executive financial and operations experience to our team, acquired in the public, financial services, health care, environmental services, construction, and e-commerce

industries. A CFA with strong hands-on business expertise, Jeff has worked in both entrepreneurial and corporate environments, including three start-ups. Jeff has lived in Simcoe County for over 15 years and provided financial leadership to numerous organizations in support of their growth plans.





## **KEVIN TESORO**

**COORDINATOR, COMMUNICATIONS & SOCIAL INNOVATION**

Kevin Tesoro, a recent addition to Redwood Park Communities, enriches our strategic culture of innovation through his diverse knowledge gained within emergency management, social work, and creative production industries across the US & Canada.

Before his recent move to Ontario in 2020, he worked as a 9-1-1 Communications Officer in New Jersey, and previously a Federal Medic at the Statue of Liberty. After his move north, he found a new passion for service through shelter work at Barrie's David Busby Centre. This experience led him to join Redwood Park Communities' Rapid Re-Housing Centre in mid-2023. As a recent graduate of Seneca with a degree in Event & Media Production, he remains active with the technical production and pre-planning of large conferences across North America in his spare time.

Kevin is passionate about unlocking human potential through collaborative innovation and forging unforgettable experiences, making him a true advocate for empowering minds and enabling hearts in his work. Paired with an advanced competency of technology and data management, he enjoys consolidating resources and processes to enhance long-term productivity and sustainability.



## **DAVID KAMANDE**

**MANAGER, ACCOUNTING & FINANCE**

David is the newest member of the Redwood Park Communities leadership team. He brings over 24 years of experience in Finance, Accounting and Administration.

David comes to Redwood with a background in both the private and not-for-profit sector. He spent 14 years in a not-for-profit organization that engages in health and fitness, childcare, day camps, and newcomer's services. During this time, he managed the budgets, monthly internal reporting, and prepared donor funding reporting requirements. David's experiences have given him opportunities to hone his leadership capabilities. He's developed a deep understanding of the financial reporting needs of different levels of management and works with other departments to fulfill the mission of the organization.

David also volunteers as the treasurer and as an elected board member in his local church. This is driven by his desire to connect and inspire people in building stronger communities. He has led numerous activities to meet local needs through his church. He lives in Barrie with his wife and their three children.



# Our next projects: Acquisitions and Expansions

Affordable Supportive Housing Communities in Barrie, Orillia, and Midland.

## The Projects

Redwood has big plans to create more safe, affordable, hopeful housing across Simcoe County.

- Expansion of an existing Redwood building in **Midland** to create 20 units of housing for adults with developmental disabilities plus social enterprise space.
- Acquisition or development of a 10-12 unit building in **Barrie or Orillia** to create safe, affordable housing.
- Acquisition of two 10-unit buildings in **Barrie** to expand our Rapid Re-housing program.
- Acquisition of land in **Barrie** for a large development for seniors.

## Meeting The Need

From people exiting the homelessness shelter system to adults with developmental disabilities to seniors, we are responding to housing gaps in our community through strategic partnerships.

## Community Bond Offering

Redwood plans to raise \$10 million to support these projects. Your investment allows us to move critical housing projects forward now!

**Learn more about purchasing a Redwood Community Housing Bond to support these projects while earning a great return. Contact**  
[invest@redwoodparkcommunities.com](mailto:invest@redwoodparkcommunities.com).



# 5. Our Community Bond

Redwood Park Communities will raise at least \$10 million in Redwood Community Housing Bonds, offered in 4 series.

## What is a Community Bond?

It is an interest-bearing loan that a non-profit, charity, or co-op can issue to support projects. In our case, individuals or businesses can purchase a Redwood Community Housing Bond and earn fixed interest. At the end of the bond term, investors can choose to redeem their principal or re-invest in any new bonds that may be available.

## Which is right for you?

### Series A

- **3% Annual Interest**
- 4-Year Term
- \$2,500 Minimum
- Not RRSP/TFSA eligible

### Series B

- **3.5% Annual Interest**
- 5-Year Term
- \$10,000 Minimum
- RRSP/TFSA eligible

### Series C

- **4% Annual Interest**
- 6-Year Term
- \$50,000 Minimum
- RRSP/TFSA eligible

### Series D

- **4.5% Annual Interest**
- 7-Year Term
- \$250,000 Minimum
- RRSP/TFSA eligible

# 6. Our Market Analysis & Strategy

## BARRIE HOUSING NEEDS ASSESSMENT: SUMMARY & KEY FINDINGS

In 2023, the City of Barrie engaged N. Barry Lyon Consultants (NBLC) to complete a Housing Needs Assessment to guide the renewal of the City's Affordable Housing Strategy.



### They found:

- Ownership and rental affordability is very strained in Barrie.
- There are very limited options for low and moderate-income households.
- Housing costs are rising at a far higher rate than incomes.
- Ownership housing is unaffordable for almost all households, driving more households to the rental market.
- Market-rate rental housing is mostly unaffordable to low and moderate-income households.
- Barrie should be planning for and encouraging a greater and broader supply of housing. Rental housing should be the highest priority.

### Rental Housing:

- New rental development has been stagnant, with 350 net new units in the last 20 years.
- Rental rates are rising rapidly - many options are now over \$2000/month.
- Vacancy has tightened over the past decade.
- Renter households are driving growth in Barrie.
- Renter households are far more likely than owners to be in Core Housing Need. (Housing is unaffordable, inadequate, and/or unsuitable.)



# UNDERSTANDING THE NEED



Between February 2020 and February 2022, housing prices in Barrie **increased 86%**. (BDAR Report)



This puts **pressure on the rental market**, which is loosely regulated meaning housing can be precarious. The average 1-bdrm apartment in Barrie is \$1750.



This, along with other factors, has led to an **increase in homelessness**. Shelters are at or above capacity, and encampments have become commonplace.



The longer people experience homelessness, the more trauma they experience, and the more **supports** they will require to recover.



Many people aged into chronic (long-term) homelessness in shelter during the pandemic and now **require significant supports** to transition into housing in a sustainable way.



A recent audit of Simcoe County's Homelessness Service System noted that the **lack of supportive housing options** makes it very difficult for people to exit our homeless system once they are in it.



**Safe, affordable, hopeful housing in supportive community is needed!**



## BARRIE RENTAL HOUSING AFFORDABILITY GAPS

The NBLC report painted a grim picture of rental housing affordability in the City of Barrie. There are few options in the rental market for households below the 60th percentile of income, as depicted in the chart below.

| Rental Housing Affordability Gap Analysis, City of Barrie     |                     |       |       |         |         |         |         |         |         |         |
|---|---------------------|-------|-------|---------|---------|---------|---------|---------|---------|---------|
| Income Decile   |                     | 1     | 2     | 3       | 4       | 5       | 6       | 7       | 8       | 9       |
| Affordability Threshold                                       |                     | \$635 | \$895 | \$1,182 | \$1,425 | \$1,734 | \$2,043 | \$2,430 | \$2,927 | \$3,728 |
| Housing Type  | Average Rental Rate |       |       |         |         |         |         |         |         |         |
| <b>New Purpose-Built Rental Apartments</b>                    |                     |       |       |         |         |         |         |         |         |         |
| One-bedroom   | \$2,034             |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$2,648             |       |       |         |         |         |         |         |         |         |
| Three-bedroom   | \$3,005             |       |       |         |         |         |         |         |         |         |
| <b>Old Purpose-Built Rental Apartments</b>                    |                     |       |       |         |         |         |         |         |         |         |
| One-bedroom   | \$1,753             |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$1,897             |       |       |         |         |         |         |         |         |         |
| Three-bedroom   | \$2,368             |       |       |         |         |         |         |         |         |         |
| <b>Privately Leased Condominiums</b>                          |                     |       |       |         |         |         |         |         |         |         |
| Studio  | \$1,594             |       |       |         |         |         |         |         |         |         |
| One-bedroom   | \$2,093             |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$2,338             |       |       |         |         |         |         |         |         |         |
| Three-bedroom   | \$2,857             |       |       |         |         |         |         |         |         |         |
| <b>Privately Leased Townhouses</b>                            |                     |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$2,259             |       |       |         |         |         |         |         |         |         |
| Three-bedroom   | \$2,527             |       |       |         |         |         |         |         |         |         |
| <b>Privately Leased Single/Semi-Detached Homes</b>            |                     |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$2,332             |       |       |         |         |         |         |         |         |         |
| Three-bedroom   | \$2,706             |       |       |         |         |         |         |         |         |         |
| Four-bedroom  | \$3,098             |       |       |         |         |         |         |         |         |         |
| <b>Privately Leased Secondary Units (Basement Apartments)</b> |                     |       |       |         |         |         |         |         |         |         |
| One-bedroom   | \$1,601             |       |       |         |         |         |         |         |         |         |
| Two-bedroom   | \$1,823             |       |       |         |         |         |         |         |         |         |

Source: City of Barrie Housing Needs Assessment Report, NBLC, 2023.





## MARKETING AND PROMOTION

We will work with Tapestry Community Capital to develop and implement a marketing plan with the goal of onboarding 250-300 investors—a mix of individuals, corporations, and foundations—to meet the \$10M bond sales goal within 12 months of launching our campaign.

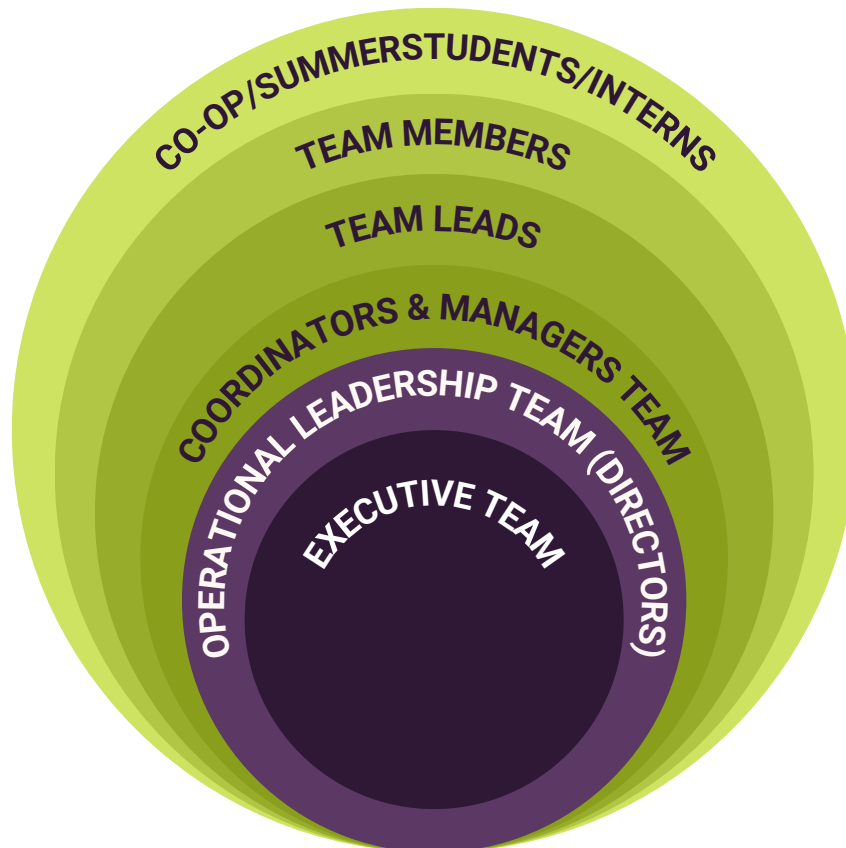
### Our key messaging will highlight:

- Our role as a leading affordable housing developer in Simcoe County.
- How affordable housing contributes to thriving communities and the need for supporters to bring this project to life.
- The double return for investors: social and financial.

Redwood will promote the bonds through a comprehensive messaging campaign, including social media promotion, digital marketing, e-newsletters, public relations and media advisories, and by in-person promotion at event booths and presentations to groups and organizations throughout the community that we believe will be interested in this project. We will also spread the word through the personal networks of our many supporters.

## OPERATIONS & MANAGEMENT

With oversight from our Board of Directors, Redwood's Leadership Table leads a staff of 30+ individuals across six teams to achieve our desired community outcomes: Executive, Finance, Operations, Development, Communications & Relationships, and Assets & Risks.



## REDWOOD CULTURE

**REDWOOD PARK COMMUNITIES IS CREATING SAFE, AFFORDABLE, HOPEFUL HOUSING WHERE PEOPLE THRIVE IN COMMUNITY. WE DO THIS WHILE BUILDING A CULTURE OF CREATIVITY & MASTERY, AUTONOMY & RESPONSIBILITY.**

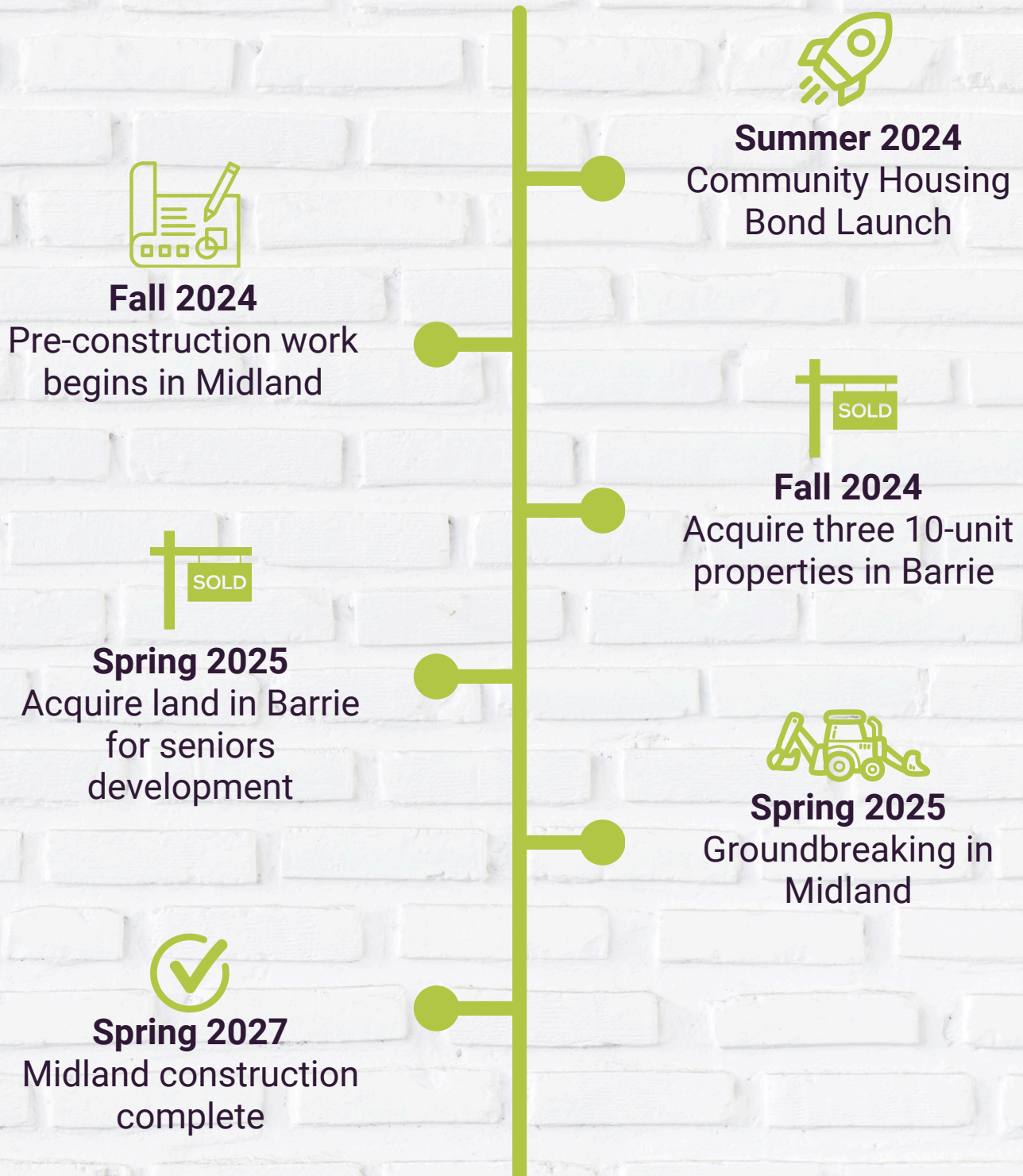
### **9 ASPECTS OF OUR CULTURE**

1. Full Commitment to Our Mission and Outcomes
2. Candour
3. Transparency
4. Autonomy & Responsibility
5. Context, Not Control
6. Awesome People
7. Personal Top-of-Market Pay
8. Dare to be Different
9. Life is Short and Valuable



# 7. Our Anticipated Timeline

With the bond offering launching in August 2024, we anticipate work to begin in Fall 2024.



# 8. Our Financial Plan

We have completed a detailed 10-year financial forecast that includes the refinancing of our current capital structure as well as acquisition and development of properties in Midland, Orillia, and Barrie. This draws from our historical experience in generating an annual financial surplus. Our financial and operational analyses demonstrate a strong viability for both projects and the organization as a whole.



Our 10-year forecast shows a healthy surplus cash position, and we are confident that our ability to secure a diverse package of grants, donations and financing makes this a compelling business case.

## **Bond Funds**

The first step of our financial plan involves securing \$10M through the sale of Redwood Community Housing Bonds. These funds will primarily be allocated toward the purchase price of four properties in Barrie and Orillia, with the remainder allocated to pre-construction costs at our property in Midland.

## **Pre-Development and Development Grants**

Redwood is securing grant funding and/or non-repayable financing from a number of partners.

- A grant from the City of Barrie of \$20,000 was provided in 2022 through the New Foundations Program to encourage affordable housing developments on institutional lands, including churches. This grant assisted in covering some of the initial pre-development costs of the 3-acre church property.
- CMHC Seed Funding of \$261,000 to assist with pre-development costs on the church property and the Midland redevelopment has already been secured.
- CMHC Affordable Housing Funding will also be sought for site works and construction costs at our current site in Midland and a new site to be acquired in Barrie.



| <b>Funding Sources</b>  | <b>Amount</b>             | <b>Status</b> |
|---|---------------------------|---------------|
| CMHC - National Housing Co-Investment Fund Grant  | \$10,000,000              | Pending       |
| Association of Municipalities - Green Fund  | Up to \$5,000,000         | Pending       |
| CMHC - National Housing Co-Investment Fund Loan or Construction financing   | Up to \$40,150,000        | Pending       |
| Community Housing Bonds   | \$10,000,000              | In Progress   |
| WELC VTB Mortgage   | \$2,800,000               | Approved      |
| Redwood Supplied Operating Capital Expenditures   | \$576,508                 | Approved      |
| Capital donations/community fundraising/community promissory notes/contractor work or material donations/City or County funding | \$3,250,000               | Pending       |
| <b>Total</b>  | <b>Up to \$71,776,508</b> |               |

### **Development Financing & Security Ranking**

Our cash flow analysis assumes that we will secure our refinancing facilities in Q4 of calendar 2024 and receive our first financing draws under commercial construction facilities by Q3 of 2025.

If our application for CMHC development funding is not successful, we will be seeking development mortgages from various credit unions that we have established relationships with. Our financial model assumes interest rates of between 5.0% and 6.5%, depending on the funding source and related timing of draws.

### **Priority Ranking**

1. Construction Mortgage
2. Vendor-Take-Back Mortgage
3. Community Housing Bond Funds
4. Government Funding: CMHC/Federal/Province/County/City

## PROJECT REVENUE & EXPENSE ASSUMPTIONS

The financial projections reflect the current operations of Redwood augmented by the addition of 146 new housing units either acquired or developed by Redwood over the next four years. The surpluses and equity accruing will be leveraged to support further Redwood affordable housing projects, though these are not reflected in the forecast.

Commercial rental income is based on the current Barrie market rent. Residential rental income is based on a target mix of 70%-150% AMR, with government rent subsidies providing deeper rent reductions for some households while maintaining our projected incomes.

Land costs are based on purchase agreement amounts.

Administrative costs are based on current organizational and projected internal staff deployment, which are scaled up over time to support an expanded property and operating footprint.

### **Additional assumptions for pro forma:**

- Elimination of GST as per recent federal policy changes
- Elimination of PST as per provincial policy changes
- Increase to CMHC Co-I grant portion in line with higher affordability, sustainability, and accessibility
- Affordable residential rents set at 70% AMR
- Updated residential rents to new CMHC 2023 AMR data
- Market residential rents set at 1.5x CMHC 2023 AMR
- New Co-I interest rate @ 5.0%



# FINANCIAL MODEL

## Cashflow Statement

|  | 2024-2025           | 2025-2026           | 2026-2027           | 2027-2028           | 2028-2029           | 2029-2030         | 2030-2031        | 2031-2032           | 2032-2033           | 2033-2034            | 2034-2035            |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------|---------------------|---------------------|----------------------|----------------------|
| <b>Cashflow Statement</b>                        |                     |                     |                     |                     |                     |                   |                  |                     |                     |                      |                      |
| Opening Cash Balance                             | 465,218             | 3,579,358           | 2,097,050           | 3,802,643           | 4,988,888           | 1,371,992         | 962,999          | 90,123              | 1,734,310           | 5,865,227            | 10,270,551           |
| Net Profit for the Year                          | 477,321             | 6,015,188           | 5,369,326           | 3,218,068           | 1,087,042           | 1,701,092         | 2,383,942        | 2,815,254           | 3,291,841           | 3,603,007            | 3,925,145            |
| Add back non-cash expenses from Income Statement | 215,049             | 500,582             | 894,947             | 1,259,582           | 1,508,797           | 1,519,803         | 1,519,803        | 1,519,803           | 1,519,803           | 1,519,803            | 1,519,803            |
| Mortgage/Loan Principal Repayments               | 1,092,316           | 11,031,680          | 15,595,101          | 13,491,496          | 1,749,286           | (577,389)         | (696,620)        | (645,871)           | (680,727)           | (717,487)            | (756,256)            |
| Bond cash received/repaid                        |                     |                     |                     |                     |                     |                   |                  |                     |                     |                      |                      |
| Principal - Series A-D                           | 10,000,000          | -                   | -                   | -                   | (1,000,000)         | (3,000,000)       | (4,000,000)      | (2,000,000)         | -                   | -                    | -                    |
| Principal - Series E-H                           | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| Principal - Series I-L                           | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| Principal - Series M-P                           | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| Project/Capital Asset Purchase                   |                     |                     |                     |                     |                     |                   |                  |                     |                     |                      |                      |
| Interest Paid adjustment to Interest Expense     | (8,863,045)         | (19,029,759)        | (20,153,781)        | (16,782,902)        | (6,947,021)         | -                 | -                | -                   | -                   | -                    | -                    |
| Series A-D                                       | 192,500             | -                   | -                   | -                   | (15,000)            | (52,500)          | (80,000)         | (45,000)            | -                   | -                    | -                    |
| Series E-H                                       | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| Series I-L                                       | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| Series M-P                                       | -                   | -                   | -                   | -                   | -                   | -                 | -                | -                   | -                   | -                    | -                    |
| <b>Closing Cash Balance</b>                      | <b>\$ 3,579,358</b> | <b>\$ 2,097,050</b> | <b>\$ 3,802,643</b> | <b>\$ 4,988,888</b> | <b>\$ 1,371,992</b> | <b>\$ 962,999</b> | <b>\$ 90,123</b> | <b>\$ 1,734,310</b> | <b>\$ 5,865,227</b> | <b>\$ 10,270,551</b> | <b>\$ 14,959,243</b> |

## Profit & Loss Statement

|   | 2024-2025           | 2025-2026            | 2026-2027            | 2027-2028            | 2028-2029            | 2029-2030            | 2030-2031            | 2031-2032            | 2032-2033            | 2033-2034            | 2034-2035            |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Profit and Loss Statement (Income Statement)</b> |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Revenues</b>                                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Admin Income  | 1,378,968           | 1,893,384            | 1,979,895            | 2,070,567            | 2,165,607            | 2,382,168            | 2,548,920            | 2,676,366            | 2,810,184            | 2,894,489            | 2,981,324            |
| Retail Sales  | 692,008             | 1,464,750            | 1,537,988            | 1,614,887            | 1,695,631            | 1,865,194            | 1,995,758            | 2,095,546            | 2,200,323            | 2,266,333            | 2,334,323            |
| Grants & Gifts                                      | 1,756,513           | 5,889,576            | 6,244,635            | 5,288,943            | 3,147,587            | 3,210,539            | 3,274,750            | 3,340,245            | 3,407,050            | 3,475,191            | 3,544,694            |
| Fundraising & Other Donations                       | 734,133             | 1,639,208            | 1,718,429            | 1,436,081            | 1,017,216            | 1,037,561            | 1,058,312            | 1,079,478            | 1,101,068            | 1,123,089            | 1,145,551            |
| Rents   | 1,389,621           | 1,894,631            | 1,973,688            | 2,262,384            | 3,707,031            | 4,033,826            | 4,316,194            | 4,532,004            | 4,758,604            | 4,901,362            | 5,048,403            |
| <b>Total Revenues</b>                               | <b>\$ 5,951,244</b> | <b>\$ 12,781,549</b> | <b>\$ 13,454,634</b> | <b>\$ 12,672,862</b> | <b>\$ 11,733,073</b> | <b>\$ 12,529,288</b> | <b>\$ 13,193,933</b> | <b>\$ 13,723,638</b> | <b>\$ 14,277,228</b> | <b>\$ 14,660,464</b> | <b>\$ 15,054,295</b> |
| <b>Expenses</b>                                     |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Operating Expenses                                  | 3,068,869           | 3,645,474            | 3,799,705            | 3,994,855            | 4,519,430            | 4,745,401            | 4,911,490            | 5,034,278            | 5,160,135            | 5,237,537            | 5,316,100            |
| Overhead Expenses                                   | 1,524,599           | 1,555,868            | 1,586,986            | 1,618,726            | 1,651,100            | 1,733,655            | 1,794,333            | 1,839,191            | 1,885,171            | 1,913,449            | 1,942,150            |
| Interest - Series A-D                               | 192,500             | 385,000              | 385,000              | 385,000              | 370,000              | 302,500              | 170,000              | 45,000               | -                    | -                    | -                    |
| Series A  | 15,000              | 30,000               | 30,000               | 30,000               | 15,000               | -                    | -                    | -                    | -                    | -                    | -                    |
| Series B  | 52,500              | 105,000              | 105,000              | 105,000              | 105,000              | 52,500               | -                    | -                    | -                    | -                    | -                    |
| Series C  | 80,000              | 160,000              | 160,000              | 160,000              | 160,000              | 160,000              | 80,000               | 45,000               | -                    | -                    | -                    |
| Series D  | 45,000              | 90,000               | 90,000               | 90,000               | 90,000               | 90,000               | 90,000               | -                    | -                    | -                    | -                    |
| Interest - Series E-H                               | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Interest - Series I-L                               | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Interest - Series M-P                               | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Other Interest (Mortgage/Financing)                 | 225,670             | 486,004              | 1,221,773            | 1,996,197            | 2,392,663            | 2,313,598            | 2,194,367            | 2,245,116            | 2,210,260            | 2,173,500            | 2,134,731            |
| Bond Offering Development Expenses                  | 95,000              | 20,100               | 20,100               | 20,100               | 20,100               | 20,100               | 20,100               | 20,100               | -                    | -                    | -                    |
| Investment Management Expenses                      | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Non-Cash Expenditures                               | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Amortization of existing capital assets             | 142,162             | 132,726              | 125,985              | 124,101              | 103,536              | 91,539               | 91,539               | 91,539               | 91,539               | 91,539               | 91,539               |
| Amortization of new capital assets                  | 72,887              | 367,856              | 768,961              | 1,135,481            | 1,405,261            | 1,428,265            | 1,428,265            | 1,428,265            | 1,428,265            | 1,428,265            | 1,428,265            |
| Other Expenses                                      | 152,236             | 173,332              | 176,799              | 180,334              | 183,941              | 193,138              | 199,898              | 204,896              | 210,018              | 213,168              | 216,366              |
| <b>Total Expenses</b>                               | <b>\$ 5,473,923</b> | <b>\$ 6,766,361</b>  | <b>\$ 8,085,308</b>  | <b>\$ 9,454,794</b>  | <b>\$ 10,646,030</b> | <b>\$ 10,828,196</b> | <b>\$ 10,809,992</b> | <b>\$ 10,908,384</b> | <b>\$ 10,985,387</b> | <b>\$ 11,057,457</b> | <b>\$ 11,129,150</b> |
| <b>Net Profit</b>                                   | <b>\$ 477,321</b>   | <b>\$ 6,015,188</b>  | <b>\$ 5,369,326</b>  | <b>\$ 3,218,068</b>  | <b>\$ 1,087,042</b>  | <b>\$ 1,701,092</b>  | <b>\$ 2,383,942</b>  | <b>\$ 2,815,254</b>  | <b>\$ 3,291,841</b>  | <b>\$ 3,603,007</b>  | <b>\$ 3,925,145</b>  |



## Balance Sheet

|                             | 2024-2025            | 2025-2026            | 2026-2027            | 2027-2028            | 2028-2029            | 2029-2030            | 2030-2031            | 2031-2032            | 2032-2033            | 2033-2034            | 2034-2035            |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Balance Sheet</b>        |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Assets</b>               |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Cash Balance                | 3,579,358            | 2,097,050            | 3,802,643            | 4,988,888            | 1,371,992            | 962,999              | 90,123               | 1,734,310            | 5,865,227            | 10,270,551           | 14,959,243           |
| Current Assets              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              | 201,266              |
| Capital Assets - Existing   | 10,455,065           | 10,322,339           | 10,196,353           | 10,072,253           | 9,968,717            | 9,877,178            | 9,785,640            | 9,694,101            | 9,602,563            | 9,511,024            | 9,419,486            |
| Capital Assets - New        | 8,790,158            | 27,452,060           | 46,836,880           | 62,484,300           | 68,026,060           | 66,597,795           | 65,169,531           | 63,741,266           | 62,313,001           | 60,884,736           | 59,456,471           |
| Other Assets                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                | 6,766                |
| <b>Total Assets</b>         | <b>\$ 23,032,614</b> | <b>\$ 40,079,482</b> | <b>\$ 61,043,909</b> | <b>\$ 77,753,473</b> | <b>\$ 79,574,802</b> | <b>\$ 77,646,005</b> | <b>\$ 75,253,326</b> | <b>\$ 75,377,709</b> | <b>\$ 77,988,823</b> | <b>\$ 80,874,343</b> | <b>\$ 84,043,232</b> |
| <b>Liabilities</b>          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Current Liabilities         | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            | 1,367,899            |
| Mortgage/Loan Financing     | 5,465,174            | 16,496,854           | 32,091,955           | 45,583,451           | 47,332,738           | 46,755,349           | 46,058,728           | 45,412,858           | 44,732,131           | 44,014,644           | 43,258,388           |
| Other Liabilities           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Bonds Payable - Series A-D  | 10,000,000           | 10,000,000           | 10,000,000           | 10,000,000           | 9,000,000            | 6,000,000            | 2,000,000            | -                    | -                    | -                    | -                    |
| Bonds Payable - Series E-H  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Bonds Payable - Series I-L  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Bonds Payable - Series M-P  | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Interest Payable            | 192,500              | 192,500              | 192,500              | 192,500              | 177,500              | 125,000              | 45,000               | -                    | -                    | -                    | -                    |
| <b>Total Liabilities</b>    | <b>\$ 17,025,573</b> | <b>\$ 28,057,253</b> | <b>\$ 43,652,354</b> | <b>\$ 57,143,850</b> | <b>\$ 57,878,137</b> | <b>\$ 54,248,248</b> | <b>\$ 49,471,627</b> | <b>\$ 46,780,757</b> | <b>\$ 46,100,030</b> | <b>\$ 45,382,543</b> | <b>\$ 44,626,287</b> |
| <b>Equity</b>               | <b>\$ 6,007,041</b>  | <b>\$ 12,022,229</b> | <b>\$ 17,391,554</b> | <b>\$ 20,609,623</b> | <b>\$ 21,696,665</b> | <b>\$ 23,397,757</b> | <b>\$ 25,781,698</b> | <b>\$ 28,596,952</b> | <b>\$ 31,888,793</b> | <b>\$ 35,491,800</b> | <b>\$ 39,416,945</b> |
| <b>Liabilities + Equity</b> | <b>\$ 23,032,614</b> | <b>\$ 40,079,482</b> | <b>\$ 61,043,909</b> | <b>\$ 77,753,473</b> | <b>\$ 79,574,802</b> | <b>\$ 77,646,005</b> | <b>\$ 75,253,326</b> | <b>\$ 75,377,709</b> | <b>\$ 77,988,823</b> | <b>\$ 80,874,343</b> | <b>\$ 84,043,232</b> |

## **RISK & MITIGATION**

### **Financing Risks**

Redwood Park Communities will need to raise funding at multiple stages over the forecast period. Seed funding for the pre-development phase and site works has already been partially secured through the CMHC. However, there are several subsequent stages where we need to raise capital, and the failure to do so could threaten the success of planned projects and the organization as a whole.

#### **Failure to reach Community Housing Bond investment goal**

First, we need to raise funds for the purchase and development of the properties by selling Redwood Community Housing Bonds. There is a risk that we may fail to reach the full investment goal of \$10 million.

**Mitigation:** We have been working with Tapestry Community Capital to complete a feasibility study and conduct investor consultations. If we fail to raise the funds through the bonds alone, we have contingency plans to secure alternative financing options, such as a mortgage, in order to make up the difference. Vancity Credit Union, Meridian Credit Union and New Market Funds are potential lenders we work with who share our goal to create more affordable housing. In the unlikely event that we still cannot raise enough capital, we will not proceed with the purchases and refund the bonds with accrued interest, less any minimal sunk costs related to the costs of the bond campaign.

Funds raised through the Redwood Community Housing Bond offering will be held in and released from segregated bank accounts, separate from Redwood's operating accounts.

#### **Failure to secure construction financing**

Once we have development permits, we will need construction financing. This will be bridge financing, and we have several options for lenders, yet we cannot be certain of a successful application in advance.

**Mitigation:** We have identified multiple potential sources of construction financing. If we do not secure construction financing by Q1 2025, at a cost that is acceptable, we will pursue an alternative primary financing source, such as a Credit Union mortgage or funding through another CMHC program. We will also consider another Redwood Community Housing Bond campaign to address any shortfall.

## Construction Risks

### Construction Cost Overruns

Construction is a risky endeavour. Costs can be affected by many factors that are either impossible to predict or not feasible to predict. Examples include soil conditions, weather, theft, vandalism, supply chain interruptions, natural disasters, and job site accidents.

**Mitigation:** We will use fixed-price contracts with our General Contractor and include contingency funds in our budget. Financing costs will be fixed and known in advance.

### Design Failure

This development will use unique and innovative systems and assemblies to achieve high levels of energy efficiency and resilient design. Should any of these fail to perform or fail to perform as well as we hope, this could threaten the long-term viability of the project.

**Mitigation:** Whenever possible, we will take an approach of applying incremental changes to designs. Riskier changes should be tested in limited, and non-critical applications. We will also use proven systems for redundancy when possible.

### Public Resistance to New Development

NIMBYism (Not in my backyard) is strong in Barrie and many residents of neighbourhoods of single-family homes are resistant to intensification efforts. Resistance, in particular to the construction of larger buildings, is very typical as it can impact views, traffic, and noise levels. Additionally, some people would like everyone to live in a single-family home but may not realize that the cost and logistical problems associated with single-family homes lead to a financially, socially, and environmentally unsustainable city. Managing public perception will be critical.

**Mitigation:** We have been running our YIMBY Project for five years to proactively combat NIMBYism that may thwart our efforts to build affordable housing. We will make a clear and compelling case for the benefits that Redwood will bring to the community. We will be sensitive to the needs of the neighbourhoods we build in and occupy, and proactive and responsive in our communication. We will engage neighbours and congregational members throughout the development. Growing our community of bond investors will also create a network of supporters that will provide social capital for the development.