

Journey to a Community Housing Land Trust in York Region

Demonstrations Initiative



Culminating Report • July 2023



A Program by Blue Door

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Acknowledgements

The *Journey to a Community Housing Land Trust in York Region* Demonstrations Initiative is led by Blue Door Support Services in partnership with SHS Consulting, Community Affordable Housing Solutions (CAHS) Land Trust, and Robins Appleby.

Demonstrations Team

The following team members undertook the day-to-day work of this initiative.

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Advisory Committee members provided strategic advice and subject matter expertise over the course of this initiative.

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Introduction

About the Demonstrations Initiative

We're on a mission to bring a new vehicle for affordable housing development to York Region.

In 2022, Blue Door received funding under the National Housing Strategy Demonstrations Initiative to work with SHS Consulting and Community Affordable Housing Solutions (CAHS), a Toronto-based land trust, to explore opportunities to bring the land trust model to York Region.

After exploring different pathways, the team decided to embark on a mission for Blue Door to initiate the incorporation of **a new York Region-focused land trust**, applying lessons learned from CAHS.

The Housing for All Land Trust will bring together resources, expertise, and capital to unlock and preserve affordable housing in York Region.

This report provides an overview of the **need and opportunity**, the **proposed land trust**, and the **roadmap** for implementation.



The Need and Opportunity

Overview

This section provides an overview of the need and opportunity for a new community land trust for York Region. Through this research, we explored the **context and strategic fit** for a land trust in York Region. We learned from the experiences of the CAHS land trust to help determine the suitability of a land trust model in York Region. We conducted additional York-Region-specific research to identify critical gaps in the housing system in York.

This initial research supported the development of an initial pipeline of opportunities for the land trust in York Region, including potential funding, partners, land, and projects for the land trust.

A Need to Accelerate Affordable Housing in York Region

The demand for rental housing in York Region has never been higher.

Affordable rental housing is scarce in York Region, where a majority of homes are single-detached ownership accommodations. Finding an affordable place to rent is a challenge for some of the most vulnerable populations—especially those who visit Blue Door’s shelters and access our support services.

There are several demographic groups that are not well-served by the existing housing stock on offer. These people can include youth, women and children, and people with disabilities. Exacerbating these challenges is a bottleneck when it comes to accessing emergency housing in times of crisis.

Demand for rental housing is projected to increase.

Rental housing demand in York Region is projected to reach 82,600 households and represent 22% of total housing by 2051. Purpose-built rental housing development will need to be approximately seven times greater over the next three decades compared to the last decade to meet the growing demand.

There are several challenges related to developing and operating non-profit housing in Ontario.

Despite its geographic reach, there is a small number of service providers in York Region, carrying the weight of supporting those experiencing homelessness or housing challenges. Among these non-profit community-based organizations, it is becoming more and more difficult to expand their reach by increasing the size of their housing portfolios.

- Leasing space from private landlords is becoming increasingly unaffordable.
- With increasing housing costs, it is also becoming more difficult for non-profit organizations to compete with the private market to acquire properties to develop housing.

There is a need for an alternative approach to deliver more housing for people in York Region.

There is a desire to drive change to create more housing—this could include an approach to foster deeper collaboration across the sector to deliver affordable housing more efficiently. There is a need to offer support to housing operators in the region, especially when it comes to asset management and growing their portfolios so they can focus on serving their residents and clients.

There is a need for a nimble, politically neutral body that can complement the work already underway by existing organizations (e.g., Housing York Inc., and others).

The Land Trust Ecosystem

There is an emerging community land trust ecosystem in Canada.

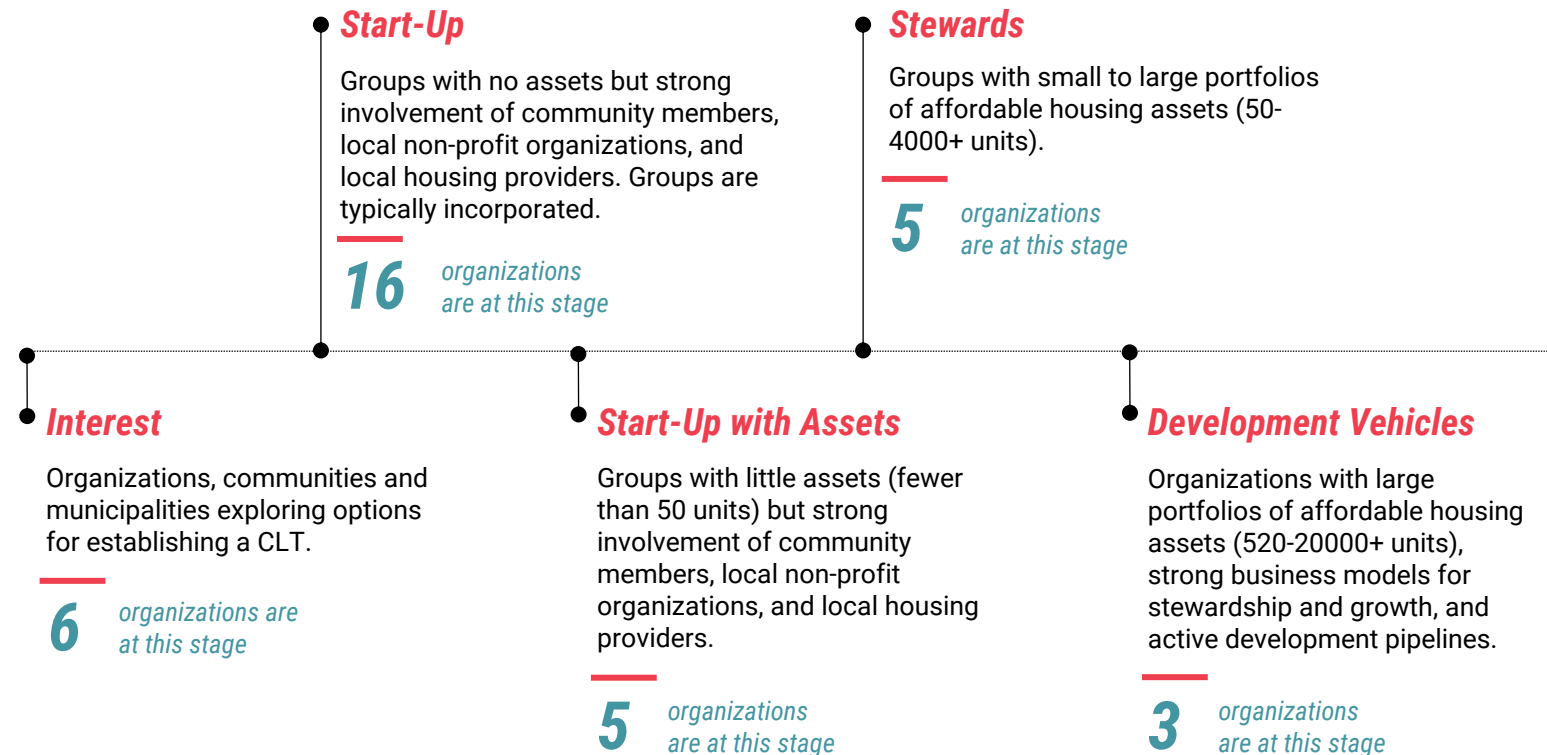
According to the Canadian Network of Community Land Trusts (CNCLT)'s 2023 Needs Assessment Report, there are at least 35 established or emerging community land trusts (CLTs) in Canada.

Of the 35 organizations interviewed as part of the CNCLT 2023 Needs Assessment Report, the community land trusts were organized across five stages of maturity. The image on this page provides an overview of the Canadian Network of Community Land Trusts' framework for the stages of maturity. While these phases are not always linear (i.e., some groups stay as stewards without goals to develop), they provide a valuable framework for understanding the community land trust ecosystem in Canada.

This image highlights the infancy of the CLT movement in Canada—while there is promising energy and mobilization around the creation of CLTs, many remain in the start-up phase. Within this environment, there is space for new entrants, innovation, and experimentation around desirable, feasible, and viable business and governance models for land trusts in Canada.

Community Land Trust Stages of Maturity

The following image provides an overview of the Canadian Network of Community Land Trusts' framework for the stages of maturity.



The Opportunity for Impact in York Region

Several established and capable local non-profit housing operators serve York Region. Some operators have already expressed an appetite and capacity for real estate development, while others have a clear mission to operate housing, not develop it.

There is an opportunity to join forces to scale our efforts in creating new non-market housing for the York Region community.

In this difficult development landscape, creating a non-profit development vehicle could bring sophistication, maturity and efficiencies to the community housing sector in York Region. This model would present an opportunity to leverage assets over a more extensive portfolio to address ever-growing housing needs.

With this increased scale, the land trust could enable the sector to be more competitive in reacting to land, asset, and funding opportunities. For instance, this entity could take on acquisition opportunities (e.g., public donations, inclusionary zoning units) and be able to leverage a pool of assets over time to scale operations.

While many housing providers want to avoid becoming large operators, undertaking development, or becoming deeply involved in asset management, they see a growing need in their communities and want to act quickly to create more housing opportunities for the people they serve. There is an opportunity for a **centralized body** to align directly with service managers and local municipalities to help them fulfill their housing targets and goals.

There is a desire for deeper collaboration across the sector.

In addition to benefits from scale, a land trust for York Region could act as a focal point for deeper collaboration across the region's housing and community services sector. Currently, joint projects happen on a case-by-case basis rather than systematically. Organizations are eager for an environment where agencies are no longer competing but can see the bigger picture and elevate each other as a collective. There is also an opportunity to bridge efforts and impact between housing- and health-focused organizations.

There is an opportunity to introduce a model that leverages each player's strengths in the community housing sector in York Region—whether housing development, management, or operations.

Our Journey

We launched this Demonstrations Initiative intending to create a land trust model that would build on the work of CAHS in Toronto, expanding its reach into York Region. We believed this would be the fastest way to bring more affordable housing to York Region through a land trust while enabling us to leverage CAHS' resources, skills, and reputation.

Along the way, we learned about the complexities of managing trade-offs between achieving the scale we wanted to create impact (spanning many geographies) and a desire for a local focus in York Region to better serve local interests and leverage political relationships.

Given the infancy of the land trust ecosystem in Canada, as described on the previous page, the Demonstrations Initiative Team embarked on a mission for **Blue Door to initiate the incorporation of York Region-focused land trust, applying lessons learned from CAHS.**

This approach would enable CAHS and the new land trust to grow and mature in their own contexts, leaving the door open for future amalgamation to achieve greater scale and impact.



A Land Trust for York Region

Overview

This section provides our **context-specific prototype** for the land trust—a model that can apply to both Blue Door and the existing housing ecosystem in York Region.

This prototype has been tested with external key stakeholders, with advice from subject matter experts.

The contents of this section will support with **knowledge dissemination** and are also illustrated in the land trust pitch documents.

Value Proposition

The land trust will bring together resources, expertise, and capital to unlock affordable housing in York Region. This page provides an overview of the purpose, goals, and value the proposed land trust for York Region will bring to the community. The land trust for York Region will focus on delivering value in three key ways, expanding its impact over time.

short-run

long-run

Streamlined point of contact

- **Act as a streamlined point of contact** for pooling non-market housing units in York Region. This point-of-contact should result in receiving units from for-profit sector developers (e.g., in the case of developments under inclusionary zoning regulations) and local government (e.g., surplus lands and infrastructure) to build up a portfolio of non-market housing for the land trust.

The streamlined point of contact provides a soft landing spot for these homes while creating a pipeline of new units for the community housing sector in York Region. **In this early stage, the land trust will set up the mechanisms to become this point of contact.**

Scaled portfolio and asset management

- **Take on real estate acquisition** activities to support local non-profit housing operators to expand their portfolio without bringing on their own development capabilities. The land trust will focus on amassing assets (cash, land, real estate) from the public sector, for-profit sector, non-profit, and philanthropic contributors. Initially, it may focus on low- to medium-scale housing (e.g., scattered units, missing middle typologies).

The land trust will **own and manage a portfolio of affordable housing assets**, partnering with local operators through long-term leasehold agreements to house and support people. It will provide maintenance and asset management services to streamline resources and maintain standards across its portfolio.

Housing development

- As the land trust grows and matures, it can leverage its assets to **develop, preserve, and renew** existing affordable housing.

In the long run, the land trust will have built the capabilities to create a diverse housing portfolio, including supportive, non-profit rental, co-operative, and affordable homeownership units to serve needs in York Region.

This stage of the land trust requires more profound expertise in housing development and asset management. This is the most ambitious form of the land trust.

Design Criteria

The following design criteria led the design of this land trust for York Region.

"We want the new solution to..."

- Balance **scale** with **local focus and connection**
- Create an environment of **collaboration** instead of competition
- Offer a **governance structure** that reflects geographic focus and contributions to the land trust
- Balance an expanded governance structure (representation) with the ability to have a **tighter group that can act quickly** to make decisions
- **Build off what CAHS is already doing**, drawing on shared resources instead of competing, where possible

The land trust will bring together resources, expertise, and capital to unlock affordable housing in York Region. This page provides an overview of some of the key initial elements of the land trust business model—the land trust’s initial customer segments, key partners, and costs and revenues.

Customer Segments

The land trust’s goal is to enable more housing for people with affordability challenges in York Region. To do so, the land trust will act as the portfolio manager and eventually the development arm for the non-profit housing sector in York Region.

The land trust will serve the following groups seeking to provide more non-market housing:

- **Non-profit housing providers** looking to expand their operations
- **Government and non-government organizations** looking for a safe landing place for land outside of private speculation

Key Partners

The land trust requires deep partnerships with organizations and governments that can support with the key elements of housing development—land, entitlements (approvals), financing and funding, and capacity.

- **Land** | partners in land acquisition include local municipal governments in York Region, for-profit housing developers, non-profit housing providers, and local philanthropic organizations and groups. These groups may participate in the land trust through different arrangements, contributing land to the trust.

- **Entitlements** | the land trust will work closely with local municipal governments to seek approvals for new development or renovation of existing housing.
- **Financing and funding** | given the land trust’s focus on affordability, government and non-government financing and funding agencies and bodies will be instrumental in ensuring the land trust’s competitiveness from an acquisitions and development standpoint.
- **Capacity** | as the land trust scales up, it may need to bring on additional capacity and capabilities around housing development, real estate finance, legal, and operations support.

Costs and Revenues

The land trust’s primary **costs** are associated with the staff time required to operate the organization. In its early stages, the land trust will draw on Blue Door’s administrative capacity, leaving business development and strategic growth to a key land trust staff person.

Once scaled up, the land trust’s **revenues** from its lease agreements with non-profit housing operators are meant to cover its ongoing operating costs. In the interim, philanthropic and government funding will be required to staff the land trust as it amasses assets.

How the Land Trust Works

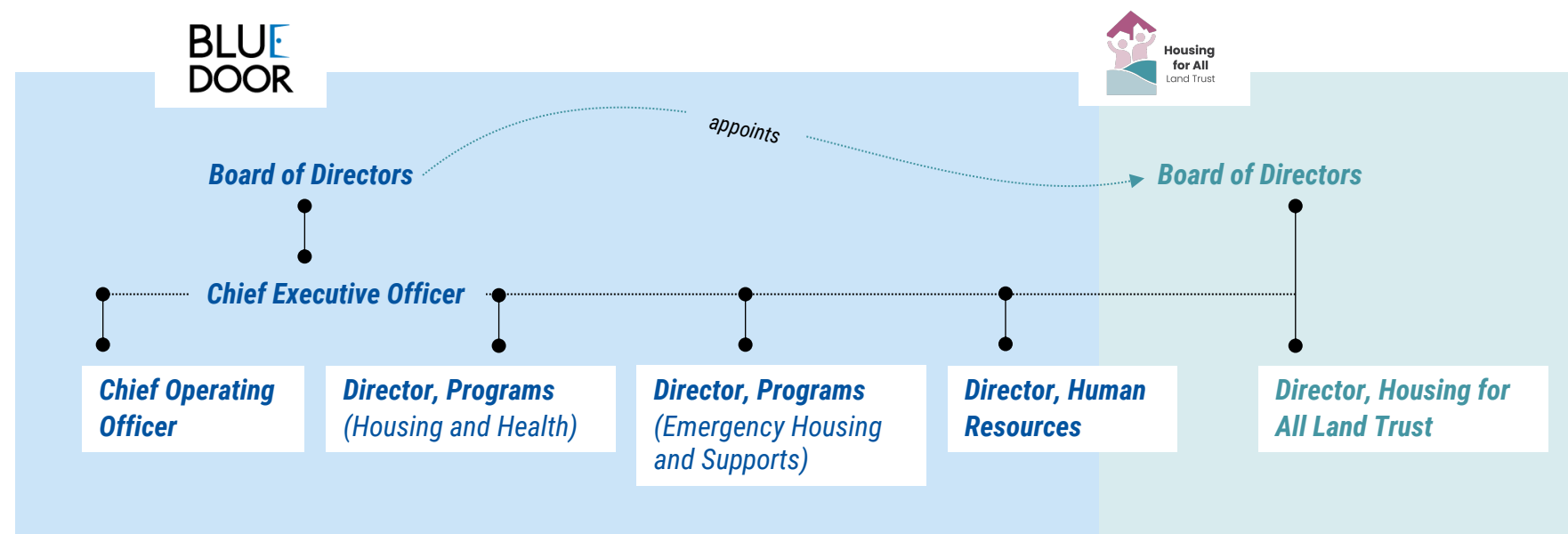
The land trust will bring together resources, expertise, and capital to unlock affordable housing in York Region. This page provides an overview of the land trust structure.

Iteration 1

The governance structure on this page is "Iteration 1" of the land trust—this is the initial format and model at its inception. Over time, the land trust will evolve and mature, growing out of this initial simplified structure.

In Iteration 1, the existing Blue Door board will appoint a smaller board of directors for the new land trust. The land trust will hire a **Director, Housing for All Land Trust**—the first key land trust staff person. Initially, this new Director will report to the land trust's Board of Directors and Blue Door's Chief Executive Officer.

The land trust board will have one class of membership, with Blue Door as the sole member. The board will comprise a minimum of three members, initially consisting of a subset of Blue Door's existing board members to enable quick decision-making early on.



Iteration 2+

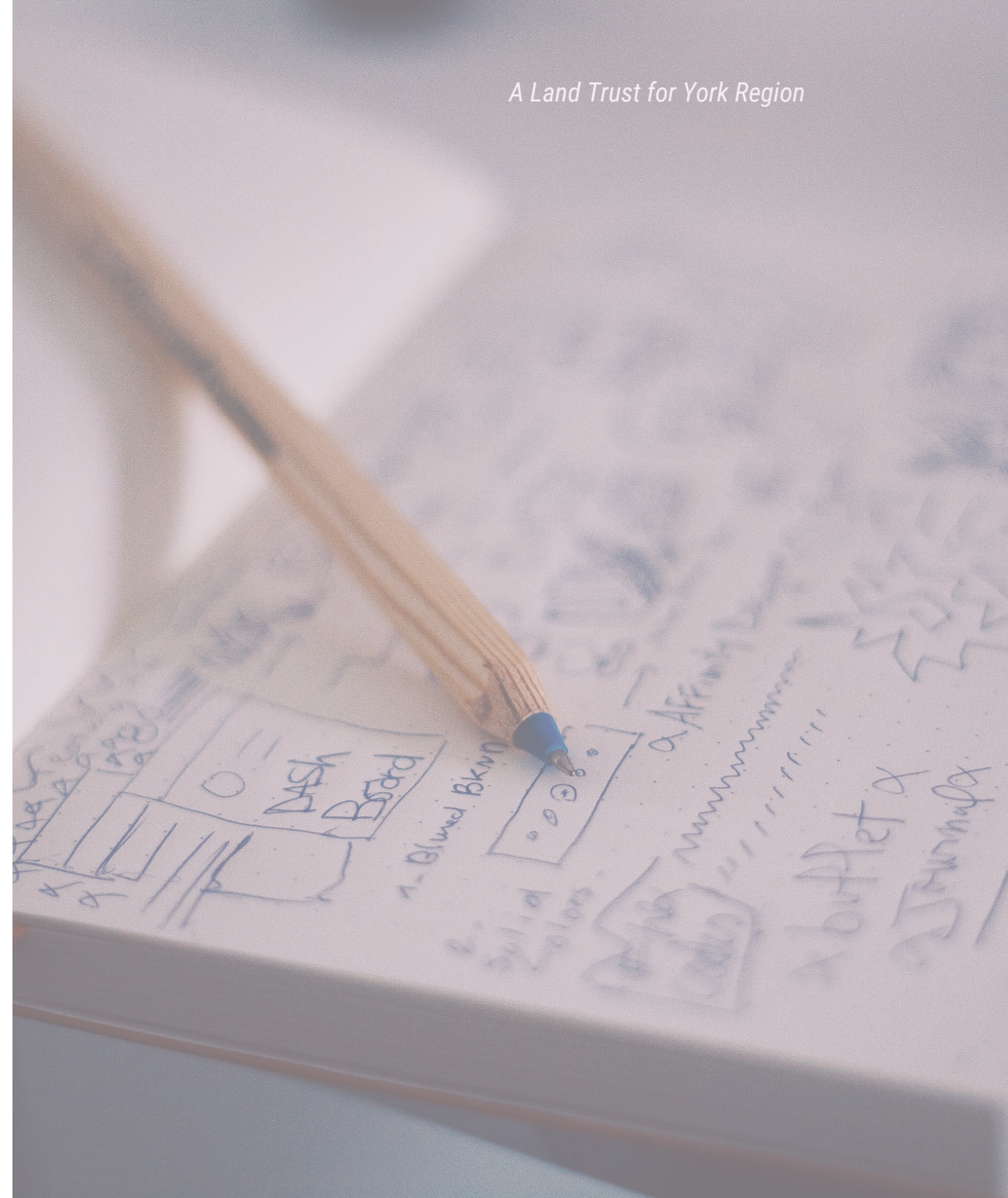
The land trust would implement a five-year growth plan focused on gaining critical mass, acquiring assets, and partnering with other housing operators in York.

As the land trust matures, its business offerings would become more refined and other board members would be added with different areas of expertise (e.g., development).

The land trust would continue to strengthen its relationships with CAHS and other regional land trusts to share expertise and collaborate on opportunities with the option for future amalgamation.

Risks and Considerations

- Blue Door would need to contribute substantial efforts and resources until the land trust begins to gain critical mass
- Balancing the size of the board (variety of expertise and perspectives vs. ease of decision-making)
- Having operators on the board in the future vs. conflict of interest
- In an amalgamation scenario, creating a governance model that retains geographic focus and local influence over decision-making



After completing the business model snapshot for the Housing for All Land Trust, we took a step back to analyze the potential risks and challenges we may face through the implementation process. This page provides a summary of some of the key implications.

Navigating the Political Environment

This land trust model relies on support from local governments and elected officials.

Given York Region's status as an upper-tier municipality, the land trust will have to establish relationships with the region's nine lower-tier (local) municipalities.

The Housing for All Land Trust has already established relationships with local municipalities and elected officials and will draw on Blue Door's long-standing reputation and relationships in York Region.

We are in an environment where small-scale housing providers with aging boards of directors may seek to scale their operations down. The land trust could be in a favourable political environment to receive support to take on some of these portfolios to ensure the sustainability of the community housing assets.

Balancing Financial Sustainability with Affordability

In the land trust's start-up phase, the organization will seek to establish financial sustainability to hire and retain excellent team members, take on acquisition activities, build a reputation, and support a high asset management standard.

Creating a sustainable financial model while serving the land trust's target populations (people in greatest need) will be challenging.

To mitigate this, the team is working on establishing early-stage operating funding to support recruiting the land trust Director position. This operating funding will provide a runway for the new Director to build a pipeline of projects and seek out operating partners. During this time, the Director may also work with operators to negotiate further operating subsidies to deepen affordability levels for the incoming residents.

Working in the Housing System in York

The Housing for All Land Trust will need to establish itself as a key player in the housing system in York Region. The land trust will leverage Blue Door's existing relationships and reputation as a starting point.

Through its work in recruiting non-profit housing operators for future land trust units, the land trust will need to ensure it maintains property management and service standards across its portfolio, no matter the operator. This process may require establishing criteria and expectations in operating agreements with its partners. We heard from other non-profit housing providers that additional training and support with operations could help them build capacity, particularly given the aging labour force in the housing sector in Canada.

Playing in the housing development space means there is a risk of competition for funding and resources with other existing non-profit housing providers. The land trust will want to be seen as a collaborative partner in the ecosystem, here to support the vibrancy of the community housing sector as a whole in York Region.



Roadmap

Overview

This section provides an overview of how to implement the Housing for All Land Trust in York Region. The roadmap covers the next two years of work. This page casts our visions to the long run to outline what a future vision for the land trust could entail.

A Long-Term Vision for the Land Trust

Beyond the start-up phase, the Blue Door team established a vision for a more mature model and aspirational vision for the land trust.

In a **mature model**, the land trust will have amassed a substantial asset base and portfolio based on its development strategy. The land trust would be working with several local operators, generating a strong reputation in the community. The land trust would have financial sustainability to support its Director-level position without ongoing operating funding.

At this stage, the land trust would likely expand its board makeup and revisit its current governance approach. Asset management activities would be well underway, and development opportunities may also be in the pipeline or on the horizon.

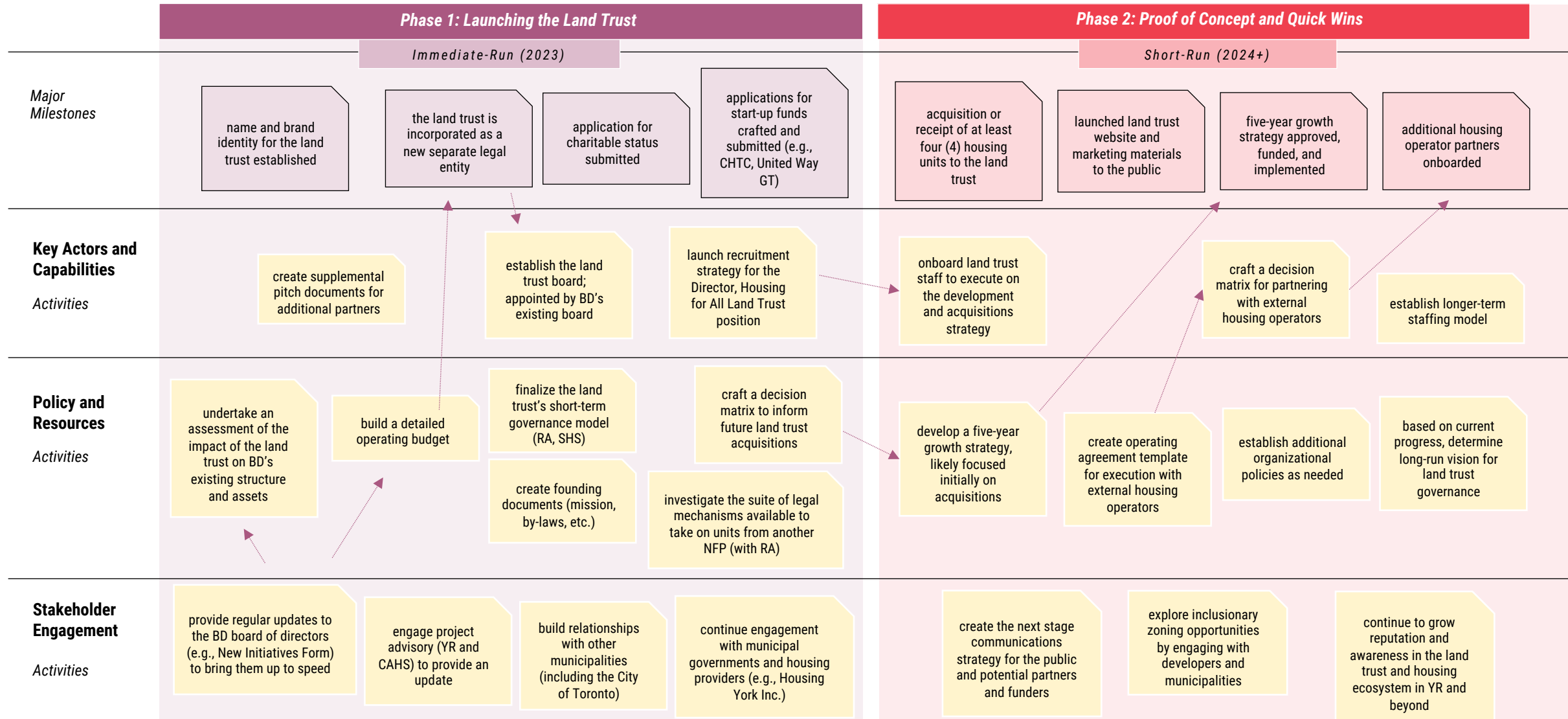
In a more **aspirational vision** of the future (in the long run), the land trust would work towards more ambitious development targets. It would have the capabilities to take on its own development projects. At this stage, the land trust could also explore relationships with other land trusts for potential collaboration or amalgamation.

The organization's financial health would be strong enough to take some smart risks to expand its impact without as much reliance on Blue Door's secretariat and administrative support.

Roadmap for Implementation

Acronyms and abbreviations used in this roadmap

BD (Blue Door); CHTC (Community Housing Transformation Centre); RA (Robins Appleby); SHS (SHS Consulting); MURA (City of Toronto's Multi-Unit Residential Acquisition program); NFP (not-for-profit housing provider); REOI (request for expressions of interest); YR (York Region)



Early-Stage Activities

This page provides an overview of some of the early-stage activities already underway or complete, as noted in the roadmap for implementation.

Board Capabilities and Skills

The first iteration of the Housing for All Land Trust board will be a small group of professionals (approximately three) appointed by the current Blue Door board of directors. Based on lessons learned from the CAHS land trust, it is recommended that the board be a small group to start, focusing on agility and the ability to negotiate partnerships and deals with other entities, to build up its portfolio.

Some of the desirable board skills include:

Industry Knowledge and Experience

- Critical understanding of the housing system, including unmet needs in the city and core problems
- Understanding of municipal planning processes for NFP housing development
- Understanding of NFP housing operations

Technical Skills

- NFP housing development experience
- Finance and risk management
- Governance and planning

Soft Skills

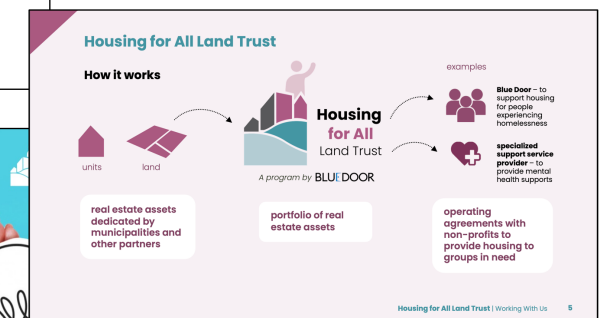
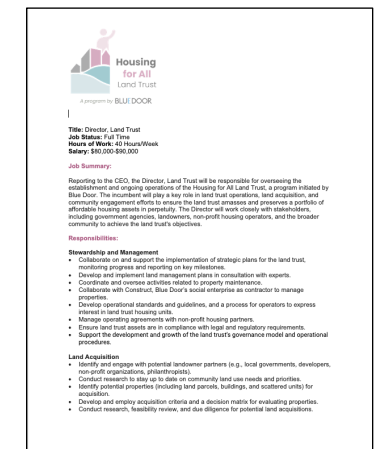
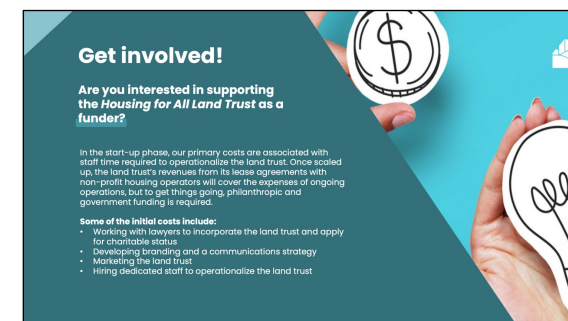
- Agile and nimble
- Ability to make tough decisions and navigate conflict
- Ability to build alliances and connections
- Ability to challenge ideas constructively
- Entrepreneurial spirit (e.g. familiar with start-up environment)
- Willingness to take risks

Ensuring a Diverse Board of Directors

- Connections to community-based networks
- Living in a diversity of tenure types (own, rent, co-op)
- Diversity of age, gender, race, and socioeconomic status

Knowledge Dissemination Materials

Several knowledge dissemination products were created as part of these first steps to creating the Housing for All Land trust. These documents include a pitch deck, a job description for the first land trust team member, and branding materials.





Conclusion

Looking Back

This land trust development process spanned over 18 months, involved several key actors and potential partners in York Region, and proved to be a meaningful learning opportunity for all involved. Over the course of our exploration, some of our key lessons learned and take-aways included the following.

This project started off with a goal and vision to expand an existing land trust (CAHS) to York Region. Our reason for this approach was to accomplish the following:

- Make good use of existing resources and capacity in the sector, without duplicating efforts
- Test out the potential of a CLT to accomplish both scale (from a portfolio basis) and scale from a geographic basis
- Find new governance models to balance the need for portfolio scale with a need for geographic focus

What we quickly learned is the tension between scale and community focus can be a difficult issue to resolve, especially when there is a desire to work with geographically-focused local municipal governments and organizations.

While we have dreams of scaling existing land trusts, the land trust ecosystem is not yet in a mature state in Canada. We must take smart steps in this early stage to make effective use of resources, knowing the future of the land trust ecosystem in Canada is uncertain (i.e., how many players will exist; what land trusts will consolidate; what will be the most effective scope and scale of land trusts in Canada; what business models and funders will land trusts rely on moving forward).

We learned that the act of taking steps towards implementation, even if not perfect, is often a more productive activity than waiting to “get it right.” In a housing crisis, we must make every effort to act. These steps take a certain degree of risk tolerance and ability to iterate on a model over time, with the ability to make progress in a potentially ambiguous space.





The Journey Ahead

Several steps towards implementation are already underway. This page provides an overview of the immediate (short-term) next steps and key milestones the Blue Door team is working towards on the journey to a Community Housing Land Trust in York Region.

Milestones

- **Name and brand identity for the land trust established**
- **The land trust is incorporated as a new separate legal entity**
- **Application for charitable status submitted**
- **Applications for start-up funds crafted and submitted (e.g., CHTC, United Way GT)**

Activities

- Create supplemental pitch documents for additional partners
- Undertake an assessment of the impact of the land trust on bd's existing structure and assets
- Build a detailed operating budget
- Provide regular updates to the BD board of directors (e.g., New initiatives form) to bring them up to speed
- Engage project advisory (YR and CAHS) to provide an update
- Establish the land trust board, appointed by bd's existing board
- Finalize the land trust's short-term governance model (RA, SHS)
- Create founding documents (mission, by-laws, etc.)
- Engage project advisory (YR and CAHS) to provide an update
- Launch recruitment strategy for the director, housing for all land trust position
- Craft a decision matrix to inform future land trust acquisitions
- Continue engagement with municipal governments and housing providers (e.g., Housing York Inc.)

**Journey to a York
Region Community
Housing Land Trust**

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