

# HART Government Partner Meeting – March 22, 2022

## Summary of Small Group Discussions

There were 11 local or regional governments and one territorial government represented.

### 1. Do you use government and nonprofit land for social and affordable housing? If so, how?

- Municipalities are using municipal lands to develop affordable housing
- Many primarily work with non-profit housing organizations and some private sector developers who will build affordable housing
- Purchase of school land was mentioned multiple times
- Durham
  - Purchase remains expensive
  - Ongoing attempts to partner with the province (Infrastructure Ontario)
- Toronto
  - Housing Now program has Requests for Proposal (RFPs) for leased land sites (99-years) – private sector, non-profit, and partnerships can respond
  - Provides for market rental, affordable ownership, and below-market affordable housing
  - Minimum of 1/3 of units must be affordable rental for duration of lease
- Ottawa
  - Also circulates RFPs and sells sites to non-profit and private developers
  - If sites are sold to private developers, revenues are used for affordable housing
- Kelowna
  - Working with BC Housing to provide long-term, hands-off land leases
- Gatineau
  - Use of public and non-profit land for housing is not yet common
  - Has partnership with housing co-op for artists with production spaces
  - Le Frederique (church administrator) can give faith-based land to market or to the City but level of collaboration varies depending on leadership
  - Public land not readily available – City has not been given access to National Commission lands
  - Quebec municipalities cannot deal directly with feds, and must go through province
    - Results in a trickle-down of land that takes 2-3 years
- Montreal
  - Has bylaw allowing the municipality 60 days to acquire before a parcel is sold
- Edmonton
  - Policy to sell land to non-profit developers for a nominal price
  - 12% of land within municipal boundaries is City-owned, but much is not developable – new policy being developed for council to acquire well-located land
  - Has used Minister zoning orders to help fast track rezoning process

### 2. How can our land assessment help your work?

- Land assessment tool will be very useful for municipalities' work
- HART is a good launching pad to deep-dive into specific land parcels, including other partners
- Would like an option within the land-assessment tool to evaluate long-term leases versus sale – e.g. assessment of 60- vs. 99-year leases vs. sale



- Some municipalities have opted out of HART's land assessment component because their strategic real estate team was worried about the potential for artificially inflating land values if desirable sites were identified by HART and made public
  - Others also agreed that this can be a downside to this tool.

### **3. Are there things other levels of government or private and non-profit developers need to do to improve housing outcomes from government and non-profit land?**

- Provision of land is the most effective and important way to reach affordability
- The biggest mistake municipalities make is selling municipal land
- There needs to be a better understanding that land can be leveraged –10-15% of funding for project – land is what you start with
- Use of other bodies as a “third sector”
- Feds have increase transfer of land from \$2 million to \$20 million per year
  - This is still not enough to tackle the scope of the problem
  - CHRA is advocating to federal government for massive increase to this program
- CMHC is interested in land trusts, so the direct provision of land could be a game changer
- BCNPHA is looking for good examples of successful projects across the country to stand as case studies to support municipal land transfers
- Cities or CMHC need to guarantee investments – many non-profit developers don't have capacity to respond to RFP or to develop large sites
- Sustainable long-term sources of funding for non-profits will be necessary in order to build capacity
  - It is difficult to argue with the potential decreases in revenue/yield that might be necessary in a 100% affordable non-profit development
- Community land trusts, donated land, and technical support from any level of government would help
- There is more than one type of return on investment. The social return on investment is ensured as the gap between affordable rents and market rents. This is a metric that is not taken into consideration often enough at the municipal level
- We love 99-year leases because you can the market value of a 99-year lease is 95% of the appraised freehold value. So, you can mortgage that leasehold interest all day long, and your capacity to attract financing for development is enhanced a lot, even just to move from 60 to 99 years.
- The thing to remember is that whatever the number is the length of the lease you subtract 5 because a lender will only lend on amortization that falls five years short of the end term of the lease.

