

# Workshops to Expand the Supply of Housing on Public Land in Canada



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# **Executive Summary**

Unlocking public land for housing development could have a dramatic impact on the housing landscape in Canada. There are many potential benefits including land cost savings and targeted development of the housing that is needed most (purpose-built rental housing, multi-unit housing, long-term affordable units). However, there remain many barriers to converting more public land to desperately needed housing. This work aims to address the silos and barriers that are preventing the construction of housing on public land. The findings shared in this report are the product of nearly 50 interviews and four workshops held in Whitehorse, YT; Calgary, AB; Ottawa, ON; and Toronto, ON, encompassing over 100 interactions with senior stakeholders in the housing eco-system. Based on the key solutions and common themes among the interviews and workshops, there are four broad recommendations for necessary actions to increase access to public land for the development of housing across Canada:

- Decrease risk for developers, when possible, to curb an increasingly volatile development market and encourage housing development. The level of risk that both market and non-market developers must take on is increasingly untenable due to market conditions, many of which are not controllable in the short term. There is an opportunity to incentivize use of public land for prioritized housing types if land vendors can limit risk to encourage the development of non-market or mixed-income housing projects.
- 2. **Prioritize streamlining of the municipal approvals process for housing development across departments.** Most participant municipalities had recently created priority streams for non-market and/or public land housing projects which had positive effects on the review process. However, bureaucratic red tape and siloing between departments persisted and continued to impede the development process. There is a clear need for cross-departmental prioritization of housing to further streamline the approvals process and improve the viability of housing projects.
- 3. **Increase capacity and support for the non-market sector.** Given the identified need for non-market housing in Canada<sup>1</sup>, it is clear that further actions are needed to increase capacity in the non-market sector, which has historically faced capacity and resource challenges. Facilitating collaboration within the non-market sector and the private sector, creating pathways for non-market housing in the municipal approvals processes or public engagement processes, and allowing for and adequately funding diverse housing types within individual developments (mixed-market, deep affordability, service provision) as well as every neighbourhood were identified as key actions needed to stimulate non-market growth.
- 4. Create incentives and disincentives to stimulate construction to overcome high cost and global supply chain challenges. The high cost of construction was identified as a universal challenge that impedes housing development and one that was predicted to only get worse. This research identifies key opportunities to stimulate construction in spite of existing challenges, including the need to increase labour supply and limit land speculation leading to unnecessary vacant land. Creating incentive programs to encourage innovative construction models, increase skilled trades training, and large-scale development in rural areas are potential actions to be taken. The need to introduce disincentive programs or policies to limit land speculation should also be considered.

These recommendations capture the broad actions necessary to better use public land to address the severe housing need in Canada as well as improve the overall development process. This report offers detailed solutions for every level of government and key housing stakeholders to begin to act on these recommendations.

# Introduction

Canada has a meaningful shortage of housing, and Canadians suffer some of the highest home prices compared to incomes in the world.<sup>2</sup> One major impact on housing costs is land: land acquisition can account for nearly 20% of a project, more in expensive cities like Vancouver and Toronto.<sup>3</sup> Unlocking public land for housing development could have a dramatic impact on the housing landscape in Canada. There are many potential benefits including land cost savings, targeted development of the housing that is needed most (purpose-built rental housing, multi-unit housing, long-term affordable units, etc.), as well as a renewed interest in public land from both provincial and federal governments.<sup>4</sup> However, there remain many barriers to converting more public land to desperately needed housing.

This research was developed as a result of the HART Land Assessment Tool, where the research team mapped thousands of parcels of vacant or underused publicly owned land across Canada and identified a need to further understand how to increase access to these parcels for the development of housing.

The findings shared in this report are the product of nearly 50 interviews and four workshops held in different municipalities across Canada, encompassing over 100 interactions with senior stakeholders in the housing eco-system. This research captures diverse perspectives from municipal staff, elected officials, provincial and territorial staff, non-profit housing providers, private developers, consultants, lawyers, architects, Indigenous-led organizations, and advocacy organizations. While these workshops focused on specific challenges in four communities, the findings relayed in this report cross municipal and provincial boundaries and are applicable to the challenges and needed solutions that the housing sector faces on a national scale.

While it is not possible to include everything that was heard in the interviews and workshops, this report shares as many insights as possible and illustrates the participants' valuable insights faithfully.



# Who We Are

The Housing Assessment Resource Tools (HART) project is a multi-award-winning research group based out of the University of British Columbia on Musqueam territory (known as Vancouver) that works toward evidence and data-based solutions to Canada's housing crisis.

Originally funded through CMHC's Housing Supply Challenge, HART provides a comprehensive datadriven analysis of housing need at a granular level, as well as responsive, sustainable solutions that improves the quality of housing supply decision-making at all levels of government. Our work has supported thousands of organizations and communities with routine data analysis for reporting and funding applications, saving millions of dollars and countless hours of staff time. Our research has also contributed to key policy changes across Canada to unlock public lands, and protect existing affordable housing.<sup>1</sup>

For more information about HART, please visit hart.ubc.ca.



i For examples, please see the <u>Federal Lands Initiative</u>, <u>Public Lands for Homes</u>, the BC <u>Rental Protection Fund</u>, and the <u>Canada</u> <u>Rental Protection Fund</u>.

# **Glossary and Notes on Language**

**Affordable:** there is no standardized measure of affordability in Canada; nearly every community and level of government uses a different measure. Some communities establish affordability as a percentage of Area Median Rent, others may use a percentage of market rent rates, or as a percentage of area incomes.<sup>ii</sup>

**Brownfield:** an abandoned, idled, or underused property where expansion or redevelopment is complicated by real or perceived contamination. Brownfield sites include abandoned factories and other industrial facilities, gasoline stations, oil storage facilities, dry cleaning stores, and other businesses that formerly dealt with polluting substances.

**Development charges (DCs):** charges levied by municipal governments to make developers pay for municipal services and community amenities.

**Encumbrances:** costs or restrictions placed on properties; this may include contamination of the land, existing buildings or occupants, or legal restrictions of land use (i.e. zoning or covenants). In some communities, specific examples of encumbrances were discussed in detail, whereas in other communities, encumbrances were discussed as an umbrella for all potential options.

**Entitlements:** the allowed uses of a site – if a site has all entitlements in place, the developer can build without any further approvals or permits.

**Greenfield:** undeveloped land. Smart growth principles dictate that new development be steered away from greenfields to the maximum extent possible and toward sites where infrastructure and public transportation already exist, or to contaminated and/or underutilized sites that can be reclaimed to accommodate new development.

ii This is a point of contention across the workshops, as these differing measures of affordability mean that funders and regulators are often setting different goalposts.



**Landowners:** as the research encompasses the sale, lease, or disposal of land owned by a government body or agency, participants used various terms to describe landowners. These terms range from specifying the government owner (i.e. Municipality, province, territory, federal government), or using terms like vendor or public authority. Our language reflects participants in each respective community as much as possible.

**Mixed-Income Housing:** any type of housing development (rent or owned) that includes a range of income levels (and shelter costs) among its residents, including low, moderate and/or higher incomes.

**Non-market housing:** every community used slightly different terminology, including non-profit, non-market, social, and community housing. In this report, we will use the umbrella term non-market to capture housing that exists outside of market pressures, which may be provided or developed by private actors, non-profit organizations, or governments. Where other terms like non-profit were used, it is to reflect the language used by participants.

**Purpose Built Rental Housing (PBR):** also known as the primary rental market or secure rentals; multi-unit buildings (three or more units) which are built specifically for the purpose of providing long-term rental accommodations. PBR is a key source of both affordable and secure rental housing in any community.

**Request for Proposal (RFP):** a commonly used method to outline project details and call for bids from potential suppliers.

**Right of First Refusal:** a legal power or provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before they offer it for sale or lease to others.

**Zoning:** the classification of land by a) types of uses permitted and prohibited and b) by densities and intensities permitted and prohibited in a given district, including regulations regarding building location on lots.

# Methodology

The guiding purpose of this research is to understand barriers to developing housing on public land in four municipalities across Canada and to support these communities to co-create effective interventions to streamline the process of developing housing on public land. The four municipalities selected for participation in this research were: Whitehorse, Yukon; Calgary, Alberta; Ottawa, Ontario; and Toronto, Ontario. These municipalities were selected for participation in this research were selected for participation in this research from communities where HART has mapped public land during the first phase of the project. In addition to being previous partners for land mapping, participating municipalities were selected for unique characteristics including different demographics, political climates, and sector engagement.

A total of 47 semi-structured interviews were conducted with 51 participants and each interview lasted between 30 and 60 minutes. Interviews took place from November 2024 to March 2025. The purpose of the interviews was to gain an understanding of key challenges within the development process and the unique housing ecosystem in each municipality, and to ideate potential solutions to those problems. Potential research participants were identified by snowball sampling. Potential research participants were defined as representatives from the municipality (municipal planners, senior developers, etc.) and provincial governments (housing authorities, ministries responsible for housing, etc.), representatives from local Indigenous housing developers or operators, private developers, non-profit developers, and other subject matter experts such as architects, elected officials, or local housing advocates. Participants were included in this research based on the following:

- Experience in the creation of housing on public lands within the selected municipalities.
- Knowledge of the creation of housing on public lands within the selected municipalities.
- Understanding of key barriers to developing housing on public lands within the selected municipalities/regions.

Interview participants included eight from Whitehorse, 12 from Calgary, 16 from Ottawa, 13 from Toronto, and two from a national organization. Participants included 15 municipal representatives, one territorial representative, 23 non-profit developers and advocates, two municipal elected officials, eight private developers, and two national advocacy organization representatives. Of these 51 participants, four participants represented Indigenous-led development organizations. Most interviewees and workshop participants were senior decision-makers in their respective organizations. Interviews were conducted primarily over Zoom and audio recordings of interviews were transcribed for analysis. The data was grouped by municipality and an analysis of each municipality was conducted using line-by-line coding to identify codes and subcodes. Key relationships between codes were identified to determine salient themes and challenges in each municipality. The findings of the interviews were used to inform the agenda of a workshop in each municipality. The purpose of each workshop was to identify solutions that could improve efficiency and affordability of housing developments on public land in the community.<sup>III</sup> Workshop participants were provided a pre-workshop report for each municipality that included local housing information as well as example land parcels that were identified using the HART Land Assessment Tool. The workshops took place in-person in each municipality and lasted approximately seven hours each. The findings from the interviews were used to identify 2-3 key challenges to accessing public land for the development of housing that were explored in each workshop. Facilitated activities asked participants to:

- Identify and agree upon key factors that contribute to each challenge.
- Reach consensus on the greatest barriers through a voting exercise.
- Identify potential solutions for each key barrier.
- Reach consensus on the most viable or impactful solutions.
- Identify potential steps to implement some of the identified solutions.

Consensus was defined as a collective agreement and support, even if a barrier or solution was not an individual's first choice. The implementation plans created in the workshops can be found in <u>Appendix B</u>. There was a total of 55 workshop participants. Some workshop participants were also interview participants, but not all. There were 14 workshop participants in Whitehorse, 16 in Calgary, 13 in Ottawa, and 12 in Toronto. Participants included 19 municipal representatives, five provincial or territorial representatives, 18 non-profit developers and advocates, and 13 private developers. Of these 55 participants, four participants represented Indigenous-led development organizations. The workshops took place from January 2025 to March 2025. The workshops were facilitated by the research team where one person acted as facilitator, one person acted as a scribe to capture participants' input in each activity using flip charts, and the other recorded field notes. The voting process was captured using stickers and photos were taken of all charts for reference and analysis. Participants were also asked to complete an anonymous survey of the effectiveness of the workshop which was administered in-person.



iii Participants were encouraged to focus on local challenges and solutions wherever possible, which is why there are more solutions that are directed at municipal or local actors. That said, many participants still shared frustrations and potential solutions for provincial, territorial, and federal bodies, which are reflected in this report.

# Limitations

While the research team made many efforts to recruit as diverse a range of participants as possible, the findings of the research are greatly influenced by the responsiveness or availability of potential participants and the connections made through snowball sampling.

As a result of the recruitment methods, this research has a focus on municipal or local solutions to the research purpose as many connections were made through the participating municipalities and there was limited provincial and federal representation. There is also a focus on non-market housing solutions due to the considerable representation from the non-market sector. Furthermore, this research does not include a fulsome representation of Indigenous-led organizations in each municipality and there was also minimal representation from the private sector in some municipalities. The differences in representation could be the result of varying sector capacities, capacity for or culture of research participation, and a lack of opportunity for relationship building.

While the research purpose was to identify solutions to increase all forms of housing on public land, there is often a focus on affordable, non-market housing. However, many of the solutions identified address both supply and affordability and both outcomes were discussed, often interchangeably, by participants. Furthermore, there are many discussions around the public engagement process throughout the research findings. While each of our participants also qualifies as a member of the community, residents who were not involved in the housing sector were not consulted in this research.

The findings, challenges, and solutions identified in this report are the result of collective exercises and do not necessarily reflect the specific opinions of individual participants or their respective organizations. Researchers facilitated these discussions and supported participants to express their ideas, but did not supply challenges or solutions, nor did they influence the voting process to identify key barriers and solutions. Participation in this research does not entail a commitment to act upon identified solutions by any party involved.

# **Discussion of Solutions**

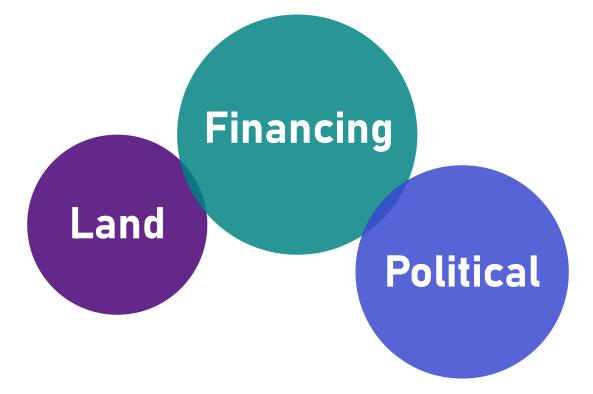
In this section we will review the major themes and solutions that were brought up across all four workshops. This will encompass the solutions agreed upon in each community and the solutions participants discussed in interviews. Over 47 interviews and four workshops, more than 300 potential solutions were discussed. Many challenges (and solutions) are deeply connected; solutions addressing a challenge in one municipality were also relevant for a different barrier in another municipality. The themes we have laid out here encompass most solutions that were discussed; there is also a full list of all solutions as they were written by participants is included in <u>Appendix A</u>. A discussion of the key barriers and specific key solutions identified in each municipality is in the <u>Findings by Municipality</u> section.

# Risk

Ultimately, the largest theme that came out of this process was risk. The enormous financial risk that undertaking development requires of an organization; the risk (if any) that governments are willing to undertake to achieve their housing targets; and the layers of uncertainty that are out of everyone's control.

Risk comes into play for a lot of stakeholders: the developer must take on risk that the project will move forward through a complex process, funders and financers take on risk that the money may not be paid back, and municipalities often take on the risk of supporting projects which may or may not be completed and meet their targets. The challenge is that risk is disproportionately distributed. Participants often expressed that developers were forced to take on more risk, with funders, financers, and municipalities minimizing or even eliminating their risk entirely.

There are three major sources of risk discussed by participants: land, financing, and political.



# Land

Public land, like any privately owned parcel, has a history. Developing housing on that land requires excavation and intervention, which could engender several major challenges.

- Contamination: If the land is contaminated with anything (from previous uses, improper waste disposal, or even leaks in underground infrastructure), remediation is required (costing time and money). Often, developers (and sometimes the public authority that is disposing of the land) are not aware of the presence or extent of barriers like contamination, which could change the fortunes of a housing project dramatically.
- **Infrastructure:** In some communities, the land may not be serviced by core infrastructure (water, sewage, etc.), and responsibility for building and funding that infrastructure is sometimes placed on the developer.
- Encumbrances and poor site conditions: some land parcels have legal requirements attached to them (easements, restrictive covenants, air or subsurface rights, or restrictive zoning), which may impact the ability or cost of developing housing. Furthermore, participants noted that many public land parcels that were offered for development had uneven dimensions and challenging characteristics (e.g. slopes, rocks, and trees). If the land has an existing building on it, there is a costly and time-consuming process to relocate existing uses, demolish, and clear the space.
- Availability: many communities do rounds of competitions for a selection of public land for development. These competitions and their time-limited nature often mean that developers are forced to react instead of proactively plan for developments that suit their long-term organizational strategy. This style of time-sensitive reactive work excludes many non-profits with limited capacity, and makes the proposal stage more expensive for all actors. Furthermore, many participants expressed that the disposition timeline for releasing public land parcels in advance of a Request for Proposal (RFP) is unnecessarily long, usually because the city is checking with every internal department and agency if they need the land first.

#### Creative Land Use

Some communities also use challenging parcels to create public spaces. <u>Toronto's Mead-</u> <u>oway</u> will see an underutilized hydro corridor transformed into a 16km urban park. It will link 7 river systems, 15 parks, and 13 neighbourhoods through pedestrian and cyclist paths while restoring meadow ecosystems and increasing biodiversity.

### Solutions to risk associated with land:

- Shovel-ready parcels before disposal: participants in multiple communities agreed that the public authority disposing of the land should take on more risk when disposing of public land. Many suggested that a parcel should be clear of existing buildings and contamination, and that the parcel is zoned as-of-right for housing and serviced appropriately for the desired density before disposal.<sup>™</sup> When this is not possible, the land vendor should identify potential issues with the land and set reasonable expectations for the proponent (i.e. timelines, costs).
- 2. Transparency of available land: participants suggested that a transparent map of public land and planned use (including existing encumbrances and potential disposal timelines), would allow for greater agility and better developments.<sup>v</sup> Some participants also suggested elected officials should set targets for site disposal annually to maximize the number of homes built.
- 3. **Prioritize housing:** participants noted that governments should prioritize surplus land for housing (i.e. the housing department gets right of first refusal on available parcels), and to seek opportunities to co-develop with other departments and agencies as required (i.e. housing on top of a transit station or a fire department).

#### Co-development of Housing and Amenities There are several examples

of co-development projects in Canada:

Dunn House: Canada's firstever social medicine supportive housing initiative

<u>Champlain Heights:</u> a mixed development incorporating a new firehall and four storeys of affordable housing for women-led families.

Coal Harbour Project: a multi-functional development encompassing an elementary school, childcare centre, out-of-school-care program, and 60 affordable homes in Vancouver's downtown core.

4. Sell challenging land at market price to fund non-market or affordable housing on better sites: some participants flagged that some parcels are simply too challenging to work with or are not suitable for housing, and while many small providers will work to find creative solutions, it may be wiser for the public authority to sell the land and distribute the revenues to support non-market or affordable housing projects on more attractive or viable parcels.

iv It was also noted by participants that municipalities have limited funding, and doing this kind of work to prepare for development would cost money that the community doesn't have. Higher levels of government could provide this kind of funding, or change the way municipalities are financed. To learn more, please see the <u>FCM municipal financing framework campaign</u>.

v HART created maps like this for <u>12 communities across Canada</u> in 2023. These, or similar maps could be built out further to provide additional information that housing stakeholders need.

# Financing

Financing risk encompasses several factors:

- **Changing interest rates:** fluctuating interest rates mean that developers may end up owing more interest than they originally planned and, in some cases, more than they could afford.
- **Reliability of funding:** government funding and financing programs, especially federal programs, often have limited application timeframes and funding limits. This could mean:
  - o Funding is not available when a parcel becomes available for development.
  - o The funding program provides less funding than is needed for a particular development, which is especially relevant for affordable housing.
  - o Funding is competitive, meaning that developers do not know if they will receive funding or not, which could impact their ability to compete for or acquire public land.
- Volatility of private financing: where government funding is not available or sufficient, private financing must fill the gaps. In addition to usually being more expensive debt, private financing is less reliable, harder to access, and lending terms often conflict with government funding requirements.
- **Pre-development funding:** the cost of putting together a proposal for housing development can run in the tens of thousands of dollars. Architects, engineers, and other professional services must be engaged to create a project plan. Most often, developers are asked to take on the risk of developing these proposals which may not be successful in a funding competition or competition for public land. Many developers (especially non-profit organizations) do not have the spare capital to invest in these proposals.

## Solutions to risk associated with financing:

- **1. Fixed rate government financing:** participants expressed a desire for more certainty in government financing, but in one workshop there was overwhelming enthusiasm for a fixed 2% (or less) interest rate for 50 years, available in perpetuity from CMHC, with the program cycling payments back into the fund. Some participants suggested this should be restricted to affordable housing, non-market housing, or developments on public land.
- 2. Long-term funding commitments in consistent, flexible programs: governments and funders have come up with many different housing programs over the last decade, with varying degrees of success. By establishing fewer programs that have unlimited application windows, funders can decrease risks and increase confidence for the development sector. Furthermore, participants noted that these programs should have set parameters that, if met, guarantee funding/financing (instead of the discretionary competition format of most programs).
- **3. Introduce new frameworks to encourage private financing to fund affordable or non-market housing:** participants noted that there are several policies in the United States that dramatically impact funding outcomes for affordable housing projects, including rules for financial institutions, tax incentives to invest in housing development, and expansion of financing models available (including bonds) to finance housing.
- 4. Fund housing through other ministries: a lack of safe and secure housing in Canada results in higher collective costs for many aspects of our society, including healthcare, policing, and the justice system.<sup>5</sup> Other funding streams within government could meaningfully contribute to housing development while still complying with mandates: ministries of health, seniors, ministries related to Indigenous relations and affairs, and even ministries related to public safety and the solicitor general (responsible for corrections), could support housing initiatives.
- **5. Established pre-development funds:** ensure consistent and reliable programs for non-profits to access pre-development funding.
- **6. Standardized agreements:** participants suggested funders should establish standardized agreements that would reduce the time and cost of complicated legal negotiating and establish timelines and expectations for negotiations when they happen.
- 7. Establish mechanisms in which developers can access additional funding under specific market conditions: participants expressed that the volatility of financing and interest rates has resulted in too much risk for the projects with narrow margins in the sector. If governments established programs that unlocked additional financing under specific conditions (e.g. if interest rates rise above a certain percent or cost of supplies exceed a certain threshold), developments could proceed with greater assurance of project feasibility.
- 8. Establish protocols and off-ramps throughout the development process: participants suggested that developers should clearly lay out how they will approach an RFP process, with defined stages where financial positions are evaluated, and where the decision might be made to abandon the project, so as to avoid spending more time and money than is necessary for a project that is unlikely to succeed.

## Policy Examples: Financing Risk

#### **Creative Financing and Taxation Models**

<u>1031 Exchange (United States)</u>: A tax deferral scheme that allows investors to postpone paying capital gains if proceeds are reinvested in similar property.

<u>Affordable Housing Green Bond (European Investment Bank/France)</u>: Purchase of green bonds issued by In'Li, a French developer and property management company, which will finance the development of 800 affordable homes in the Paris Metropolitan region.

<u>Build to Rent Development Tax Incentives (Australia):</u> 4% deduction for capital expenditure incurred during construction and a 15% withholding rate (reduced from 30%).

<u>Charitable Bond Program (Scotland):</u> Provides loans to build new affordable homes, and interest is reinvested into the affordable housing budget by the Scottish Government.

<u>City of Regina's Housing Incentives Program (Canada)</u>: Five year 100% tax exemption available for new affordable rental and ownership housing and new market housing citywide, with priority in certain neighbourhoods, including the City Centre.

<u>Community Bonds (Canada):</u> Program that leverages community bonds through Tapestry Community Capital to support affordable housing development or acquisition.

<u>Deutsche Bank Social Bond:</u> Proceeds of a new €500m social bond issued by the German bank will support a sustainable asset pool, including the development of affordable housing.

Housing Australia's Affordable Housing Bond Aggregator: Australia's national housing agency provides community housing providers low-cost, long-term loans for social and affordable housing.

Housing Bonds Alliance (United Kingdom): UK's leading housing association bond authority, facilitates bond solutions for social housing providers.

Low-Income Housing Tax Credit (United States): Gives state and local agencies \$10 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing for lower-income households.

National Council of State Housing Agencies, NCSHA (United States): State and local governments sell tax-exempt Housing Bonds (Mortgage Revenue Bonds) and use proceeds to finance mortgages for low-income first-time homebuyers and rental apartments.

**SDG Housing Bond (Netherlands):** Program from public lending agency that finances affordable and sustainable social housing using government-secured Housing Bonds.

<u>Special Depreciation for Rental Housing Production (Germany)</u>: Developers can deduct 20% of construction costs from taxes if they build affordable homes.

# **Political**

Participants expressed that the responsibility for developing housing has disproportionately fallen on municipalities, who have the least funding, and are most closely in contact with constituents. Despite federal funding programs like the Housing Accelerator Fund that sought to support more as-of-right zoning and simplified approvals processes, most communities in Canada still negotiate multi-family housing on a site-by-site basis through discretionary policies, council hearings, and public engagement requirements. Political risk outlined by the participants included:

- **Discretionary zoning:** despite community plans outlining targets and endorsement of more dense and diverse housing options, developers must still jump through several administrative hoops, including public engagement and council approval to receive permits, even on land that appears to be zoned for that use.
- Community engagement: it is widely accepted that the current models of community engagement are not representative, nor do they reflect the balance of needs (e.g. an existing neighbour complains of lost parking vs the right of a future neighbour to have a safe and secure place to live).<sup>6</sup> Community engagement requirements in communities across Canada add considerable time and money to the development process, and were identified as a significant barrier in every municipality. Even if the project is ultimately approved, community engagement could reduce the number of total homes, add additional expensive requirements, or even require entirely new designs. Furthermore, in some communities, participants expressed frustration at the lack of clear guidelines of what "successful" or "sufficient" community engagement looked like.
- Political will: participants reported that housing development often requires significant engagement, if not active lobbying, with municipal councillors to approve projects, and approval or rejection of a project by council could appear to be entirely arbitrary. In some communities, this volatility has discouraged developers from doing housing projects in the city. The link of funding and programs to partisan agendas also was noted as a factor for increased uncertainty and risk, as availability or prioritization of housing programs is dependent on changing political priorities.

### Solutions to risk associated with politics:

- Long-term community planning: participants expressed a frustration that despite a desperate and dire need for housing, there is so much resistance and discretionary processes that inhibit housing development. By establishing detailed growth plans and zoning areas for density as-of-right, developers can reduce the cost and uncertainty of projects. Some participants also suggested that housing typologies should also be planned in master-planning stages (e.g. affordable, non-market, family-sized, etc.). These activities can be supported by long-term demographic and socio-economic forecasts.<sup>vi</sup>
- 2. Develop new models of community engagement: several participants across multiple communities suggested that public engagement should be eliminated entirely. Others suggested that engagement should occur during higher-level community planning instead of on a site-by-site basis. Other suggestions included changing the language of community engagement requirements to "informing" instead of "consulting" existing neighbours, and undertaking larger-scale public education campaigns on community needs and benefits to shift perceptions.
- 3. Develop and nourish relationships between developers and community organizations/elected officials: some participants suggested that the sector should take a more proactive approach to community engagement and political approvals by establishing ongoing relationships instead of site-by-site lobbying.
- 4. **Separate housing programs from political cycles:** some participants suggested a "cooling off" period after an election before officials could change housing programs, while others suggested that removing CMHC from partisan governance could ensure that programs are not subject to shifts in political leadership (as political cycles are often shorter than development timelines).

vi HART's HNA Tool includes free, simple population projections for every community in Canada.

### **British Columbia's Proactive Planning Policies:**

Shifting to a more proactive, long-term approach to planning, local governments must identify their housing needs, and then zone for what is needed. From 2025, municipalities in BC will be required to regularly update their Housing Needs Reports and Official Community Plans, and align zoning bylaws to ensure permitted uses and densities are allowed by-right.

#### **Policy Examples: Political Risk**

#### **Creative Approaches to Public Engagement**

**Citizens' Assemblies** (<u>Copenhagen</u>, <u>Paris</u>, <u>Brussels</u>): Randomly selected citizens (representing a diversity of demographics) discuss key issues affecting a city in a facilitated environment, and provide recommendations that are submitted to City Council.

<u>Citizen Juries (Australia)</u>: Randomly selected "mini-public" deliberates an issue over several days, with the goal of working towards a set of clear recommendations that are presented to City Council. Steps are taken to ensure the final jury represents the demographics in a community, the process is facilitated by an independent moderator, and participants have access to expert knowledge.

Citizen Assemblies in British Columbia:

- Burnaby Community Assembly
- Victoria-Saanich Citizens' Assembly
- New Westminster Community Advisory Assembly
- Langley City's Citizens' Assembly

**Expanding Housing Options in Neighbourhoods (EHON) Roundtable (Toronto, ON):** Engagement strategy included a roundtable with individuals representing different backgrounds and equity-deserving groups; lived experience, expertise, and stories of these representatives were incorporated into a list of recommendations for the City to consider in amending zoning by-laws.

<u>BC Housing's Community Acceptance of Non-Market Housing Toolkit (BC):</u> Includes <u>Design</u> <u>Considerations to Gain Community Acceptance Guide</u> with ideas on how to get community input, and a <u>Gaining and Maintaining Community Acceptance Guide</u> with tips for setting boundaries on community feedback.

<u>Civida (Edmonton, Alberta)</u>: Comprehensive report from Edmonton's largest social housing provider, outlines community-wide and project specific strategies for housing providers to develop community support.

<u>NIMBY Toolkit (St. John's)</u>: Toolkit created in partnership with the City of St. John's, CMHC, NL Home Builders' Association, and NL Housing & Homelessness Network, with recommended steps and case studies of successful community engagement for housing developments in Newfoundland.

<u>Habitat for Humanity (Winnipeg, Calgary)</u>: Strategies that the Winnipeg and Calgary chapters undertake to generate community support for new affordable housing development, including sending personalized letters from families that will be able to move into the neighborhood, public meetings with local residents, and door to door canvassing.

# **Complexity of the Municipal Approvals Process**

A major focus of the research findings was municipal process. Many participants expressed frustration with perceived needless bureaucracy, and expressed a desire for the municipality in particular to "get out of the way" of housing development. The complexity and ease of navigating the municipal approvals process varied widely between communities, but there were several barriers and solutions that crossed municipal lines:

- **Priority mandates:** even if a municipality has acknowledged the depth of housing need and mandated their housing department to expedite approvals as quickly as possible, housing development requires the input and approval of multiple municipal departments and agencies (including heritage, water, engineering, etc.). Participants expressed that these other departments and agencies do not always treat a housing development proposal with the same urgency and expediency as the housing department does (see also the process to disburse surplus land).
- Sheer number of requirements and process efficiency: participants expressed incredulity at the number of studies and requirements needed to put shovels in the ground. Participants discussed that the cost of required studies before acquiring a building permit in Toronto could surpass \$1 million. Many participants expressed that in some cases, these requirements became more costly and complex when developing on public land because the municipality can exercise greater control over the type of housing that will be built (e.g. a municipality could demand a percentage of accessible units, or higher standards of sustainability than they would reasonably be able to make on a development on private land). Furthermore, participants across multiple communities suggested that there were too many points of approval within the city, which extended timelines and costs. Participants also expressed frustration with community design panels (which may be made up of professionals in the community, local residents, and/or government officials and staff), who can provide design feedback that the developer must respond to, despite the perceived arbitrary nature of the feedback and the potential increased costs to incorporate the feedback.
- Transparency of municipal process: there was a clear disparity between smaller non-market housing providers and large non-market or private developers when it came to familiarity and comfort with navigating the municipal approvals process. Some participants directly expressed frustration at a perceived lack of transparency of the process, and some of this disparity was observed by the research team through the analysis of interviews with smaller and larger entities.
- Transparency of desired outcomes: when disbursing government-owned land, most public authorities issue an RFP that invites developers to compete for a parcel of land (which may be sold or leased, sometimes at a discount or nominal fee). Participants expressed that the public authority often has a desired outcome for that land but still invite developers to submit (at great cost) a broad range of proposals, some of which may be immediately disqualified. Furthermore, some participants expressed that the RFP process is not always clear and specific about what input is required (e.g. an RFP might suggest that an environmental study must be done but does not indicate if that needs to be done before submitting a proposal, or after the awarding of the parcel). This process increases costs and risks.

## Solutions to the Complex Municipal Approvals Process:

- 1. **Individualized support in the municipality:** Participants in almost every community expressed admiration and support for Calgary's Affordable Housing Priority Stream, which provides a concierge-like service for affordable or non-market housing projects. Participants suggested that developers (especially non-market developers) should be paired with a dedicated municipal staff member who supports them to move through the approvals process, and who follows up with relevant municipal departments and agencies who may be slowing down the process. Participants also suggested that this dedicated staff should be empowered to make decisions that balance municipal requirements.
- 2. **Coordinate approval stages:** participants noted that reviews of certain elements in the municipal approvals process occurred in succession instead of simultaneously. For example, approval from the water department might occur after approval from heritage, whereas if they were concurrent, approvals could be expedited. This could also be addressed through inter-departmental application review meetings.
- 3. Ensure that housing is established as a priority across all municipal departments and agencies: participants expressed a desire for other municipal departments to handle housing files with more urgency and flexibility – by adjusting mandates to ensure that other departments are also measured by the effectiveness and speed of approving housing projects. Participants also suggested that there are certain departmental or panel approvals that should not be required to obtain a building permit (e.g. aesthetic changes).
- 4. **Reduce parcel risk:** as described in the solutions section on risk, participants across the housing eco-system suggested that public authorities should take more responsibility for the conditions of the land by clearing existing buildings and contamination, as well as pre-zoning the site for the desired density as-of-right.



#### Existing Municipal Development Guides for Non-Market Operators

City of Edmonton's Affordable Housing Guidebook: Information manual and general recommendations for affordable housing providers in Edmonton.

Greater London Authority's Affordable Housing Capital Funding Guide (UK): Rules and procedures guide for "investment partners providing housing with funding through the Greater London Authority." Includes section for <u>specialist and supported housing</u> providers.

- 5. Greater transparency in land disposal: participants suggested that the public authority should clearly establish these desired outcomes for public land disposal at the RFP stage so that certain developers can self-select (e.g. if an RFP was released with the clear desired outcome of a 20-30 storey tower, smaller organizations who may only have the capacity to develop up to six storeys could decline to participate in the competition). Participants expressed that agreement terms (especially affordability assumptions) should be released in advance of RFP submission (in addition to what elements are negotiable vs. non-negotiable) so proponents can determine if they are able to meet those requirements. Furthermore, participants flagged that developers should also disclose assumptions made at the application stage (e.g. interest rates, encumbrances, and affordability requirements) to allow the municipality to flag where challenges may arise.
- 6. Pre-qualify developers for public land disbursement: participants suggested that municipalities could de-risk and simplify the RFP process for public land by conducting regular (every 3 years) pre-qualifications of developers based on capacity and expertise (e.g. developers could be pre-qualified for any number of project types: large-scale projects, supportive housing, or modular development). This solution is linked to greater transparency in land disposal, as the RFP process could then be limited to pre-qualified developers in a specific category.

7. **Create municipal guides for approvals:** participants suggested that creating a clear, transparent, step-by-step guide for developers to advance through the municipal process could ensure that developers are better prepared for the requirements and timelines for development. Participants also suggested RFPs should include templates with standard responses and pre-populated assumptions, and a sample pro forma.

- 8. **Standardized building templates:** participants suggested that there should be models that would be considered pre-approved for most projects. The federal government has created a set of standardized building designs, which could be approved at the municipal level as-of-right.<sup>7</sup>
- 9. Work more closely with municipalities: participants suggested that developers of all types (including non-market developers), should engage with the municipality early in the process (i.e. pre-application), and establish clear and regular communication throughout the process. Participants identified this strategy as a way to overcome the perceived complexities and opacity of the municipal process.

# **Encouraging Priority Housing Types**

While Canada is facing a deficit of all types of housing, there is an identified need to prioritize the creation of non-market housing. However, participants identified many challenges to creating non-market housing, including:

- Sector capacity: the strength of the non-profit sector varies widely across municipalities. Whitehorse and Toronto had particularly underdeveloped sectors, whereas Ottawa and Calgary had stronger sectors, bolstered by strong arms-length municipal housing bodies like Ottawa Community Housing and Calgary Housing. Participants noted that non-profits often lacked the skills or resources to move through the approvals process effectively, sometimes erasing the efficiencies gained through municipal improvements. Although some municipalities have a few experienced and large-scale non-profit organizations, most non-profit housing providers are small and relatively inexperienced in development.
- Treatment of non-market housing providers: participants across multiple workshops noted that the approvals process, especially at the municipal level, does not differentiate between non-profit developers and private developers, even though these two types of entities have vastly different access to resources and produce different types of housing. Non-profit and non-market housing providers suggested that because non-profit housing becomes more affordable over time (by not raising rents alongside the market), there should be distinct approvals processes that account for the strengths and weaknesses of the sector, as well as the public benefits of non-market housing.<sup>vii</sup>
- **Funding models do not always reflect diverse housing needs:** several participants noted that many funding programs (at all levels of government) do not include allowances for support workers or services, which precludes many non-market providers from providing supportive housing or deeply affordable housing for the most vulnerable people.
- Restrictive zoning and planning: many participants noted that their community did not allow diverse housing forms city-wide. Despite concerted efforts from the federal government,<sup>8</sup> there are still many communities across Canada that prevent non-market, affordable, or supportive housing models in certain areas.

vii It is important to note that some in the private sector vehemently disagreed with the idea that non-profits should be given more support and opportunities, as they perceived the private sector to be more effective at providing quality affordable housing.

### Solutions to Encouraging Priority Housing Types:

- 1. **Provide dedicated programming, land, and funding to non-market housing providers:** as identified in previous solutions, participants suggested earmarking land for non-market development, creating priority development streams for non-market providers, and providing fixed-rate financing for non-market projects. Some participants also suggested strategies like density bonusing and development charge waivers for non-market housing or public land use.
- 2. **Ensure funding models reflect and account for diverse housing forms:** governments should include a pool of funds that is unlocked for supportive housing projects or applications.
- 3. **Create preferred supplier lists for development:** municipalities can support capacity in the non-profit sector by pre-qualifying and identifying professionals or private sector firms who can adequately support and mentor a non-profit with proposals and/or development in the community.
- 4. Mixed-market development:<sup>viii</sup> in some municipalities, participants flagged that mixed-market developments were not provided with the same funding or support, which may be one of the only ways that small non-market housing providers can meaningfully build knowledge, assets, and expertise. When non-market providers have the capacity to develop larger projects, allowing a mixed-market model means that they can participate in the development sector with more agility (i.e. capital) while also providing deeply affordable units.
- 5. Allow and encourage housing diversity in every neighbourhood: municipalities can ensure that there is a wide range of housing options in every neighbourhood, including a variety of densities, levels of affordability, and including options like supportive and collective housing (i.e. care homes, transition housing).
- 6. **Smaller organizations should establish partnerships in advance of an RFP:** participants flagged that many organizations scramble to react to an RFP when they should be establishing relationships with development partners beforehand.
- 7. Create RFPs for completed buildings, not land: participants noted that due to the underdevelopment of the non-market development sector, municipalities could partner with builders to complete buildings and issue RFPs for non-market housing providers to operate these buildings long-term. Participants also suggested that non-market housing providers could work directly with a builder to complete a building before assuming operations (i.e. do not force housing providers to learn to be developers).
- 8. **Reduce long-term RFP requirements for non-market housing:** participants noted that housing providers may need to redevelop or tangibly change the way an existing building works for the purpose of building more non-market housing, but restrictive RFP timelines can sometimes inhibit their ability to act according to their business needs (or community needs).

viii Note that mixed-market could refer to a single developer (private or non-profit) developing both market housing and affordable housing, or a private/non-profit partnership model.

### Policy Examples: Encouraging Priority Housing Types

### Incentive programs for building family-sized units or purpose-built rentals

Rapid Transit Multi-Residential Rental Housing Incentive Program (Hamilton, Ontario): Outlines incentives (grant of \$50,000 and/or 15 year forgivable loan of \$25,000 per unit) for building seven (or more) new rental units on sites close to rapid transit corridors.

<u>Affordable Rental Housing Community Improvement Plan (Mississauga, Ontario)</u>: Incentive program for private and non-profit developers building affordable and below-market units, including \$60,000-\$130,000 grants per unit and grant to cover cost of building permit fees and/or municipal fees.

<u>Rental Incentives Programs (Vancouver, BC)</u>: Bulletin that provides overview of the City's incentives for building new rental supply, including family-sized units. DCs are fully or partially waived for projects that propose three-bedroom units at or below average market rent.

**Community Housing Incentive Program (Vancouver, BC):** Funded by Empty Homes Tax Revenue, this grant program from the City of Vancouver provides funding to non-profit and co-op housing providers to build affordable housing.

<u>Kamloops Affordable Housing Developers Package</u>: Downtown revitalization tax exemptions for multi-family rental projects in downtown core, up to 100% for ten years. DCs also waived.

**Density Bonusing** (<u>California</u>, <u>Vancouver</u>, <u>North Vancouver</u>): Permits developers to build additional floor area in exchange for amenities and/or affordable housing.

<u>Alliance for Affordable Housing (Germany)</u>: 190 measures announced in 2022 by the federal government to boost construction of new housing, with the goal to build 400,000 units per year (100,000 subsidized through social funding).

<u>Incentives to Provide Rental Housing (Australia)</u>: Property owners who have entered into an agreement with a community housing provider for affordable rentals are eligible for a land tax exemption.

# Construction

Across municipalities, participants flagged that the barriers related to construction costs and global supply chains have resulted in much narrower margins, or even the inviability of housing projects. Participants specifically flagged:

- **Labour shortages:** participants reported that the experienced labour shortage in the construction sector is a major barrier now and may worsen in the future as a sizable portion of the sector will soon be retiring. This barrier was pronounced in more remote communities where there is less competition in the development sector.
- Land value speculation: many municipal participants expressed frustration that there are several
  parcels throughout their communities where building permits have been issued but where the developer is "sitting" on the land in anticipation of land value gains.

### **Solutions to Construction**

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- Innovative construction methods: participants across multiple surveyed jurisdictions placed emphasis on the requirement to invest in innovative construction techniques, specifically modular housing. In addition, there were multiple suggestions to increase labour force through expedited certifications, immigration targets for skilled trades, and greater incentives for skilled trade training in Canada.
- 2. **Encourage construction by limiting land speculation:** participants suggested that higher orders of government could limit capital gains on land speculation or introduce "vacant home tax"-style policies on vacant parcels to encourage building.
- 3. **Streamline the national building code:** by creating a more standardized, simple building code nationwide, developers and housing providers could more easily grow beyond municipal jurisdiction borders with the same knowledge and expertise.
- 4. **Incentivize large-scale development in more rural areas:** in remote communities, participants expressed a desire for the government to incentivize large-scale developers to do business in the area.

# Findings by Municipality

With an understanding of the common themes and solutions identified across municipalities, this section will explore the specific challenges, barriers, and solutions identified throughout the interviews and workshops within each municipality. Although many of the barriers in each municipality were similar, it became clear that there are factors that affect each municipality's perception of these challenges and how they choose to overcome them. Factors including land prices, relationships with the province or territory, risk tolerance, culture, and relative size of the development/non-profit sector were just some of the ways that impacted the process.

The following section outlines the discussions and key takeaways in each community. Please see <u>Appendix A</u> for a complete list of solutions reached in each workshop.

# Whitehorse

**Key Community Traits:** Whitehorse has an estimated population of just over 28,000 people, which has grown significantly in the last decade. Unlike other communities in this study, the Yukon Government plays a more significant role in housing as a major landowner and developer in the region. The non-market housing sector in Whitehorse is small, with only a few relatively new organizations. The largest Indigenous-led developments are done by Kwanlin Dün First Nation.

In Whitehorse, 760 households are in need of one-bedroom homes that costs less that \$1,400 per month.<sup>9</sup> 1 in 4 single mothers are in Core Housing Need. As of 2024, **145 people are** unhoused.<sup>10</sup>

# **Interview Findings**

Development in the City of Whitehorse is situated within a unique context wherein the territorial government, the Government of Yukon, is the primary developer of land throughout the region. The Government of Yukon Land Management Branch and the Yukon Housing Corporation work together to manage, prepare and transfer public land to private and non-profit developers for housing. Primarily, this is done through a transfer of title and other methods such as long-term leases have been infrequently used. The government's role as a developer includes preparing the land for development (environmental analysis, master planning, grading of roads, infrastructure planning, etc.) before transferring the land parcels to private or non-profit developers for the construction of housing.

Interview participants described the impact the Government of Yukon's role has on accessing public land for the purposes of developing housing in Whitehorse, including the perception that it has increased the cost of development (negatively impacting affordability) due to the relationship between private developers and the government, in which proposed budgets for government-managed projects seemed to be inflated. There is also limited competition for project bids due to the relatively small number of developers in the remote region.

Participants also perceived that there was limited engagement from the Government of Yukon with the non-profit development sector to create structured policies and processes to increase access to public land for non-profits. Participants also expressed that the process to attain public land was confusing and difficult to navigate for non-profits and more support was needed. Despite the territory's role in public land management, participants expressed that there is no standard process in place to attain public

land for the purposes of developing housing. Participants felt these factors have resulted in an insufficient response to the region's housing needs and no clear, overall plan to address the emerging housing and affordability crisis. Participants also pointed to the Government of Yukon's tendency to be very risk averse in terms of legal requirements, project partners, perceived community support for projects, and potential criticism.

There were many reported factors that inhibit non-profit organizations from accessing public land for housing development including the inability to compete with private developers on open bids for land parcels. Limited capacity in the non-profit sector to prepare applications within tight timeframes for open bids on land parcels, lack of access to co-operative banks as funders, complicated funding agreements, and difficult communication styles were all noted as barriers.

Given the influential role the territorial government has in public land development in the region, it seems the City of Whitehorse has an underdeveloped role and relationship to developing housing on public land. Participants noted that a key contributing factor to this issue is a historical lack of long-term planning related to housing development in the city.

Participants reported a silo-effect between municipal branches, a lack of standard review process for public land development applications, misaligned or limited long-term plans (Master plans, Official Community Plans (OCPs), Housing Needs Assessments) as key issues at the municipal level. Additionally, there were no existing policies to prioritize affordable housing application reviews or policies to support these applications and applicants.

Specific policies were also noted as inhibitive to development and affordability, including parking quotas, outdated DCs, and multi-unit entrance bylaws. Additionally, participants noted key policies that could lead to improved development processes and affordability including some sort of cost recovery policy for developers who front the cost of infrastructure in under-serviced areas or other incentives for affordable housing projects.

Sprawl and the lack of existing infrastructure for greenfield public land parcels and the lack of adequate infrastructure to support increased density in the downtown area were also flagged as key issues that limit development in the city. Participants expressed that the lack of long-term planning for development has resulted in citizens displaying a high-level of NIMBYism and protectiveness over perceived green spaces in the community that are zoned for development. Participants also expressed a level of distrust between developers and city council due to historical council decisions to not proceed with development projects on appropriately zoned land parcels.

# **Key Challenges:**

Based on the interviews, the challenges selected for discussion in Whitehorse were:

## Increasing access to public land

The limited capacity of non-profits

### **Barriers: Increasing Access to Public Land**

To begin to ideate solutions to the current barriers in accessing public land, workshop participants were first asked to identify the steps an organization would take to find and acquire land from the government for housing development. Of those discussed, the participants identified the following steps as the key barriers throughout the process:

- 1. Council/Political approvals
- 2. NIMBY Activity
- 3. Financing and Funding
- 4. Construction of Infrastructure

**Council/Political approvals and NIMBY Activity:** Political will and NIMBYism, which were deeply connected in this exercise, also became a prominent topic in discussion, as participants discussed that it is often easier to get the land value in cash from the government than it is to get a land parcel for housing because of the pushback. Some participants also shared that, while the OCP calls for more housing or density, the pressure from the community means that political figures in the municipality and the territory were not perceived as reliable proponents or supporters of the density targets within the OCP at the approval stage.

**Construction of Infrastructure:** In general, the participants assumed most parcels would require servicing before development, which is a significant financial barrier. In Whitehorse, there are not a lot of urban brownfield parcels available, and the development approach has focused much more on greenfield sprawl.

**Financing and Funding:** There was frustration from participants about the ways funding is delivered in Whitehorse. Because of the active role of the territorial government, participants noted that there were up to four governments or government agencies who might be stakeholders at any given time, adding complexity and cost to projects. There was also lengthy discussion of the lack of coordination between the multiple levels of government. For example, funding timelines were sometimes directly contradictory to municipal approval timelines, affordability requirements used different measures that did not align, or there were challenging sustainability requirements that drove up the cost, meaning the project no longer met affordability targets. Participants also noted that pre-development funding was far more challenging to access than development funding, which disproportionately impacts the nascent non-market sector.

## Solutions: Increasing Access to Public Land

Participants pointed to several solutions that the municipality could implement with policy and process changes, as well as solutions that could be implemented at the territory to support housing development in Whitehorse. Of the nearly 30 solutions identified, three solutions were identified as the most viable or impactful:

- 1. Territorial requirements on municipalities for land availability/housing supply
- 2. Consolidating municipal approvals (to remove redundancies)
- 3. Focus on infill

Participants directly referenced the model in British Columbia (Bills 43 and 44) during their discussion of territorial requirements. Participants perceived a similar model will alleviate some of the political volatility of site-by-site approvals.

At the municipal level, participants were not supportive of recent models of sprawl and suggested that housing development should be focused on city center sites already serviced by existing infrastructure. The definition of infill was expansive, only limiting the development of some green spaces, but including greenfield, redevelopment of existing buildings, and derelict buildings, for example.

For Construction of Infrastructure, participants only produced two solutions, neither of which were voted as one of the most viable or impactful.

## **Barriers: Limited Capacity of Non-Profits**

In response to the consistent feedback in interviews about the lack of capacity within the nascent non-profit sector, participants were asked to contribute barriers that might make it more difficult for non-profits to participate in the housing eco-system, select the greatest barriers, and then ideate solutions for these barriers and select the most impactful.

The key barriers selected were:

- · Lack of affordable/non-profit designated land
- Navigating bureaucracy and conflicting requirements between governments, external housing bodies
- · Lack of clear and specific process of non-profits
- · Increasing construction costs/labour/supply chain
- Types of funding available

Lack of affordable/non-profit designated land: participants noted that non-profits by nature are different entities than private housing developers; they have less access to capital, staff resources, financing, and in Whitehorse most of the non-profits are relatively new and inexperienced in development. In competitions for public land parcels, non-profits have little ability to compete and felt that designating public land parcels for nonprofit development or operation would improve outcomes.

Navigating bureaucracy and conflicting requirements between governments and external housing bodies: this discussion returned to the funding and financing themes also raised in the previous discussion of accessing public land. There was exasperation over the lack of coordination and understanding of the many stakeholders that may be involved in the process. Participants placed emphasis on legal negotiations and the inflexible nature of funding agreements.

> **Lack of clear and specific process of non-profits:** as discussed, the non-profit sector is much newer and inexperienced than other parts of Canada. Some participants expressed that the process to acquire public land and go through the development and approvals process was not clear or accessible, further diminishing their capacity to meaningfully participate in the housing system in Whitehorse.

**Increasing construction costs/labour/supply chain:** ongoing international supply chain, labour, and construction material costs are a real barrier for all developers, but especially non-profits who may not have established contacts and partnerships in place.

**Types of funding available:** as with discussions about access to public land, participants noted that pre-development funding in particular was a challenge for non-profits, as they do not have the kind of staffing resources to complete RFPs, nor enough operational funding to pay consultants to prepare proposals.

### Solutions: Limited Capacity of Non-Profits

Participants produced dozens of solutions for the selected barriers, and selected five to be the most viable or impactful:

- 1. Designation of land parcels as affordable or non-profit in master planning
- 2. Offering non-profits right of first refusal on public land
- 3. Dedicated funding (perhaps increased funding) for feasibility and design stages for non-profits.
- 4. Bonusing for non-profit/public interest developments.
- 5. Exploring innovating construction technologies, including modular (across the housing ecosystem).

The sentiment of "public land for public good" was a focus for many participants. Participants felt that designated land for non-profits would help enormously to support capacity-building in the sector and affordability for residents, with the key caveat that they are designated in the master planning stage, which allows for longer-term planning and strategizing for non-profits who may wish to compete for these parcels. An alternative, or expansion of this solution, would see non-profits gain the first right of refusal for public parcels before the land is offered to private developers.

A key companion to land access policies is the designation of pre-development funding to support non-profits to build out proposals for these parcels. On top of land access, participants suggested that there should be additional Floor-Space Ratio (FSR), density, or height permitted on non-profit or public interest developments.

There was a strong sentiment that especially in Yukon, where construction labour force and supplies must often be imported into the community (at a cost), more innovative construction techniques, including modular, could be researched and funded to ease the cost pressures of labour and supplies.

## **Barriers: Long-Term Housing Planning**

For the final topic of the day, participants were asked to identify what elements a long-term housing plan should entail, as well as potential ideas of what those plans should be – suggesting specific policies or plans that they would like to see in Whitehorse.

The elements of long-term housing planning that were voted to be the most important for Whitehorse were:

- Considering the full housing continuum
- Managing (responsible) growth
- Planning for non-market supply

**Considering the full housing continuum:** participants noted that while there were concerted efforts to add density to the community, there was less momentum behind planning for the more subsidized end of the housing continuum; specifically supportive housing, transitional housing, and social housing.

**Managing (responsible) growth:** as a result of the exceptional growth in the City of Whitehorse over the course of the last several years, participants expressed frustration at the lack of planning to predict and appropriately house all the new residents.

**Planning for non-market supply:** participants perceived that the city did not plan for non-market supply as a part of its higher-level planning, and the lack of support has meant that especially small non-profits have struggled to acquire land or assets and develop.

## **Policy Solutions: Long-term Housing Planning**

While participants identified multiple policy solutions for planning for the entire housing continuum, the identified key solutions focused on planning for a mix of housing options across the municipality. Key solutions included:

- 1. Planning for higher densities from the outset
- 2. Designating property for non-profit lands and setting unit targets
- 3. Setting requirements and/or targets for non-market housing in every neighbourhood and/or development

Managing (responsible) growth was an area of significant discussion in the group, as there were mixed ideas of how the future of the growth of the city should look. Participants noted that the addition of density has been left out of longer-term planning activities, and that many sites need to be rezoned (adding risk and cost) when they could be prepared in advance of a parcel disbursement.

Similarly to previous topics, participants flagged the importance of treating non-profits differently than private developers by designating land for non-profit development (or redevelopment) and setting targets for how much density should be delivered on those sites, across the city, ensuring there was a mix of both private and non-profit or affordable housing in every neighbourhood.



## Whitehorse Key Takeaways:

There are many factors that contribute to the unique housing eco-system in Whitehorse including the role the territorial government has as a major landowner and developer as well as the dense population centre within a mostly rural territory.

In order to address the key challenge of increasing access to public land, participants suggested there is a need to streamline the municipal approvals process, create territorial requirements on municipal housing targets in order to support decision-makers to approve housing applications, as well as focusing on infill development strategies to utilize existing infrastructure.

Similar solutions of density and housing targets were also suggested for the other identified challenge of the need for long-term housing planning at the municipal level. Solutions to increase the capacity of the non-profit sector focused on supporting longer-term planning and strategizing for non-profits by earmarking land parcels for non-profit use in master planning and offering non-profits the right of first refusal on public land. These solutions also supported the need for long-term housing planning for the municipality. Solutions also focused on increased access to pre-development funding for non-profits and incentive bonusing for non-profit developments.

## Calgary

**Key Community Traits:** Calgary has an estimated population of over 1.7 million people and is one of the fastest growing metropolitan areas in Canada. Both immigration and interprovincial migration have contributed to Calgary's recent population growth and the city's relatively more affordable housing market has made Calgary a desirable choice for many.<sup>11</sup> Calgary has a robust non-market sector including multiple wholly-owned subsidiaries of the municipality, and the majority of the public land in Calgary is municipally owned.<sup>12</sup>

The municipality was a key focus among the interview participants in Calgary, although there were also a few references to provincial land

## **Interview Findings**

In Calgary, almost 80% of Very Low Income households are in Core Housing Need. Over 45,000 households need housing that costs less that \$1,250 per month.<sup>13</sup> As of 2024, 3,121 people are unhoused.<sup>14</sup>

transfers and feedback around complex federal funding requirements and legal agreements. The City of Calgary has implemented unique initiatives to address the growing affordability crisis in the region. These initiatives include the development of a priority stream for affordable housing projects wherein qualifying projects are shepherded through the application and approvals process by an Affordable Housing Customer Coordinator at the municipality. Participants shared support for the priority stream, reporting that the program decreased wait times for city approvals and supported the development process. The success of this program was also highlighted by interviewees and workshop participants in other jurisdictions.

Another housing initiative in Calgary is the Non-Market Housing Land Disposition Program. Through this program, the city sells surplus public land parcels to developers for non-market housing development. Nearly 800 non-market homes are expected to be developed as a result of this program.<sup>15</sup> Although some municipal land parcels have been transferred through long-term leases, the majority of the parcels have been sold at a below market value (10% less than the market value) to a non-market housing developer. Calgary also paired the Housing Accelerator Fund to this program to provide \$75,000 of funding per unit built on the land parcels. Participants also noted pre-development funding from the municipality to support applications and municipal property tax exemptions were also supportive of affordable housing projects and public land projects. Beyond the existing policies and programs, participants noted that infrastructure levy exemptions from the municipality are one potential solution to improve feasibility for affordable and public land developments.

Interview participants offered detailed insights into the successes and challenges the above initiatives have created. While the priority stream was reported to be a success, participants also reported persistent barriers to development at the municipal level including red tape from siloed departments and conflicting policies. Also, some non-profit participants expressed concern for the competition-based land sale program as they felt there are more barriers for smaller non-profits than the large non-profits in Calgary, including barriers to accessing resources and information from the city on development initiatives and requirements, and perceived risk-aversion from the city when engaging with smaller non-profits as development partners. Existing experience and knowledge and early engagement with the city were noted among participants as factors for successful development projects, which contributes to barriers for small non-profits who might not have existing relationships within the city.

Interestingly, some participants felt the 10% reduction of market price for the public land sale program was impactful in terms of affordability where others thought it had a minimal effect on the overall affordability of the project, as land values are lower in Calgary compared to other major Canadian cities. Some participants noted the long-term lease for a nominal fee as a preferred method to reduce costs. Unlike other municipalities, participants did not share the expectation that the city of Calgary could gift land for affordable housing projects (i.e. sell for \$1). Non-market developments are the focus of the land sale program and the priority review stream. Some participants noted that it would be helpful to expand both programs to include mixed-income development projects.

Some participants expressed the need for collaboration and partnerships between non-profits to maximize resources for all development partners. There was a previous campaign in Calgary, <u>RESOLVE</u>, wherein nine social service organizations collectively fundraised to build housing. Some participants expressed a need for similar initiatives to help smaller non-profits acquire assets. Some participants suggested that the city could provide more direction through the land sale program and help facilitate collaboration and pooling of resources to reduce inefficient use of non-profit resources and capacity.

Calgary interview participants also reported an exceptionally high level of NIMBYism and community resistance to affordable housing projects in the region. Although some felt NIMBY attitudes were not unique to Calgary, others pointed to a lack of support for inclusionary zoning in Alberta and an increased housing need due to rapid population growth through immigration as motivating factors for community resistance. Indigenous-led housing organizations expressed concerns that racism could be a contributing factor in community resistance to new housing projects.

Participants also reported that both the public engagement process and existing zoning by-laws and processes currently enable community resistance to impact development projects more than in other communities. Some participants also noted that elected officials have historically been responsive to community resistance and have denied development applications that the development sector felt should have been approved. Some participants shared that these decisions have impacted the private development sectors' willingness to build in Calgary. Municipal participants also noted the effects of community resistance and public engagement processes on city staff. Participants noted high turnover in the development departments and mental health concerns among city staff in general.

Calgary is currently seeking to update zoning bylaws to encourage redevelopment and density. Currently, the municipality does not zone municipal land parcels before sale to a developer, and existing pre-zoned residential areas remain discretionary. Non-profit participants expressed a desire for the city to undergo the zoning process before disposition to reduce the burdens of time and risk on the non-profit.

## **Key Challenges**

Based on the interviews, the most salient challenges in Calgary related to the development on public land were:

## An inefficient zoning and public engagement process

#### Unequal playing field in the non-market sector

As a result, the workshop focused on creating collaboration and increasing non-market sector capacity in Calgary as well as streamlining the zoning and public engagement process for public or affordable housing projects.

#### **Barriers: Inefficient Zoning and Public Engagement Process**

To begin to ideate solutions to the current barriers in the zoning and public engagement process, workshop participants were first asked to identify the steps in the current zoning and public engagement process. Of those discussed, the participants identified the following steps as the key barriers throughout the process:

- Developing budgets and pro formas
- Managing government and community stakeholders
- Resourcing appropriate staff and consultants
- Developing a robust communications strategy

**Developing budgets and pro formas:** participants discussed that a key barrier in the zoning and public engagement process was creating budgets and operations pro formas within the current municipal process. Creating these initial forecasts are a key barrier because of the significant risk and potential challenges presented by public engagement, parcel encumbrances, and municipal approvals. Participants also expressed that ideating development scenarios and creating the pro forma is more complicated for projects on public land parcels because the public authority tends to place more restrictions on the land; participants suggested this should not be the case.

**Managing government and community stakeholders:** workshop participants spoke to a lack of clarity around expectations for the public engagement process and noted early engagement with elected officials as a success factor for projects. The municipality does provide a guide on public engagement but there is no perceived 'definitive' process to satisfy municipal and council requirements for public engagement, this was also noted by interview participants. Participants also spoke to the need to have a fully realized project (a costly task) at the time of a zoning application as many felt the current process integrates the development permit approval process into the zoning application. Participants perceived that every project received a degree of negative community feedback, and because council votes on most development projects, a degree of lobbying activity was required to improve chances that a housing project (no matter what kind of project) would be successful. As noted, even well-developed projects that meet community needs and strategic goals have been rejected to the surprise and dismay of both the developers and municipal staff.

Furthermore, participants spoke to the perceived unrealistic expectations of municipal staff and funders regarding affordability and costs, which required careful and ongoing negotiation. Participants also pointed out that the key stakeholder is ultimately people seeking housing in Calgary and the outcome of providing much needed housing needs to be the focus of the work.

**Resourcing appropriate staff and consultants:** participants noted that development requires several specialized professionals, including architects, engineers, lawyers, and community engagement strategists. Many organizations do not have the resources to have these professionals on staff and must hire them as consultants for each project. Beyond the high cost of this kind of resourcing, not all specialists have the experience to develop certain types of projects, or the familiarity with working with the city. In addition to the challenge of finding these experienced consultants, many participants noted there were not enough qualified professionals for every organization that may wish to participate in a land sale competition, which means that otherwise well-suited housing providers may be unable to effectively participate in a competition.

**Developing a robust communications strategy:** workshop participants described how many projects are not successful in the zoning or public engagement process because of a lack of communications strategy that considers all stakeholders' needs. Participants noted the importance of attaching a narrative to a housing project that appeals to all key players in the community or development process. Furthermore, many pointed to the issue of labelling a project as an 'affordable housing' initiative as detrimental to the public engagement process as affordable housing projects face a higher degree of community resistance than market developments.

#### Solutions: Inefficient Zoning and Public Engagement Process

Workshop participants created nearly 30 solutions to the key barriers they identified. Workshop participants were then asked to identify the most viable and impactful solutions.

Four key solutions were identified to overcome these barriers categorized below by process changes and public outreach:

#### **Process Changes:**

- 1. Remove zoning & engagement process for affordable housing.<sup>ix</sup>
- 2. Create an alternative process to realize zoning when vendor/city divesting of land & funding non-market housing.

Workshop participants proposed a targeted zoning approach for affordable housing rather than changing the entire zoning process. Participants shared that affordable housing projects should be exempt from the zoning and public engagement process to reduce risk and increase feasibility for these projects. It was noted that this is in alignment with the municipality's priority to deliver affordable housing. Participants also suggested that an alternative process should be created to zone public land more efficiently when it is being disposed for non-market housing so the developer does not shoulder the full risk.

#### **Public Outreach:**

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- 3. Shift in public perception of 'affordable housing'.
- 4. Build relationships on an ongoing basis with community associations and other community stakeholders.

Workshop participants identified two main approaches to limit community resistance. First there is a need for long-term educational campaigns to shift public perception of affordable housing and limit community resistance to projects based on assumptions about non-market housing and residents of non-market housing. Furthermore, participants identified the need for a more targeted approach from developers of non-market housing through building ongoing relationships with important community stakeholders like community associations. This solution is intricately linked to the need for early engagement as a success factor in non-market housing projects.

ix It is important to note that a change like this may require provincial legislation and careful consideration of impact on multiple stakeholders.

#### Barriers: Unequal Playing Field in the Non-Market Sector

The next key challenge focused on creating collaboration and increasing capacity in the non-market sector. Workshop participants were first asked to identify the steps in the current process of land identification to acquiring a development permit from a non-market perspective. Of those discussed, the participants identified the following steps as the key barriers throughout the process:

- Negotiating transactional agreements
- Documenting evidence of past successful projects
- Zoning and public engagement
- Preparing a highly competitive application and hiring a team

**Negotiating transactional agreements:** participants noted that legal agreements related to the transfer of land and funding were overly restrictive and complex, and that legal costs to negotiate with the city were unnecessarily cumbersome. Some participants perceived that non-market housing providers were also subject to more restrictive agreements than market providers, making affordable projects even harder to realize.

**Documenting evidence of past successful projects:** within the proposal process, participants identified the need for examples of past successful projects to be a challenge for smaller non-market housing providers who are trying to build capacity. Some participants, however, perceived that there were too many non-profit developers in Calgary already and that the city should not be using resources to encourage more non-profit providers to become developers.

**Zoning and public engagement:** of the municipalities covered in this research, participants in Calgary perceived the community engagement process to be antagonistic, cumbersome, and risky more than any other group. Participants discussed the time and resources needed to undergo an appeals process in Calgary, wherein individuals can appeal the approval of a development permit in their community. Participants shared that the appeals process is especially onerous to the development of non-market housing as some participants perceived that even baseless appeals are accepted by the municipality. Participants once again highlighted the lack of exemptions for non-market housing within in the zoning and public engagement process, noting that non-market and private developments undergo the same process, but non-market developers often have fewer resources and capacity to do so.

**Preparing a highly competitive application and hiring a team:** participants spoke to the effect of competition within the non-market sector for resources, which was highlighted through the preparation of applications for land bids or funding. Some participants shared the need for collaboration over competition and highlighted the inefficient use of resources to prepare individual applications. Knowledge of potential consultants and experts for partnership was also noted as a barrier for some non-market developers.

#### Solutions: Unequal Playing Field in the Non-Market Sector

Participants created nearly 30 solutions to the address the above key barriers, including the following four key solutions:

- 1. Establish a city-run pre-qualification system among non-market players.
- 2. Work with partners who can support application create a recommended list (convene sector to mentor newer agencies).
- 3. Prepare a guide for non-market housing providers (funding, approvals, legal).
- 4. Make public authority take more risk and move away from 'one size fits all' agreements.

In order to increase efficient use of available resources and non-market sector capacity, participants suggested the city create a pre-qualification system to determine which non-market organizations were well suited to upcoming housing projects. Based on target populations, scale, and expertise, non-markets organizations would have a clearer idea of municipal expectations for projects and limit wasted resources on unsuccessful applications.

Participants suggested preparing a recommended list of sector partners (and consultants) in order to support smaller non-market organizations who may not have existing partnerships. The importance of mentorship was also noted and participants suggested that mentorship programs should be created to connect less experienced non-market developers to those with more experience.

To further support less experienced non-market organizations in the development process, participants suggested the municipality create a guide including essential information on funding, the approval process, and legal requirement in the development process. This solution is linked to the conversations throughout the interviews wherein participants shared there is a lack of clear guidelines or targets for successful development projects even though the municipality seemed to have a clear understanding of what is expected from non-market partners.

The need to share risk among the non-market sector and the municipality was identified by participants. Participants specifically suggested increased flexibility from the municipality in terms of agreements and requirements and a shift from a one size fits all approach in order to limit barriers for the non-market sector.

In addition to those already discussed, there were several barriers and solutions discussed that were not directly addressed through the workshop activities. For example, participants shared that there are limitations for mixed-market developments through the current development process at the municipal level and models should be explored to increase feasibility for projects. Participants also noted that the process of identifying surplus public land should prioritize use for affordable housing and the vendor should be responsible for zoning and unencumbering the land before disposition. Lastly, participants spoke to the need for a review of affordability definitions in order to create alignment with non-market targets. Municipal actors in Calgary expressed that there were valid reasons for some of the barriers discussed in the workshop, but that there was not adequate space for the city to 'defend' these policies.

## **Calgary Key Takeaways:**

Rage

Calgary's recent population and housing need increases have inspired some creative solutions within the City, including the framework for the priority housing review stream, which was highly regarded by participants. In order to address the first identified challenge which focused on the zoning and public engagement processes, participants suggested creating exemptions from the zoning and public engagement processes for affordable housing or creating alternative pathways for projects that are developing non-market housing on public land.

There was also a focus on community education and shifting the public perception of affordable housing to further support housing projects. Many solutions were also identified to address the other key challenge for a need to support all non-market developers, including small non-profits.

Solutions focused on building connections within the non-market sector, fostering cross-sectoral partnerships, and creating a pre-qualification system for RFPs. There was also a focus on shifting risk away from non-profit developers by moving away from prescriptive agreements, increasing flexibility, and preparing guides for the non-market sector around the development process.

## Ottawa

**Key Community Traits:** Ottawa is the capital of Canada and has a population of over 1.6 million people.<sup>16</sup> The City of Ottawa has a unique political landscape given its significance to the federal government.

In Ottawa, nearly 7,500 households are in need of housing for four or more people. 30,000 households need housing that costs less than \$1,200 per month.<sup>18</sup> In 2024, there were 2,952 people without housing.<sup>19</sup>

Ottawa also has a significant amount of public land available, the majority of which is federally owned. Ottawa has a robust non-market housing sector including multiple municipal wholly-owned subsidiaries and prominent non-profit housing consultants and advocacy groups. Ottawa also has a higher median income compared to other Canadian cities, largely due to the high number of government jobs.<sup>17</sup>

## **Interview Findings**

Among interview participants in Ottawa, the municipality and the federal government were the focus of discussion with minimal references to the Province of Ontario. The municipality has initiated two main affordable housing programs The municipality has made key changes in recent years to support affordable housing projects including the creation of a Development Review All Wards (DRAW) team which is a team of planners that supports affordable housing projects

across multiple departments and a Strategic Priorities approach that has four which is affordable bousing <sup>20</sup> Both the DRAW team and Strategic Priorities were

areas of focus, one of which is affordable housing.<sup>20</sup> Both the DRAW team and Strategic Priorities were positively regarded by participants, who reported these initiatives as having a positive impact on the development process. However, participants also reported the municipality still faces lengthy delays in the development process and a high-level of siloing between departments. Many participants described good working relationships between the non-market sector and municipal staff. Whereas at the federal level, participants reported the process to obtain federal land as confusing, inefficient and not accessible to the average developer. According to participants, most federal parcels are large enough that complex community planning is required to develop.

Participants described a stratified non-market sector in which large, wholly-owned subsidiaries of the City are the main competitors for resources and have an advantage due to their capacity, number of existing assets and relationship to the City. There are a few larger non-profit developers in Ottawa, but the majority are relatively small with limited capacity and resources. Similarly to Calgary, participants reported that the current model of competition through a standard RFP process is creating an inefficient use of non-market sector resources. Participants expressed a need for sector collaboration and fostering of partnerships between non-market developers to pool resources or determine an agreed upon division of potential projects and resources. The opportunity to partner with other non-market providers was also expressed in order to overcome limited capacity of individual organizations. It is important to note that the private market perspective was not captured through the Ottawa interview sample.

In addition to challenges related to the non-market sector, participants identified an above average amount of government owned land in Ottawa compared to other municipalities. The public land in Ottawa is mostly federal and some municipal. Participants shared that although there is an above average amount of public land available, there are limited parcels that are suitable for the development of housing. Concerns were raised regarding the suitability of identified municipal parcels due to poor location, limited accessibility, unsuitable site shape and elevated levels of contamination. In contrast, participants reported that federal land parcels tend to be large and would require a high number of units to be built, which is often not reflective of the capacity in the non-market sector. Currently, the municipality assesses the suitability of existing land parcels to determine remediations required but is currently determining what role the municipality should play in the remediation before transferring the land to a developer.

## **Key Challenges**

Based on the interviews, the most salient themes in Ottawa related to the development on public land were:

#### **Increasing Non-Market Sector Capacity**

## **Unlocking Challenging Land Parcels**

As a result, the workshop focused around identifying opportunities for collaboration and increasing non-market sector capacity in Ottawa as well as creating pathways to access challenging land parcels in the region.

#### **Barriers: Increasing Non-Market Sector Capacity**

Workshop participants were first asked to identify the steps within an RFP process. Of those discussed, the participants identified the following steps as the key barriers for smaller non-market developers throughout the process:

- Drafting the pro forma and making the "go or no-go decision"
- Forming partnerships
- Resourcing (staff and specialized contractors)
- · Reviewing business plan alignment and financial viability alignment

**Drafting the pro forma and making the "go or no-go decision":** a key barrier that was identified by participants is the ability to decide if a project should move forward and determining the pro forma and feasibility with limited information. Participants shared that even the initial stage of development can be costly to an organization and it is necessary to identify factors that may cause a project to fail. Participants shared that a key reason for this barrier is the limited time often given to applicants for the RFP process, which is typically 90 days. The ability for a non-market organization to accurately assess whether the project can be feasible is often constrained because of the RFP timeline. Often, small non-profits cannot participate in the RFP process solely because of their inability to meet timelines due to limited capacity or experience. Participants also noted that successful applications often require preparations well in advance of an RFP in order for the organization to decide whether a project is a "go or no-go".

**Forming partnerships:** this key barrier is linked to the aforementioned need for organizations to undergo preparations in advance of RFP announcements. Participants shared how it is often not possible to identify project partnerships within the current RFP response timeline and it is necessary to create commitments and agreements among potential project partners in advance. Participants also noted RFPs do not often provide information around what types of partnerships will be considered an asset in project proposals.

**Resourcing (staff and specialized contractors):** mirroring Calgary, a key barrier identified by Ottawa participants was the ability to assemble the expertise needed to undergo a development project. Although some expertise may be available internally, many organizations must seek external consultants and contractors to support a project, especially small non-market providers with limited capacity or experience. Municipal participants relayed in the workshop that it is an asset if applicants provide examples of previous successful projects as this decreases the level of risk in partnering with an organization; but this once again places smaller non-market organizations at a disadvantage. Participants also shared the importance of connecting with a councillor to ensure they are supportive of the proposed project in advance of a council vote.

**Reviewing business plan alignment and financial viability assessment:** participants noted that because land parcels are offered suddenly and on tight timelines, many organizations feel that they must react quickly. As a result, the step of ensuring potential projects are in alignment with an organization's business plan is often forgotten or there is limited capacity to do so. Developer participants expressed a need for clear expectations for the desired outcome of the public land or RFP to support organizations to assess financial viability and business plan alignment. This conversation also highlighted a key trade-off within the RFP process wherein some participants felt that overly prescriptive or standardized RFPs may stifle innovation, whereas others felt that a lack of standardization can increase risk and costs because of vague or confusing requirements.

#### Solutions: Increasing Non-Market Sector Capacity

Participants identified over 30 different solutions to address the key barriers. Participants identified the following key solutions, which are categorized by actions taken by the RFP issuer and actions taken by non-market applicants.

#### **RFP Issuer:**

- 1. Pre-qualify who can respond to an RFP and clarify the vision of the RFP prior to issuance
- 2. Including concept plan and pro forma sample in the RFP

Participants identified the standard RFP process in Ottawa as a contributing factor to inefficiency within the non-market sector and barriers to many organizations. Solutions were offered to improve the process to better support non-market applicants. Similarly to Calgary, participants suggested a pre-qualification process before the RFP issuance that clearly defines the vision for the RFP and who should apply in order to prevent small non-market providers from investing resources in RFPs that will not succeed. Participants further suggested that RFPs should include a concept plan and a sample pro forma to better support applicants and help organizations determine financial feasibility.

#### Non-Market Applicants:

- 3. Develop an RFP response project charter template
- 4. Prepare standard or acceptable responses for common/typical RFP requirements
- 5. Establish partnership parameters in advance of an RFP being issued
- 6. Complete a "bridge the gap" exercise

Participants identified key actions to be taken by non-market developers to increase successful applications and limit wasted resources, including dedicated time and resources in advance of RFP announcements to prepare templates or standard responses for common RFP requirements, as well as developing relationships with potential project partners and creating agreements in preparation for future RFPs. The preparatory work was linked to the need to ensure potential projects and responses to RFPs are in alignment with organizational goals and business plans. Participants also suggested internal "bridge the gap" exercises to assess options to meet financial needs or a proposed project.



#### **Barriers: Unlocking Challenging Land Parcels**

To identify barriers under this challenge, workshop participants were first asked to identify the key challenging characteristics that land parcels can present. Of those discussed, the participants identified the following characteristics as the key barriers:

- · Capacity of existing services
- Isolated/poor location
- Contamination (and extent of contamination)
- Development conditions
- Project marketability

Many of the key barriers related to challenging land parcels concerned the condition of the land. Contamination of public land parcels was identified as a key barrier in both the interviews and the workshop. Often the financial contribution needed for remediation of the land would make a project financially unfeasible for many organizations. Furthermore, many participants flagged that there may be little or no information about contamination or the extent at the RFP stage, introducing significant risk. Timelines for remediation are often uncertain, which can lead to costly delays.

Participants also noted location as a potential challenge, especially when parcels are isolated or hard to access. Location of parcels was noted as especially important for affordable housing projects to ensure the location was suitable for intended tenants. Location is also connected to existing services (e.g. community services, transit), which was also discussed by Whitehorse participants. A lack of capacity of existing services and infrastructure (e.g. water and sewer) to sustain a new housing development was noted by participants as potentially detrimental to a project.

Participants also spoke to development conditions attached to land by the vendor as barriers to making a project viable. Limited flexibility around commitments to affordability levels or housing models attached to the land by the vendor was noted as a key barrier that can make parcels challenging. There are also legal considerations, such as existing restrictive covenants, that can present considerable financial barriers. Participants also noted that many of these barriers can also affect the overall marketability of the project to all stakeholders.

### Solutions: Unlocking Challenging Land Parcels

Of the solutions produced by participants, eight were identified as key solutions, which are categorized by suggested creative approaches when faced with challenging land parcels and suggested responsibilities of land vendors to decrease risk for non-market developers.

#### **Creative Approaches:**

- 1. Develop housing with developer and allow a non-profit to operate.
- 2. For challenging parcels, public authorities should sell the land for another use, give the revenue from the sale to a non-profit.
- 3. Issue RFPs for non-market operators of a completed building.

A key solution participants identified is the potential for collaboration between the non-market and the private development sector to make challenging land parcels more viable through increased capacity and resources to remediate land. Participants also suggested that for surplus land parcels in Ottawa that are unsuitable for housing projects, public authorities should sell parcels and use the revenue to create funding for non-market organizations and future projects. It was also suggested that to overcome challenges related to non-profit capacity, RFPs could be issued to the non-market sector for the operation and management of existing buildings (including buildings where development is contracted by the municipality).

#### Vendor Responsibilities:

- 4. Land vendor should identify, communicate, and either resolve service capacity gaps or allocate funding to increase service capacity with the RFP.
- 5. Land vendors should ensure all entitlements are complete before issuing an RFP (i.e. all remediation, zoning, etc. are completed by the public authority).
- 6. Clear contamination before disposing of a parcel (eliminating risk for the recipient).
- 7. Negotiate requirements that are onerous or not the right fit with the vendor.
- 8. Sell land that is not suitable for housing do not transfer funds for projects that do not meet a minimum standard.

A major theme among the key solutions for unlocking challenging land parcels is connecting more funding or responsibility for remediation to the land vendor in order to decrease risk for non-market partners and increase accessibility to these parcels. Participants noted completing all entitlements, remediation of contamination, identifying service capacity gaps and attaching funding to the RFP as key solutions to removing barriers to accessing challenging land parcels. Participants also noted the importance of negotiation around requirements attached to the land and suggested flexibility on the part of the vendor when possible. A key solution identified also suggested that for challenging parcels (e.g. oddly shaped, overly contaminated, etc.), municipalities could sell the parcel at market value and use those funds to support the purchase of more appropriate land for non-profit housing.

### **Ottawa Key Takeaways:**

Ottawa has a unique opportunity for housing development on public land given the relatively high amount of federal public land parcels. The key challenges in Ottawa related to increasing non-market sector capacity and unlocking challenging land parcels for housing development. Solutions to increase non-market sector capacity focused on actions by both land vendors and non-profit developers. Participants suggested that vendors create a pre-qualification system to identify viable non-market project partners and provide useful templates in RFPs such as concept plan or pro forma. Whereas non-market developers should focus on creating partnerships ahead of RFP issuance and prepare standard responses to RFPs in order to better accommodate quick timelines.

To increase the use of challenging land parcels for housing development, solutions focused on creative approaches such as partnering with developers to bring in expertise or selling the land to create funding to support other non-market projects. Solutions also focused on shifting risk away from the developer by increasing the responsibilities of land vendors. Specifically, it was suggested that the vendor should resolve service capacity gaps or provide funding to do so and ensure all entitlements are complete and unencumber the land before sale.

## Toronto

**Key Characteristics:** Toronto is Canada's largest city with a population of over 7.1 million people.<sup>21</sup> The modern city of Toronto is the result of the amalgamation of five cities in 1998 and the population and geographical size of Toronto is a key aspect of the unique political culture and housing ecosystem in the city.<sup>22</sup> The high cost of living and evolving political climate have contributed to a housing and affordability crisis in the city.

## **Interview Findings**

In Toronto, over 200,000 households are in need of housing that costs less than \$1,700 per month. Nearly 140,000 of those households need housing that costs less than \$1,000 per month.<sup>23</sup> In February 2025, **there were 11,721 people that were accessing shelter services.**<sup>24</sup>

Among interview participants in Toronto, there was a focus on the municipal development process and accessing municipal public land. Compared to the other municipalities, Toronto participants also high-lighted the relationship between the province and the municipality. The City of Toronto has recently adopted a new housing plan which includes increasing public and non-profit ownership of housing.<sup>25</sup> CreateTO is the municipal agency that oversees the management of Toronto's real estate and develops municipally owned lands.<sup>26</sup> Specifically, the Housing Now initiative includes 22 sites on public land that will include mixed income buildings with affordable and market units.<sup>27x</sup> The Housing Now initiative provides municipal land to developers primarily through a 99-year lease for a nominal value.

Within the municipality, the Housing Secretariat supports affordable housing projects through funding, incentives, and management of federal or provincial housing programs.<sup>28</sup> Similar to Ottawa and Calgary, the Housing Secretariat has created a Priority Development Review Stream to streamline affordable housing applications. Participants reported that this stream has been successful in decreasing delays in applications compared to historically long wait times in Toronto.

Participants referenced a history of tension between the municipality, non-profits and the private sector around the question of who is best suited to develop affordable housing and who should access funding to do so. Participants shared that the non-profit development sector in Toronto plays a smaller role in the development of affordable housing compared to other jurisdictions. The municipality only recently shifted towards a model to include non-profits in the development of housing and provide RFPs specific to non-profits. Many participants favoured a mixed-income model of affordable housing development to increase feasibility of projects given the high cost of construction. Some participants suggested that on top of capacity issues in the non-profit sector, there is also a perceived hesitancy to embrace the mixed-income model that has become favoured by the municipality. Some participants also suggested that the recent support of non-profit development has also caused private developers to withdraw from Toronto development. Overall, there were differing opinions among participants over whether a non-profit model or private model produces better affordability outcomes, efficiency in development, and higher housing quality.

Participants reported a costly and onerous process to submit applications that many felt could be made more efficient by standardizing some requirements for all projects. Municipal participants pointed to the challenges and delays faced to fulfill legal requirements of the municipality for housing developments

x It is also important to note that almost none of the planned Housing Now sites have been completed since 2019.

and suggested standardization, but ultimately questioned the possibility of doing so within the existing municipal framework. Some participants reported that the requirements for applications have steadily increased and felt that the process was not always this complex.

Participants also reported a high level of external influences on the success of housing development in Toronto. Participants noted that provincial policy changes often lead to increased uncertainty and confusion within the development process as the municipality addresses necessary changes which can cause further delays and add more "red tape." Participants referenced a high degree of political will in Toronto to build housing but external factors (provincial government, cost of construction, labour shortage) can prevent projects from progressing. Participants discussed how there was an urgent and collaborative response from the municipality and federal government to efficiently use Rapid Housing Initiative (RHI) funding during the COVID-19 pandemic and the need for urgency among all project partners to move current Housing Now projects forward.

## **Key Challenges**

Based on the interviews, the most salient challenges in Toronto related to the development on public land were:

#### **Streamlining the Development Process**

### **Overcoming External Barriers**

As a result, the workshop focused on challenges within municipal government control and those external to municipal control. The first exercises involved reviewing the process of developing housing and identifying key barriers that the city controls.

#### Barriers: Streamlining the development process

- Settle all legal agreements
- Dealing with the feedback from the planning department
- Ongoing feasibility analysis
- Acquisitions due diligence

**Settle all legal agreements:** in both the interviews and the workshop, participants identified the onerous legal agreements and processes the municipality required for all housing developments. Both municipal and developer participants shared that fulfilling or overseeing the legal requirements was a burden on time and capacity within their roles. Developer participants also highlighted the associated costs with fulfilling legal requirements as well as lengthy delays in the process and the effect of these on project feasibility.

**Dealing with the feedback from the planning department:** a key barrier identified in the workshop was the often time consuming and frustrating process of receiving and incorporating feedback into project plans from the planning department at the municipality. There was a strong emphasis on "renegotiation" as a barrier, with developer participants sharing that they felt aspects of project plans, especially design and financing requirements, could be agreed upon and then renegotiated as the project progressed which causes delays an unforeseen cost. Participants also noted that feedback often comes from multiple departments in the city, and it is difficult to predict when all the negotiating process will be complete.

**Ongoing feasibility analysis:** participants highlighted many factors that contributed to uncertainty around project feasibility including unpredictable zoning processes, renegotiations of design, unpredictable financing, and limited upfront financial incentives. Municipal development charges were discussed as a contributing factor to uncertainty; although DCs are deferred for non-profit developments, not all affordable housing projects are exempt. Toronto has offered programs in the past to defer DCs for select mixed-income buildings however not all receive exemptions. Participants also noted that the ongoing feasibility analysis can be particularly challenging for non-profit developments as there is not a profit margin which can allow for flexibility in the pro forma. Participants also noted that often the municipality's expectations around an operating budget were not reflective of non-profit service provision and required a high-level of negotiation.

**Acquisitions due diligence:** participants highlighted the necessary due diligence required to acquire public land as costly and potentially high-risk for developers. It was discussed that many public land parcels in Toronto are contaminated and encumbered and many participants felt that the current development process places the responsibility and risk involved in unencumbering the land on the developer. Participants noted the higher Toronto Green Standard for municipal projects, securing easements and encroachment agreements, and additional considerations associated with heritage sites as particularly challenging.

#### Solutions: Streamlining the Development Process

Participants identified many solutions to the above key barriers, including eight key solutions which are categorized below into financing and efficiency.

#### Financing:

- 1. CMHC fixing a rate at the RFP stage (max. 2% for 50 years).
- 2. Eliminate development charges on all rental housing/publicly owned land.
- 3. Sharing financial models early.
- 4. Establishing clear metrics, hurdle rates and assumptions (i.e. AMR vs MMR).

Participants highlighted the need for consistent and reliable financing and suggested CMHC-backed RFPs offer a fixed rate of 2% for 50 years for the associated financing to allow for improved project feasibility. At the municipal level, participants suggested development charges be waived for all rental housing or housing projects on public land to reduce upfront costs of development, reduce uncertainty, improve financial feasibility and incentivize needed housing types. There were also suggestions to share financial information between the municipality and developers around financial models to create clear metrics for often negotiated factors such as operating budgets. Participants thought that this type of collaboration and information sharing could also lead to innovative partnerships and projects. It was noted that clear metrics should include hurdle rates and assumptions made around affordability in relation to rent and whether Area Median Rent (AMR) or Market Median Rent (MMR) is applicable.

#### Efficiency:

- 5. Transparent posting of all expectations and encumbrances of all city lands available publicly.
- 6. Establishing a leader that is empowered to balance the needs of all city stakeholders in the development process.
- 7. Enhancing the priority development process and expanding priority stream to all city-owned sites.
- 8. Zoning and site plan application (SPA) are reviewed (and approved) concurrently.

To streamline the development process, participants suggested the creation of a liaison or leader to coordinate between stakeholder needs in the development process. The leader should be given decision-making power to balance conflicting requirements and further support efficiency. Participants also suggested that the risk level for the zoning process of public land could be decreased for developers by creating public postings of all expectations and encumbrances of all municipal public land parcels that could be suitable for housing. To further streamline the process, participants suggested that the zoning process and the Site Plan Application review could take place concurrently. Overall, the participants suggested further municipal resources should be dedicated the enhancing the existing Priority Development Review Stream and expanding the qualifying criteria to include all projects on municipal public land.

#### **Barriers: Overcoming External Barriers**

To identify barriers under this challenge, workshop participants were first asked to identify the key external barriers to development i.e. those outside of municipal control. Of those discussed, participants identified the following as key barriers:

- Underfunding, access to capital and interest rate risk.
- Cost of construction.
- NIMBYism and the development application appeal.
- Shifting political priorities.

**Underfunding, access to capital and interest rate risk:** beyond a general lack of adequate and sustainable funding programs, participants identified the lack of access to capital was a key external barrier to the development process and in particular, a lack of provincial and private funding. Participants reported that funding contributed to the uncertainty and risk level in development because many programs are at risk throughout political party changes. Furthermore, current funding programs are not flexible and do not change conditions based on market demands. Changing interest rates are also a key contributor to risk and uncertainty. Discussion included the risk associated with development, which participants perceived to have pushed private investors from construction projects to other business areas.

**Cost of construction:** the negative effect of high construction costs on affordability was highlighted in all four municipalities. However, in Toronto the workshop participants identified the competition for skilled trades as a key barrier that negatively affects project feasibility. Participants also identified a lack of investment in local manufacturing and prefabricated construction models, and other innovative construction models that could balance out increasing construction costs.

**Development application appeals:** similarly to Calgary, Toronto highlighted the third-party appeal process for development applications as a key barrier to the development process. Toronto participants felt that the appeal process enables NIMBYism and contributes to lengthy and costly delays or rejections of housing projects that would be valuable to the neighbourhood.

**Shifting political priorities:** as previously mentioned, participants shared that the much of the existing funding programs are partisan and therefore at risk during political party shifts. In addition, participants identified that even within political parties, at all levels of government, shifting political priorities can also negatively impact housing development and affordability.

#### Solutions: Overcoming External Barriers

Participants identified over 40 solutions to the key barriers, at which point they were asked to identify the key solutions to identified barriers which included creative approaches to improve funding sources to limit the effect of external barriers on the development process.

- 1. Independent (non-partisan) funding and leadership of CMHC.
- 2. Fund housing through a number of other ministries (i.e. health, corrections, seniors).
- 3. Capital gains deferral if reinvested into housing.
- 4. Expand capacity for bond financing for housing.
- 5. Subsidies and favourable tax treatment to incentivize the right kind of housing (PBR, family-sized units).
- 6. Limit/eliminate third-party appeals.

Participants suggested that there is a need for an increased amount of funding, financing, and leadership for the sector from CMHC as they are a non-partisan government agency. This solution relates to the previously proposed solution for CMHC provided financing with fixed interest rates. Participants also suggested diversifying funding sources by identifying other provincial and federal ministries to funnel housing-related funding through, such as various health, corrections, and seniors' ministries. Participants also suggested the potential opportunity to use generational wealth transfer to support housing investment, such as providing the option to defer capital gains through reinvestment into housing. Participants also pointed to the potential to expand bond financing programs to better support housing initiatives and that targeted housing initiatives for key needed housing types such as purpose-built rentals and family-sized units could be encouraged through incentive-based subsidy and tax programs. Lastly, participants also suggested the third-party appeals process through the Ontario Land Tribunal should be limited or eliminated altogether.



## **Toronto Key Takeaways**

Toronto faces unique challenges to addressing housing need and accessing public land for housing development given the sheer population, size of city boundaries, and existing density within the city. The key challenges in Toronto were a need to streamline the municipal approvals process in addition to the priority stream already in place and develop strategies to overcome external barriers that can limit project feasibility.

Solutions to streamline the municipal process had a focus on providing clearer information including sharing financial models, establishing clear metrics for affordable rent expectations, identifying all expectations and encumbrances on all city land parcels. Solutions also focused on increased efficiency through appointing a leader that can represent the needs of all city stakeholders throughout the development process, ensuring the zoning and site plan application can be reviewed concurrently, and enhancing the existing priority review stream to include all projects on public land. To support project viability, participants strongly supported the need for CMHC to provide fixed rate financing at the RFP stage and for the municipality to eliminate development charges on all rental housing or publicly owned land.

Solutions to overcome external barriers identified a need for independent and non-partisan funding and leadership through CMHC, as well as a funding through a number of other ministries that are affected by housing need including health, corrections, or seniors focused ministries. There were also a number of other solutions to creatively address the need for funding that affects project feasibility, including exploring capital gains deferral for reinvestment into housing, expanding the capacity for bond financing, and creating incentives for prioritized types of housing through subsidies or favourable tax treatment.

# **Next Steps**

This research is comprised of hundreds of hours of discussion with dozens of stakeholders who are collectively making decisions about and building housing in four communities in Canada. While it is one of the largest qualitative research projects of housing sector decision-makers, it is by no means a comprehensive nationwide overview, nor a full and complete look into the communities we worked with.

There are several themes that emerged which did not appear to have a solution, and there are also many topics which were never broached in this project. This section will outline these themes, what we did not cover and encourage future research into these topics.



## Leasing vs. Selling

While selling is the most-employed model across Canada, many communities are pursuing leasing as the preferred option.<sup>xi</sup> For the intents and purposes of this report, we will discuss the benefits and drawbacks as described by our participants.

Across the four subject communities in this project, Whitehorse and Calgary almost exclusively used a sale model, Ottawa employed a mixed model, and Toronto was primarily focused on a lease model.

The City of Whitehorse and the Government of Yukon (as the larger landholder) both hold land sales or lotteries. The territorial government sells land at either a) the cost to develop the land or b) the market value,<sup>29</sup> and the municipal government sells land at market value unless otherwise directed.<sup>30</sup> Both governments have a history of selling land for as low as \$1 for the purpose of encouraging housing supply.<sup>31</sup>

In Calgary, participants described city land lotteries where the cost of public land was discounted (normally by 10%). There were examples of land sold for a dollar, but they were the exception, not the rule.

In Ottawa, land owned by the city, the National Capital Commission, and the federal government is disposed via either lease or sale, with many sites sold for as low as \$1 for housing development.

In Toronto, the municipality has shifted to a lease-only policy recently and uses their arms-length body CreateTO to manage the lease and development of municipally owned sites.

xi For more information on long-term land leases, see Amborski (2024).

#### Selling public land:

Participants flagged that municipalities often need to sell land to fund other services and operations. As discussed, municipalities have limited income sources, and real estate divisions within many municipalities have a mandate to deliver revenues that can often internally conflict with housing department mandates to build housing and affordable housing. Furthermore, many housing providers flagged that financing is much easier when the public authority transfers ownership of the land. In contrast, many participants expressed dismay at the practice of selling public land because of a deeply held belief that public land should remain in the public trust. For some, transfer of public land into non-profit, community-driven organizations was considered less troubling.

#### Leasing public land:

Participants expressed support for the model because of the retention of public assets in the public trust, but noted that funding, financing, and legal agreements become more complicated, costly, and time-consuming to negotiate under leasing models. Furthermore, many housing providers expressed that the leasing model presents challenges for refinancing and funding future projects: when a leased parcel with a housing development enters its final 30 years of the lease, participants recounted difficulty borrowing against the asset, presenting barriers to building sector capacity and effective redevelopment of aging buildings.

## **Provincial and Federal Input**

The main point of contact for this research project was through the municipality in each jurisdiction. As a result, there was limited participation from provincial and federal representatives despite an earnest effort to connect with potential participants. Many participants flagged challenges with provincial, territorial, and federal approaches to land disposal, financing, funding, and legal hurdles, but in many cases, these topics could not be fulsomely explored in the workshops without the input from all levels of government concerned. There has been a redoubled focus on municipal actions in recent years. But the important role the provincial, territorial and federal governments play in housing development on public land was made clear by research participants.

This research primarily addresses local and municipally based solutions, highlighting suggested provincial and federal solutions when applicable. However, there is a need for further exploration of the challenges and findings identified from a provincial and federal perspective.

## Indigenous Development

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Participants representing Indigenous-led organizations highlighted unique considerations for Indigenous housing projects. Participants noted the need for internal capacity building and relationship building in order to adequately meet the housing need within First Nations while also efficiently using settlement lands. Participants noted the use of leasing as a model for retaining settlement lands and the hesitancy around long-term leases as a potential barrier. Participants also noted the complex intergovernmental relationships between nations that can affect housing decisions and the limited knowledge settler governments have of this. High levels of community resistance towards Indigenous-led or focused housing projects were also discussed as a unique barrier.

It is important to note that the representation of Indigenous-led organizations in this research is minimal. There is a need for community and relationship building within further research to ensure Indigenous perspectives can be adequately included and the identified barriers from this research can be expanded upon and fully explored.

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# Recommendations

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It is our hope that the findings of this research and the solutions identified throughout the report can be used across all levels of government and a diverse range of stakeholders in the housing ecosystem. Many solutions were identified which targeted various stakeholders and decision-makers and will require varying levels of coordination and further actions to implement. However, given the unique opportunity presented in this research to learn from and engage with Whitehorse, Calgary, Ottawa, and Toronto, it is beneficial to share the overarching learnings and recommendations that can be taken from this work.

Based on the key solutions and common themes among the interviews and workshops, there are four broad recommendations for necessary actions to increase access to public land for the development of housing across Canada:

- 1. Decrease risk for developers, when possible, to curb an increasingly volatile development market and encourage housing development. As discussed, the level of risk that both market and non-market developers must take on is increasingly untenable due to market conditions, many of which are not controllable in the short term. There is an opportunity to incentivize use of public land for prioritized housing types if land vendors can limit risk to encourage the development of non-market or mixed-income housing projects. This report identifies several solutions for decision-makers at every government level.
- 2. Prioritize streamlining of the municipal approvals process for housing development across departments. Most participant municipalities had recently created priority streams for non-market and/or public land housing projects which had positive effects on the review process. However, bureaucratic red tape and siloing between departments persisted and continued to impede the development process. There is a clear need for cross-departmental prioritization of housing to further streamline the approvals process and improve the viability of housing projects. As noted by participants, housing is a major contributing factor to community wellbeing and the prioritization of housing development can strengthen and support other common municipal goals and targets. This is a key recommendation for decision-makers at the municipal level.

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- 3. **Increase capacity and support for the non-market sector.** Given the identified need for non-market housing in Canada,<sup>32</sup> it is clear that further actions are needed to increase capacity in the non-market sector, which has historically faced capacity and resource challenges. Facilitating collaboration within the non-market sector and the private sector, creating pathways for non-market housing in the municipal approvals processes or public engagement processes, and allowing for and adequately funding diverse housing types within individual developments (mixed-market, deep affordability, service provision) as well as every neighbourhood were identified as key actions needed to stimulate non-market growth. This recommendation will require action to be taken at every level of government and by funders.
- 4. Create incentives and disincentives to stimulate construction to overcome high cost and global supply chain challenges. The high cost of construction was identified as a universal challenge that impedes housing development and one that was predicted to only get worse. This research identifies key opportunities to stimulate construction in spite of existing challenges, including the need to increase labour supply and limit land speculation leading to unnecessary vacant land. Creating incentive programs to encourage innovative construction models, increase skilled trades training, and large-scale development in rural areas are potential actions to be taken. The need to introduce disincentive programs or policies to limit land speculation should also be considered. This recommendation requires action to be taken from all levels of government, but particularly at the provincial/territorial and federal levels.

These recommendations capture the broad actions necessary to better use public land to address the severe housing need in Canada as well as improve the overall development process. This report offers detailed solutions for every level of government and key housing stakeholders to begin to act on these recommendations. The methodology used in this research was a successful approach to answering the research questions and purpose and received positive feedback from participants. As such, there is an opportunity to expand upon this research and continue to increase knowledge on public land use in Canada.



# Conclusion

Canada has a meaningful shortage of housing, and an underrepresentation of non-market housing options. Public land, of which there are thousands of hectares nationwide, could be leveraged to produce urgently needed housing. This research identifies a series of systemic and policy barriers that make this housing more difficult and expensive to build, as well as potential solutions that could mitigate or eliminate these barriers. Both barriers and solutions were identified, expanded upon, and selected by stakeholders within the housing eco-system. Although these findings were identified through focused interviews and workshops in four communities, consistent themes were identified across the different communities and geographies.

By addressing key barriers related to risk, municipal processes, encouraging priority housing, and construction, communities across Canada could improve efficiency and affordability of housing on public land. Some solutions require major, coordinated effort from multiple levels of government, whereas some solutions can be implemented simply within individual organizations or departments.

Implementation is possible: there are several examples of identified solutions implemented in other parts of Canada and globally which could inform approaches, and implementation plans were also developed by participants in three workshops. Stakeholders outlined plans that ranged in complexity from simple council motions to major financing reform.

The scope and diversity of identified barriers and solutions explored in this research allow communities of any size and capacity to take tangible steps to improve housing outcomes.

# **Endnotes**

- 1 National Housing Council, 2025.
- 2 International Monetary Fund, 2022.
- 3 Hamann, 2024.
- 4 Government of Canada, 2024a.
- 5 Richard, 2024.
- 6 Brady, 2022; Brey, 2018; Public Affairs Council, 2018; Renovate the Public Hearing, n.d.
- 7 CMHC, n.d.
- 8 Government of Canada, 2024b.
- 9 Housing Assessment Resource Tools, 2023a.
- 10 Yukon Anti-Poverty Coalition 2025.
- 11 McQuillan, 2025.
- 12 Housing Assessment Resource Tools, 2023b.
- 13 Housing Assessment Resource Tools, 2023a.
- 14 Calgary Homeless Foundation, 2024.
- 15 City of Calgary, 2025.
- 16 Statistics Canada, 2025.

- 17 Emes & Eisen, 2023.
- 18 Housing Assessment Resource Tools, 2023a.
- 19 City of Ottawa, 2024.
- 20 City of Ottawa, 2023.
- 21 Statistics Canada, 2025.
- 22 Ontario Ministry of Public and Business Service Delivery, n.d.
- 23 Housing Assessment Resource Tools, 2023a.
- 24 City of Toronto, 2025.
- 25 CreateTO, 2025.
- 26 City of Toronto, n.d.a.
- 27 CreateTO, 2025.
- 28 City of Toronto, n.d.b.
- 29 Government of Yukon, 2025.
- 30 City of Whitehorse, 2022.
- 31 CBC, 2024; Stockton, 2024.
- 32 National Housing Council, 2025.

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# **Appendix A: All solutions**

This appendix contains the transcription of all solutions, as written by participants. Solutions selected as "key solutions" are bolded. Where handwritten words were illegible, asterisks replace the word.

## Whitehorse:

### **Challenge: Council/Political Approval**

- NIMBY/council challenge of infill stronger OCP requirements
- · Prioritize decisions, more efficient infill process
- Leadership and deal with early
- Municipal Act support remove public hearing requirements
- Territorial requirements on municipalities land avail./housing supply
- For sale marketing
- Decide roles who does what?
- Improve communication across depts + governments through timely information sharing
- Streamline the process by removing redundant approval steps
- Consolidate municipal approvals (zoning, OCP, masterplans)
- Add people, resources will shorten process + ensure success

#### **Challenge: Financing/Funding**

- Coordination of funding agencies
- Package of incentives
- Coordinate land & funding
- Cost sharing arrangements
- Doing business case well
- Reasonable pro-forma
- · Cost/benefit of housing development planner
- Attract BIG developers
- Municipal \$ incentives/bonusing
- Focus on Infill
- · Building flexibility into funding agreements to allow for contingencies
- Clarity on requirements + support early in process (working positively with partners)
- ID accessible + shovel-ready land

## **Challenge: Construction of Infrastructure**

- Plan procurement earlier
- New classification rezoning regs vs existing infrastructure
- Challenge: NIMBY Assessment
- Education of needs/benefits
- Broader public approach, gov think bigger
- Eliminate public input points
- Higher level decision to require change

## Challenge: Affordable/non-profit housing designated land

- Zone lands for non-profit affordable housing developers
- Using municipal tools to identify lots/land (Masterplan/OCP?)
- · Collect more data or information on before actually understanding issue
- Funded inclusionary zoning/subdivisions city sets targets for % of affordable housing required with subd.
- Give non-profit affordable housing developer first offer on housing lands
- Transparency of vacant land
- Designate non-profit affordable housing land in master planning
- Public land use dedication to non-profits

### **Challenge: navigating bureaucracy/conflicting requirements**

- More + improve development guidelines & process material
- Development streamlining +permitting overlapping approvals
- Project champion elected official or staff member

### Challenge: non-profits are different from other developers

- Policy review to identify policy gap of opportunities to differentiate non-profits vs for-profit
- Have a dedicated staff at city/YG to support & coordinate approvals for not for profits projects
- Have a person in government to help/coordinate (whats working what isn't meetings)
- Dedicated government navigator in leadership
- · Governments need to help non-profits succeed
- Secondment
- Knowledge-sharing & mentorship between non-profits
- Funding for taxes/operational costs (Help will incentivize applications

## Challenge: Increasing construction costs/labour/supply chain

- Look for opportunities to bundle procurement for services & supplies to gain efficiencies
- Design around cost first
- Ask for more / better communication of building costs
- Explore innovative construction techniques modular housing
- YukonU labour /women in trades program other partners + developers (NVD)

## Challenge: Types of funding available (lack of pre-development funding)

- Funding needs assessment to understand if current available funding is adequate to meet demands
- Dedicated funding for feasibility & design
- · Funding is too specific blocked funds requests flexible funds
- Bonusing for non-profit public interest developments

#### Long term plan: Consider a full housing continuum

- Allow & encourage supportive housing in all neighbourhoods
- Design guidelines
- Stronger development agreements
- Demographic & socio-economic profile & forecast
- Mixing the housing continuum (location & buildings)
- Ensure zoning can accommodate full housing continuum (size, # of bedrooms)
- Creating incentives to encourage a mix of housing types.
- Identify values in the plan that supports full range of housing options and lifestyle
- · Collect data to understand where we are at in housing continuum & sharing data
- Set targets to provide units to meet needs of the entire spectrum of humanity
- ID gaps in continuum & ensure seamless flow through continuum

#### Long term plan: Managing growth (responsible growth)

- Smaller lots
- Understanding O&M inflations of growth patterns
- Focus on how to grow, not if we should
- Growth strategy (where, what kind, how)
- Transportation options (not just cars)
- Planning for higher density from the start
- Build up not out
- Efficient compact design for subdivisions

- Diff. Demand vs need & managing demand (homes, not investments)
- Design underground infrastructure for higher density.

## Long-term plan: Plan for non-market supply

- Land first (and keep it for non-market supply)
- Designate property for non-profit lands w/ unit targets
- Stronger emphasis in municipal plans that identify non-market supply e.g. master plans
- Bring non-mkt developers together to identify who builds where
- Set targets and/or requirements for non-market housing in every neighbourhood and/or development
- Rent caps
- Municipal or gov owned housing (increase)
- Staff housing

## Calgary:

## Challenge: Possible Development Scenarios (budget and operations pro forma)

- Remove zoning & engagement process for affordable housing
- Change zoning process have city do the zoning process
- Understanding site potential, costs, reality. Focus on the task.
- Realistic assessment understanding your strategy
- Understand density/risk

## **Challenge: Managing your councillors**

- Engage with lawmakers that approve parking
- Scale \*\*\* permitted use, time received, If hit parking\*\*\* language
- Free land low interest loans
- Council notice of motion for 40 sites/year or # that hits non-profit capacity
- Build relationships on ongoing basis, community associations etc.
- Creating a 1-1 connection with all councillors, regardless of their position

## **Challenge: Managing stakeholder expectations**

- Remove administration ability to interpret policy
- Socializing land use changes earlier with community members
- Understanding peoples interests and wants to their community
- Identify key stakeholders (1. Clients 2. Funders 3. Community 4. Regulators), understand must-haves:
   1. legally 2. practically. Strategize to meet expectations
- Build stakeholder strategy

## Challenge: appropriately resource your team

- Shift in public perception of 'affordable housing'
- Role change or shared role in evaluating/advocating on city strategy, funding
- There should be alternative process to realize zoning when vendor/city divesting of land & funding non-market housing
- As of right use for public land
- Staff training on dealing with anger, de-escalation; having enough time and ability to support staff

# Challenge: Develop a robust communications strategy with buy-in from all key parties

- Change rules to support housing (affordable)
- · Partnering with community liaison to better understand the community
- · Align non-market providers/developers as single voice
- Iterative feedback loop leads to success
- Understanding your stakeholders don't underestimate the challenge adapt
- Build a campaign

## **Challenge: Zoning and Public Engagement**

- City should take on more risk
- Hire a consultant to make recommendations for land use when the land is released
- Encode residential use in the sale of the land
- Have some sort of clearing house before an appeal goes to the Board
- · Zoning should be vendor responsibility
- Land should be zoned for the purpose

## **Challenge: Prepare a highly competitive application**

- Make sure that all non-profits get a share, and look at how the City cycles through the various groups who are interested in land
- Provide different criteria to reward groups that come together to collaborate
- · Make seed money available to smaller groups
- · Define common agreement terms and language across sites
- Do not provide agreement after land is awarded
- Make sure that language allows for desired uses
- Define affordability especially in a competitive application
- Make the purchaser, non-market only getting preferred status
- Establish a city-run pre-qualification system among non-market players

## Challenge: Hire a team (including a lawyer)

- Have a preferred list of lawyers, architects, engineers that will hit certain criteria, for non-profits to hire from
- Work with partner who can support application recommended list (convene sector to mentor newer agencies)
- Encourage/identify development partners (Non-profits don't need to be builders)
- · Create a list of preferred professionals with the experience working with city approvals

## **Challenge: Document evidence of past successful projects**

- Demonstrate lessons learned, not past successes
- Prepare a guide for non-market housing providers (funding, approvals, legal)
- Develop a guide for non-profits

## **Challenge: Negotiate transactional agreements**

- Government to make funding stackable
- · See Administration initiate existing policies
- Make City take more risk and move away from one size fits all agreements

## **Other solutions**

Align definitions of non-market and affordability

## Ottawa

## **Challenge: Partnerships**

- Draft agreement templates for partnerships/the team teams of collaborators
- Develop relationship & draft letter of understanding/MOU
- Establishing partnerships & model parameters prior to RFP coming out
- Predetermine partnership model
- Longer timelines clarity in RFP on type of partnership (equity vs. Service)
- · Knowing the partnership required to have a successful project
- Pre-established partners, organization readiness assessment, before RFP

## **Challenge: Resourcing/contracting specialized services**

- Prepare standard responses for common/typical RFP requirement
- Template w/ pre-populated assumptions & data
- Resource list of services to contact/draw on (directory?)
- Be RFP ready beforehand org. Readiness assessment

- Have the big brains on standby! (financial + development +operating + revenue
- Assess internal capacity & identify/source external contractors (put together a team)

## **Challenge: Draft pro forma**

- RFP includes concept plan + pro forma sample
- Prescriptions in pro forma competition more structure
- Public body completes due diligence (engineering, environmental, etc) before RFP
- Establishing level of risk we can take on ahead of time, strategy for risk mitigation

## Challenge: go or no-go decision

- Pre-qualifying who can respond to RFP
- Clarity of vision prior to RFP coming out (to be clear if RFP aligns w/ vision)
- Checklist/process for go/no-go decisions to be more objective, facilitated by a neutral party
- Have RFP response project charter template with identified "no-go" off ramps
- · Identify gates, checkpoints before RFP response starts
- Clear decision-making criteria for Go-NoGo decision

## Challenge: Review business plan alignment is not there

- Pre-identify model (ownership, block house)
- Standardized building templates to reduce need to invest in concept planning
- Have ongoing business plan
- Project prioritization

## Challenge: Financial Viability assessment is not working

- Reduce long-term RFP requirements for community housing providers allow future flexibility
- Identify duration of RFP requirements and alignment with long-term organizational direction
- Scenario modelling + analysis
- Know your "basic" model
- Generate ideas to "bridge the financial gap' capital + operating revenues + cost
- Design (value engineering), increase funds (equity, grants, debt), increase income

## **Challenge: Capacity of services is insufficient**

- \$\$ to upgrade services, project to fit constraints, no-go!
- Adjust design to accommodate (flexible design)
- Ensure capacity before land disposal, otherwise a servicing study, followed by the work \$
- Ask for funding to upgrade site servicing, Adjust the project to work within the current site servicing, walk away
- Budgeting for increased services (can be shared) (\$\$\$)
- Needed clarity w/ the RFP (+ can studies be relied upon)
- Provide NP/proponent with capacity of services, allocate funding from the lack of services

## **Challenge: Project marketability is not working**

- Need outstrips supply marketability ultimately will find a dance partner. Timing + collaboration with providers, don't want to compete + may choose to bow out
- Transparent on process to community language matters "consult" vs "inform"
- Develop narrative, leverage positive attributes, marketing campaign
- Building the positive story (proponent)
- Funding partners

## Challenge: Development conditions make project unviable

- Negotiate the requirements that are onerous or not right fit.
- Manage expectations, engage clearly on requirements
- Clarity about negotiable vs non-negotiable in development conditions
- Clarity of conditions & issues (from land granter)
- Entitlements
- Budgeting issues around conditions
- City to respond to site plan etc. With one collaborative voice
- P.A. assist in meeting conditions, assign resources
- RFP completed building (not land)

## Challenge: Isolated/poor quality land

- Offer incentives to make the site attractive
- Allow for solution in RFP or vendor due beforehand
- Appropriate fit of project (intended tenants)
- Consider secondary plan & plan accordingly
- Find another use, give funding/revenue to non-profit for location score should not consider transferring funding that does not meet min. Req.

## **Challenge: Contamination (extent)**

- \$\$ have the site provider offer funding for site cleanup
- Clean before you dispose, or set expectations when you dispose, eliminating risk for proponent
- Timelines must account for remediation
- Land owner remed. Prior to transfer
- Budget must account for contamination
- Legal & financial risk mitigation

## Toronto

## **Challenge: Settling all legal agreements**

- Sharing legal agreement templates
- Standardized agreements & reduced \$ spent = level playing field
- Statutory response timeline for legal negotiations
- Engaging city legal very early on (establish firm deadlines)
- Dedicated legal resources (city dept)
- Leader empowered to balance needs of city stakeholders
- Enhance priority dev. Process for affordable housing

## Challenge: dealing with feedback from the planning department

- Active engagement with city planning, ongoing coordination/collaboration, experienced team/dedicated team
- Open dialogue holding city staff accountable
- · Recurring intra-departmental application review meetings
- Established community engagement strategy
- · Interplay between planning approvals and building permits
- All city-owned sites on the priority stream (shorter approval times)
- Zoning + SPA are reviewed concurrently
- Density dependent (under 12 storeys does not require SPA)
- Early coordination between Toronto building + city planning (standardized + clear guidelines)

## Challenge: ongoing feasibility analysis

- Financing CMHC max 2% 50 year
- Locked in interest rates at time of RFP approval
- CMHC fixing a rate at RFP
- Sharing financial information/model -allowing for opportunity for innovative solutions between public and partnerships.
- Establishing clear metrics, hurdle rates and assumptions (i.e. AMR vs MMR)
- City leases are \$0
- Eliminate DC's on all rental housing
- DC's waived on publicly-owned land as a term of development
- Flexibility on City/CMHC funding contributions based on market conditions
- Program flexibility based on time = length, market dynamics
- City sites are pre-zoned sensibly
- City sites zoned to prioritize smart + usable density
- Reasonable starting parameters re: rents
- Different metrics for supportive housing operating pro forma

## Challenge: acquisitions due diligence

- More thorough review and deeper understanding before interest, transparent with financial model
- Standardized DD package [environment, Geo, city leads, legal templates]
- · City de-risks site by providing comfort to private side
- More information up front
- Entitled land by city
- City de-risk ahead of transaction eg CreateTO
- Transparent posting of all expectations & encumbrances of all city lands available publicly

## Challenge: Interest rate risk

- Lock interest rates early
- 2% low, long fixed rate
- 2% solution
- 2% fixed rate for affordable housing
- Challenge: NIMBYism development application is appealed
- Active & ongoing stakeholder engagement, identify risks regarding community early in the process to establish engagement strategy
- Public education campaign
- On city land, a third-party facilitator to be engaged through the whole process
- Shared sense of responsibility for the housing problem
- No appeals
- Limit 3rd party appeals
- Applications on city-owned land (or providing min % of AH) go to P+H instead of C.C.
- Finding a local project "champion" who is not directly involved in the project

## **Challenge: Underfunding**

- More Provincial funding all 3 levels of government
- Fund housing through a number of government divisions, health, corrections, seniors
- Transparency around the different funding streams
- Provide healthcare funding to housing
- REIT ESG mandate to include affordable housing (pension fund/institutional)
- Direct funding to closed system of mandate driven orgs
- Long-term, generational program providing access to capital funding, despite changes in political parties, with the ability to change the conditions based on market demands

## **Challenge: Shifting Political priorities**

- "Cooling off" period for new governments
- Independence (non-partisan) funding of CMHC
- Transparency/predictability/notice related to funding programs

## **Challenge: Access to capital**

- Gov incentives to private investment in housing
- Expand capacity for bond financing for housing
- Subsidies + favourable tax treatment to incentivize the right kind of housing (PBR + family-sized units)
- Training/ education about development finance
- Capital gains deferral if reinvested into housing (like US 1031 exchange)
- Matchmaking service nonprofit, government, for-profit
- As a federal activity, create a philanthropic wealth transfer, creating a pool of funds serving a social purpose

## **Challenge: Cost of construction**

- Limit gains on land speculation
- More programs similar to vacant home tax to manage profit/inflation
- More skilled trades, training + educ
- Training /internships/apprenticeship, immigration
- More emphasis on skilled trades during high school
- Immigration policy targeted to construction trades
- Expedited certifications for skilled trades
- · Pre-fabricated housing and investment in local manufacturing
- Streamline building code requirements (nationally)
- · Research on innovative building methods
- Innovative construction methods

# **Appendix B: Implementation plans**

As a part of the workshops in Calgary, Ottawa, and Toronto, participants spent part of the day ideating potential strategies to implement some of the key solutions identified throughout the day. There wasn't enough time to complete plans for all identified solutions, and these implementation plans were not discussed and built out with the whole group, but we've included transcriptions of the plans that participants came up with in this section.

## Calgary

## Solution: work with partnering agencies for applications

- 1. Convene/Network w/ Agencies
  - a. Identify who is in the space, what peoples' specialties are.
    - i. Non-profit housing agencies, housing type they need & construction
  - b. Make agency list accessible, includes trades? (How to make living list?)
    - i. How to vet the list? List experience, explore how it can be done. Agency database of people involved
  - c. Conference of Networking Agencies
    - i. Speed-dating at conference to build relationships targeted introductions
  - d. Building Case studies, demonstrate different approaches to challenges
  - e. Enhancing partner Communication
  - f. How can we reward/acknowledge agencies to mentor?
    - i. Housing (Avi/Jayman) blend agencies in with building

## Solution: prepare a guidebook for non-market housing providers

## **Major sections**

- Process flow chart (w/ a corresponding section)
  - o sequence/critical path w/ timeline/steps
- Include a glossary/common terms common definitions –outcomes \$\$\$
- Public engagement (everything it could encompass)
- Statutory& non-statutory documentation
- Partnerships: non-market housing providers/who we are
- Funding
- Team members/roles (incl. Preferred list in appendix)
- Past projects lessons learned

- Appendices
  - o Tools
  - o Forms (Blank & "Successful example")
  - o Key Contacts

## Solution: establish a pre-qualification system

## Convert:

- Enabling council policy to create/already exists / yet to be established
  - o (housing strategy + other polices from council).

## Who:

- <u>City led</u> system build.
- Engage with ecosystem of +/- 80

## Process:

- Establish identifiers (e.g. capacity to operate, developer experience, financial capacity)
- Evaluate mandate / goals / strategic plan
- Analysis of populations to be served.
- Categorize/tier/group (do again in +/- 3yrs)

## Outcome:

- Eliminate cost/time/= slow/costly non-market land sale process
- As sites identified, fast track match-making with pre-qualified partners
  - o Tailored to council priorities or multi-government funding focus (which will change)

## **Considerations:**

- Will require some case/site specific discretion by leaders at city
- Recommend interviews/light submittals to consider.
- Massive resource savings smarter not harder

## **Categories:**

- Scale
  - o Big/Capacity
- Innovation
  - o Team-ups/collaborations
- DEI
  - o Unique populations in need partners
- Not qualified, yet (Honest, keep trying, or team up

## Other: Appeal process

# Solution: remove zoning and public engagement process for affordable housing

- Encode residential as permitted for any land sale
  - o Removing as a risk step for the non-market housing provider

## Solution: shift public perception of "affordable housing"

## Clarify: Affordable housing vs. hard to house [transitional]

- Be more definitive in what is to be accomplished on the site = site selection criteria based on end user
- Communicate what level of affordability is target, as it relates to the offering and the end user

## **Education:**

- Help communities understand how users are supported and are "integrated"
- 'Wrap around needs' clarify how
- Sites address specific user group needs along the continuum

\*By multiple levels: city, developer, other levels of government

## Ottawa

## Solution: Pre-qualify who can respond to RFP and clarify vision prior to RFP

- 1. Set min/max units to site
  - a. At vendor level
- 2. Set minimum levels of affordability
  - a. At vendor level
- 3. Add REOI \*Light\*: proving capacity to do development (3 wks)
  - a. HR
  - b. Experience (org resume)
  - c. Any Equity
  - d. Real Timelines
  - e. Include Project Monitoring Plan
- 4. Include Grading Rubric

## Solution: RFP completed building (not land)

- Public Authority (PA) identifies land
- PA puts project team together
- PA does RFP for operator. Operator becomes part of project team.
  - o PA assumes risk for design/funding/construction
  - o Operator takes risk for operating
- no regulatory changes required
- Council approval needed for authority to dispose/declare surplus; to delegate authority & fund.
- Non-profit sector buy-in needed or same model but initiated by a non-profit provider
- Already being done by newcomer reception/transitional

## **Solution: Entitlements**

- · Input from industry/sector on what entitlements are most onerous
- Due diligence to understand all required entitlements + what work has been done
- To de-risk/unburden/remove or reduce/quantify what will be required
- · Checklist of issues w/ documentation of disclosures
- Compiling all issues as vendor
- · Vendor addresses constraints as much as possible/reasonable
- Vendor prepares development brief on what is expected/possible

## Solution: Negotiate the requirements that are onerous or not right fit/adjustment of timelines

- Gain a clear understanding of the requirements.
- Identify problematic requirements.
- Proponent brings problematic requirements back to authority with concerns. (Provide supporting evidence, solution suggestions, possibilities ahead of meeting)
  - o Reports
  - o Background Info
  - o Timelines
- Determine willingness to negotiate.
- Negotiate, Adjust, Negotiate, Adjust
- Find the Fit or Move on or up the chain of command (M.O; councillor; M.P.)
- Are mutual bottom lines met? GO!

## Solution: Clean before you dispose, or set expectations when you dispose; eliminating risk for recipient [incomplete]

- Disclosure
  - o Obligation
  - o Public Sale
  - o Fix/Define with Costs
  - o Retention \$\$ if purchaser remediates
  - o Letter of Reliance

## Toronto

## Solution: CMHC fixing a rate at RFP (max 2% for 50 years)

- 1. Parliament approves budget allocating \$X over 5 years
- 2. Call treasure + lock budgeted amount at stated 2% interest rate
- 3. CMHC issues commitment letter to each proponent on a first-come first-served basis
  - a. Akin to the RCFI program guidelines

## Solution: Sharing financial information/model - establishing clear metrics, hurdle rates and assumptions (AMR vs MMR)

Who:

• City/Housing Secretariat, CMHC, TCHC, CreateTO, private orgs, non-profit orgs

## What:

## **Housing providers**

- 1. Ask/information gathering from public + non-profit housing providers + private housing providers
  - a. Specific to the housing type that they provide
- 2. Triangulate/research + agree upon assumptions
- 3. Formalize metrics specific to each housing typology
- 4. Create tools to evaluate outcomes (cost/benefit)

## **Funders/policy makers**

- 1. Share goals/desired outcomes
- 2. Share constraints/barriers
- 3. Education program to build capacity for housing providers (training modules, certifications)

## **Outcomes:**

- 1. Shared understanding of realities + mechanisms
- 2. Shared language + assumptions
- 3. Common set of evaluation metrics
- 4. Increased trust/increased value in partnerships

## Solution: Eliminate DCs on all rental housing/publicly owned land Stakeholders:

• Housing Secretariat, mayor's office, CreateTO, City Legal

## Buy in:

- Mayor needs to buy in
- Development community
- Staff at executive level

## What needs to happen:

- 1. Staff report created by Housing Secretariat, community planning, city finance
- 2. Go to (one of) executive/planning & housing/ finance committee
- 3. Go to city council

\$\$ will come from HAF or other grants, other levels of government may need to fund down the line.

# Solution: Transparent posting of all expectations and encumbrances of all city lands available publicly

## **Stakeholders**

- CREM/HDO/HS
- CreateTO
- Legal
- Tech consultants (1. Create 2. Maintain 3. Due Diligence i.e. enviro, planning, etc.)
- City Agencies (TPA, TPC, TPS, Transit, TCM...)
- Funding Partners

## **Buy-Ins**

- Council
- City Divisions/Agencies

## Tasks:

Pre: business case + budget allocation = staff report

- 1. Council authority
- 2. Outcome 1: Database (categorized/weighted)
  - a. Zoning
  - b. Environmental
  - c. Legal
  - d. Land Value/Appraisals
  - e. Utilities Toronto Water

## 3. Outcome 2: Planning Opinion Letter + Base pro forma

- a. Viability/feasibility
- b. Goal toward maximum density
- c. Demonstrates support

## 4. Outcome 3: Define the community benefits targets

- 5. Maintenance
  - a. Revised/updated
  - b. Available to public
  - c. Link to RFP pipeline

(2-4 mandated for the site)

# Solution: Leader empowered to balance needs of city stakeholders: – enhance priority development process for affordable housing, all city-owned sites are on the priority stream

## Stakeholders:

- PDRS (Priority development review) Dev Review
- Toronto Building

## **Buy-in:**

• Council, City Divisions

## Outcome:

- Expand division to include Toronto Building/other partners
- Include all city sites on priority list.

## Solution: no appeals/limit 3rd party appeals

- 1. Province amends the Planning Act
- 2. Set criteria for eligibility: 30% affordable units based on the local definition
- 3. Ministry of housing responsible for drafting the bill.

## Appendix C: Existing Solutions in Canada and Internationally

## Public engagement approaches to limit NIMBY attitudes

## Citizen Assemblies (Copenhagen, Paris, Brussels):

Randomly selected citizens (representing a diversity of demographics) discuss key issues affecting a city in a facilitated environment, and provide recommendations that are submitted to the City Council and responded to by the Council publicly.

#### Citizen Juries (Australia):

Randomly selected "mini-public" deliberates an issue over several days, with the goal of working towards a set of clear recommendations that are presented to a municipal council. Steps are taken to ensure the final jury represents the demographics in a community, the process is facilitated by an independent moderator, and participants have access to expert knowledge. Specific example: <u>Melbourne's People's Panel</u>.

#### **Citizen Assemblies in British Columbia:**

- Burnaby Community Assembly
- Victoria-Saanich Citizens' Assembly
- <u>New Westminster Community Advisory Assembly</u>
- Langley City's Citizens' Assembly

#### Finland:

Representative interest groups are involved in consensus-building about urban development, but Finnish legal structure gives urban planners a political mandate in planning.

#### Expanding Housing Options in Neighbourhoods (EHON) Roundtable (Toronto, ON):

City initiative to increase Missing Middle housing by permitting multiplexes citywide. Engagement strategy included a roundtable with individuals representing different backgrounds and equity-deserving groups; lived experience, expertise, and stories of these representatives were incorporated into a list of recommendations for the City to consider in amending zoning by-laws. By-law amendment to allow multiplexes was passed.

#### Public engagement by non-market housing providers in advance of project proposals:

- <u>BC Housing's Community Acceptance of Non-Market Housing Toolkit (BC):</u> Includes <u>Design Considerations to Gain Community Acceptance Guide</u> with ideas on how to get community input, and a <u>Gaining and Maintaining Community Acceptance Guide</u> with tips for setting boundaries on community feedback.
- <u>Civida (Edmonton, Alberta)</u>: Comprehensive report from Edmonton's largest social housing provider, outlines community-wide and project specific strategies for housing providers to develop community support. Key steps: 1) Educate and inform early, 2) Engage early, 3) Mobilize community leaders, and 4) Avoid the term NIMBY.

- <u>NIMBY Toolkit (St. John's)</u>: Toolkit created in partnership with the City of St. John's, CMHC, NL Home Builders' Association, and NL Housing & Homelessness Network, with recommended steps and case studies of successful community engagement for housing developments in Newfoundland.
- <u>Habitat for Humanity (Winnipeg, Calgary)</u>: CBC article outlining strategies that the Winnipeg and Calgary chapters undertake to generate community support for new affordable housing development, including sending personalized letters from families that will be able to move into the neighborhood, public meetings with local residents, and door to door canvassing.

## Existing municipal development guides/resources for non-market operators

<u>City of Edmonton's Affordable Housing Guidebook:</u> Information manual and general recommendations for affordable housing providers in Edmonton.

<u>Greater London Authority's Affordable Housing Capital Funding Guide (UK)</u>: rules and procedures guide for "investment partners providing housing with funding through the Greater London Authority." <u>Includes section for specialist and supported housing providers</u>.

## Creative use of public land that is unsuitable for housing

**The Meadoway (Toronto, ON):** Underutilized hydro corridor that is being transformed into a 16km urban park running from downtown Toronto to Scarborough. Will link 7 river systems, 15 parks, and 13 neighbourhoods through pedestrian and cyclist paths while restoring meadow ecosystems and increasing biodiversity. In progress.

**Renewable Energy (i.e. Solar Farms, Wind power, Water power):** Discussion is emerging on how public land can be used for the renewable energy industry.

- Ontario: <u>Renewable Energy on Crown land policy</u>.
- British Columbia: Directory of BC resources on Crown land use for clean energy projects.
- United States: <u>Environmental Protection Agency's RE-Powering America's Land Initiative</u> has identified 43 million acres in the U.S. for solar, wind, and geothermal projects. <u>Further information</u> on steps taken to increase renewable energy development on public land.
- United Kingdom: <u>Planning for solar farms</u>.

## Taxation models to encourage investment in housing construction

- <u>Low-Income Housing Tax Credit (United States)</u>: Gives state and local agencies \$10 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing for lower-income households.
  - o Limit: <u>LIHTC is time limited</u>, many units switch to renting at market rate after 15 year compliance period.
- <u>Build to Rent Development Tax Incentives (Australia)</u>: Owner of a Build to Rent development can claim 4% deduction for capital expenditure incurred during construction and a 15% withholding rate (reduced from 30%). Began in July 2024, analysis of the benefits and pitfalls of Built to Rent schemes available <u>here</u>.

- <u>GST/HST Rebate for PBR (Canada)</u>: Federal government provides 100% rebate on GST for eligible PBR properties. Ontario, Nova Scotia, and Newfoundland also offer a 100% rebate of provincial portion of HST. Program began May 2024.
- <u>City of Regina's Housing Incentives Program (Canada)</u>: Five year 100% tax exemption available for new affordable rental and ownership housing and new market housing citywide, with priority in certain neighbourhoods, including the City Centre.
- <u>Special Depreciation for Rental Housing Production (Germany)</u>: Developers can deduct 20% of construction costs from taxes if they build affordable homes.

## Successful initiatives for infill development or densification on encumbered land

**Brownfield Infill Development Projects (United States):** Environmental Protection Agency's overview of brownfield development projects. Under "National Award for Smart Growth Achievement" is a list of award-winning municipal regeneration initiatives on previously contaminated sites, many of which involve affordable housing. A key project:

- <u>Atlanta Beltline</u>: Former railway corridor around the city of Atlanta with high levels of contamination. Following brownfield remediation and clean up efforts, the Beltline now includes an extensive network of city parks and trails, economic and commercial opportunities, recreation, rapid transit, and <u>affordable housing options</u>. The Beltline has a goal of <u>creating or preserving 5,600 affordable homes</u> by 2030 (30% of area median income). Report on 2024 key housing milestones available <u>here</u>.
- <u>Trans Bay, Mission Bay, and Hunterspoint Shipyard in San Francisco:</u> Former brownfield sites with affordable housing, article identifies considerations undertaken and barriers at these sites.

**Brownfield Infill Development Projects (United Kingdom):** Provides overview of brownfield infill development policy in the UK, and national government attempts to encourage it. Example project:

<u>London's Meridian Water</u>: Enfield Council's 25-year regeneration project of former brownfield/industrial site in North London, which will provide 10,000 homes alongside transit expansion and employment, commercial, and community spaces. <u>Meridian One</u> development includes 50% affordable housing units (25% Council homes, 25% 'intermediate' homes under Shared Ownership model) and 50% private homes for sale or rent.

#### **Brownfield Infill Initiatives (Canada):**

- <u>Hamilton's Environmental Remediation and Site Enhancement Community Improvement Plan:</u> Provides tax increment-based grants for the costs of remediating environmental contamination on brownfield sites. Since 2001, this has led to the development of 3,300 residential units. In 2023, a new grant of up to \$200,000 was <u>added to support environmental remediation for non-profit affordable</u> <u>housing</u>.
- <u>Gatineau, Quebec</u>: Former brownfield site on Ottawa River being transformed into an integrated residential, retail, commercial, and recreational space. Will include 2,100 housing units, including at least 244 affordable units. Further information available <u>here</u>.
- <u>New Glasgow, Nova Scotia</u>: Town Action Plan includes pursuing partnerships for brownfield redevelopment, receiving money through HAF to support the plan.

**Helsinki, Amsterdam, Copenhagen:** Article provides overview of large housing developments moving forward in these three cities, which will be built on former brownfield sites.

- Nordhavn (Copenhagen): One of Europe's largest development projects, this formal industrial port will have 40,000 residents by the late 2050s.
- Helsinki: Jätkäsaari will have homes for 18,000 residents by 2030, Kalasatama will house 25,000 residents by 2040.
- Amsterdam: homes for 25,000 residents by 2040 in Zeeburgereiland development.

## Incentive programs for building family-sized units or purpose-built rentals

**Rapid Transit Multi-Residential Rental Housing Incentive Program (Hamilton, Ontario):** Outlines incentives (grant of \$50,000 and/or 15 year forgivable loan of \$25,000 per unit) for building 7 (or more) new rental units on sites close to rapid transit corridors.

Affordable Rental Housing Community Improvement Plan (Mississauga, Ontario): Overview of City's incentive program for private and non-profit developers building affordable and below-market units, including \$60,000-\$130,000 grants per unit and grant to cover cost of building permit fees and/or municipal fees.

**Rental Incentives Programs (Vancouver, BC):** Bulletin that provides overview of the City's incentives for building new rental supply, including family-sized units. Development Cost Levies (DCLs) are fully or partially waived for projects that propose 3 bedroom units at or below average market rent.

• <u>Community Housing Incentive Program (Vancouver, BC)</u>: Funded by Empty Homes Tax Revenue, this grant program from the City of Vancouver provides funding to non-profit and co-op housing providers to build affordable housing.

**Kamloops Affordable Housing Developers Package:** Downtown revitalization tax exemptions for multi-family rental projects in downtown core, up to 100% for 10 years (pg. 12). Development Cost Charges also waived. <u>Approved new 10 year tax exemption in November 2024</u>.

**Density Bonusing (US, Canada):** Permits developers to build additional floor area in exchange for amenities and/or affordable housing.

- Canada: Used in many cities in British Columbia (Vancouver, North Vancouver), Province <u>updated</u> legislation on density bonuses in 2024.
- US: California's Density Bonus Law.

<u>Alliance for Affordable Housing (Germany)</u>: 190 measures announced in 2022 by the federal government to boost construction of new housing in Germany, with goal to build 400,000 units per year (100,000 subsidized through social funding). Created a dedicated Ministry of Construction.

**Incentives to Provide Rental Housing (Australia):** Property owners who have entered into an agreement with a community housing provider for affordable rentals are eligible for a land tax exemption.

**Housing Finance and Development Centre of Finland (Finland):** "Grants subsidies and interest subsidy loans for social rental housing construction." Requirements for funding include units remaining as rentals. <u>The Centre also provides guarantees to fund housing construction</u>.

## Programs for bond financing for housing

**Tapestry Community Capital (Canada):** Projects page provides overview of affordable housing projects across Canada that have leveraged community bonds through Tapestry.

**Housing Bonds Alliance (United Kingdom):** UK's leading housing association bond authority, facilitates bond solutions for social housing providers.

<u>Charitable Bond Program (Scotland)</u>: Provides loans to landlords to build new affordable homes, interest is reinvested by the Scottish Government into the affordable housing budget. More information on the program's history <u>here</u>.

Housing Australia's Affordable Housing Bond Aggregator: Australia's national housing agency provides community housing providers low-cost long-term loans for social and affordable housing.

**SDG Housing Bond (Netherlands):** Dutch local government funding agency/bond bank that uses proceeds of SDG Housing Bond to finance affordable and sustainable social housing.

<u>Affordable Housing Green Bond (European Investment Bank/France)</u>: Overview of purchase of green bonds issued by In'Li, a French developer and property management company, which will finance the development of 800 affordable homes in the Paris Metropolitan region.

**Deutsche Bank Social Bond:** Proceeds of a new €500m social bond issued by the European bank will support a sustainable asset pool, including the development of affordable housing.

**National Council of State Housing Agencies, NCSHA (United States):** State and local governments sell tax-exempt Housing Bonds (Mortgage Revenue Bonds) and use proceeds to finance mortgages for lower income first-time homebuyers and lower income rental apartments.

# Examples of public and private partnerships or public and non-market partnerships for affordable housing.

**San Francisco's Public Land for Housing (United States):** Program that has identified city-owned sites to build affordable housing through public-private partnerships according to the City's development guidelines that ensure public benefit. Development on the Balboa Reservoir site is a partnership between an REIT and three non-market housing providers that will build 1,100 homes (40% of units will have 2+ bedrooms, 550 below market rate units for low and moderate income families). Launched in 2014, first development about to start construction.

**Hamburg Housing Alliance (Germany):** Signed in 2011 with goal to increase housing supply by 6,000 units. Private landlords agreed to build 3500 units and non-profits/municipal housing authorities agreed to build 1900 units. All projects needed to have 30% below market rental units for low and middle income earners. City agreed to make municipal land available for construction and to buy land when necessary. Agreement renewed and increased to 10,000 units in 2016. Further info on page 101-102.

**Berlin's Alliance for Housing Construction (Germany):** Agreement between the City of Berlin, organization of public utility landlords, and organization of private landlords to construct 10,000 housing units by 2025. Similar to Hamburg Housing Alliance, where municipal land is made available. Further info on page 102-103.

<u>Vienna Land Procurement and Urban Renewal Fund (Austria)</u>: Founded in 1984, this fund was designed for non-profit housing developers building state-funded flats. It purchases and reserves land in the city for social housing. Today, it is a successful land bank available to for-profit and non-profit housing providers, and operates in accordance with Vienna's Strategic Metropolitan Plan to meet evolving housing needs.

**New South Wales Communities Plus Program (Australia):** Partnership between the state government, private housing sector, and non-profit/community housing sector to develop or renovate 23,000 social housing units, 500 affordable units, and 40,000 private units, with target mix of 70% private and affordable, and 30% social housing. Involves leveraging public land sites managed by New South Wales' Land and Housing Corporation. There is <u>some criticism of the success of Communities Plus at creating affordable housing</u>.

**Fraserview Housing Co-op (Vancouver, Canada):** Land owned by City of Vancouver, provided 99 year leases on four sites to the Community Land Trust Foundation. Foundation worked with co-op and non-profit housing providers to develop 278 units for moderate to low income families and individuals.

**HOME Investment Partnerships Program (United States):** Provides grants to state and localities, often in partnership with nonprofit groups, to fund a wide range of activities to support affordable housing (building, buying and/or rehabilitating).

# Creative affordable housing programs or public land use outside of Canada (UK, Australia, New Zealand, etc.)

Atlanta Urban Development Corporation (Atlanta, United States): Starting in 2021, City of Atlanta inventoried all publicly owned land and launched the AUD Corporation to attract private financing and expertise for housing. Result: 40 public land projects are in development, with 10,000 affordable housing units either finished or under construction.

**Land for Housing Programme (New Zealand):** Acquires vacant or under-utilised Crown (and private) land suitable for housing. Majority of land development opportunities include partnerships with Māori (iwi) to ensure treaty settlement commitments. Announced in July 2024.

<u>Crown land housing projects (New South Wales, Australia)</u>: NSW Government is working with local councils and Local Aboriginal Land Councils to identify up to 8 Crown land sites across the state to develop a mix of social, affordable and market housing. Part of <u>Crown Lands 2031 State Strategic Plan</u>, established in June 2021.

**<u>Cooperative Housing (Barcelona, Spain)</u>**: City initiative where the municipal government gives plots of public land to cooperative housing organizations on a 75 year lease, while simultaneously supporting them with loans from the Catalan Institute of Finance, a public bank. Result is housing co-operatives for families like <u>La Chalmeta</u>.

**Île-de-France Public Property Establishment (France):** France's public land banker, which buys up undeveloped brownfield or greenfield and re-sells for housing development purposes.

**Socially Just Land Use Policy (Munich, Germany):** Favours rental development when offering public land, including housing co-ops and other forms of social housing.

<u>"Home Town Helsinki" (Finland)</u>: Helsinki's affordable housing policy, which includes public land. The City owns 70% of its land, and "Hitas" developments (units that have prices regulated by the city) are the only form of housing that can be built on municipal public land. Housing sold on city-owned land is traded by company share, but title remains with the city.







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