

INVESTING IN COMMUNITY:
COMMUNITY LAND TRUSTS AND AFFORDABLE HOUSING IN CALGARY

by

Leah Dow

BA, University of Calgary, 2013

A Major Research Paper presented to Ryerson University

in partial fulfillment of the requirements of the degree of

Master of Planning

in

Urban Development

Toronto, Ontario, Canada, 2019

© Leah Dow 2019

Author's Declaration for Electronic Submission of a MRP

I hereby declare that I am the sole author of this MRP. This is a true copy of the MRP, including any required final revisions.

I authorize Ryerson University to lend this paper to other institutions or individuals for the purpose of scholarly research.

I further authorize Ryerson University to reproduce this MRP by photocopying or by other means, in total or in part, at the request of other institutions or individuals for the purpose of scholarly research.

I understand that my MRP may be made electronically available to the public.

**INVESTING IN COMMUNITY:
COMMUNITY LAND TRUSTS AND AFFORDABLE HOUSING IN CALGARY**

© Leah Dow, 2019
Master of Planning
in
Urban Development
Ryerson University

ABSTRACT

The cost of affordable rental units in Calgary is amongst the highest in Canada, despite a rental vacancy rate that is 3 percent higher than the national average (Canada Mortgage and Housing Corporation, 2017). Nearly 1 in 5 Calgary households are struggling to pay for shelter costs and as of 2016, more than 42,000 households were spending more than 50 percent of their incomes on shelter, putting this population at a greater risk of becoming homeless due to job loss or from some other unexpected financial hardship (City of Calgary, 2017). Counter to popular belief, economically depressed communities with weak rental and housing markets such as Calgary following the 2015 collapse of the oil and gas sector can be subject to a critical lack of affordable housing. A soft housing market cannot make up for an insufficient range of affordable and non-market housing options. In other cities facing similar challenges, especially those in the United States, the formation of Community Land Trusts has proven to be a viable solution for providing both affordable rental and affordable ownership opportunities for residents who are struggling to afford the cost of housing in their area. This paper explores whether the Community Land Trust model is an appropriate tool to augment Calgary's limited supply of affordable housing and will end with five recommendations to encourage the adoption of the Community Land Trust model in Calgary.

Key Words: affordable housing, affordable ownership, Calgary, community land trust, small-scale affordable development.

Acknowledgements

I would like to thank my supervisor Lyndsey Rolheiser, Phd. for all of her generous assistance and encouragement over the past several months.

Thank you to my second reader, Madeleine Krizan, for taking the time to read my MRP and for offering her thoughtful feedback.

I would also like to thank my partner Adam for his long-suffering patience over the last two years, and lastly, a very special thank you to my Mum for her unwavering support for all of my educational pursuits.

Table of Contents

The Importance of Adequate Housing 1

Community Land Trust Cases..... 4

Dudley Neighbours Incorporated (Boston, MA)..... 6

Bay Area Community Land Trust (San Francisco Bay Area, California)..... 7

Colorado Community Land Trust (Denver, CO)..... 9

Community Land Trusts in Western Canada..... 10

West Broadway Community Land Trust 11

Central Edmonton Community Land Trust..... 14

Community Housing and Land Trust Foundation (Vancouver)..... 16

Salt Spring Community Housing and Land Trust Society 17

Calgary Context 19

Calgary Community Land Trust Society (HomeSpace) 19

Affordable and Non-Market Housing in Calgary..... 22

Calgary Economic Overview..... 24

Calgary Demographics..... 26

Population..... 26

Employment..... 27

Income..... 28

Median Income and the Impact of Housing Cost in Calgary..... 28

Housing..... 32

Issues Impacting the Potential Success of Community Land Trusts in Calgary..... 35

Community Land Trusts for Long-term Affordability in Calgary..... 38

Recommendations 41

Works Cited..... 47

List of Figures

Figure 1: *The population of Calgary by census year*.....26

Figure 2: *The percentage of Calgary’s population engaged in full-time employment over the age of fifteen*.....27

Figure 3: *The median income of individuals in Calgary aged fifteen and over by census year*.....28

Figure 4: *Housing starts in Calgary by structure type between the years 1996 and 2017*.....32

Figure 5: *Housing starts in Calgary by structure type between 2006 and 2011*.....33

Figure 6: *The average value of dwellings in Calgary by census year*.....34

In this paper I present a brief history of Community Land Trusts and summarize the current best practices as well as the local precedents in the CLT system. Next, I describe the current socio-demographic, economic, and housing market characteristics in Calgary and make the argument that the current circumstances would benefit from the formal inclusion of CLTs into Calgary's housing policy portfolio. Lastly, I provide recommendations to the City for how it can overcome the various barriers to incorporating CLTs that I have identified.

The Importance of Adequate Housing

The provision of safe and stable affordable housing has been found to increase community engagement, increase access to employment, and improve academic achievement, all while relieving the strain on the healthcare system and emergency shelters (Community Housing Affordability Collective, 2015). It costs \$55,000 per year to provide shelter and support for a homeless person and yet just \$21,000 per year to provide that same person with a safe place to live (Calgary Homeless Foundation, 2015). It is therefore a financially prudent practice for cities to invest in a full range of non-market housing. This is especially true in communities dependent on resource extraction, as the economies of these cities tend to follow predictable boom and bust cycles, which are generally mirrored by the local housing development. Calgary's development has closely followed the boom and bust cycle with the majority of its development having occurred during the periods of economic growth in Alberta when the demand for housing was at its highest. The unfortunate result of this development cycle is that the housing that is built during periods of positive economic growth tends to cater exclusively to the mid-range and high-end markets and reflects the inflated wages and increased purchasing power of a population that is benefitting from the temporary effect of labour shortages. Incidentally, Calgary's recent housing booms have also coincided with periods of low government investment in affordable,

subsidized, and rental housing. When compared to the national averages compiled by the Canadian Mortgage and Housing Corporation, Calgary's available housing stock features less variation in housing typology. The most prominent housing typology in Calgary remains single-detached homes and the city higher rates of homeownership than Canada's other large cities (The City of Calgary Affordable Housing Division, 2018).

One type of non-market housing that has been used as a model of perpetual affordability in the United States and elsewhere is Community Land Trusts. Community Land Trusts are non-profit organizations which develop and maintain affordable housing for low to moderate income households within a specific community or geographic area. They acquire and maintain ownership of the land in perpetuity while offering affordable housing on the basis of owning one's own property (either in full or in part) while leasing the land from the Community Land Trust (Canada Mortgage and Housing Corporation, 2005). The housing offered by Community Land Trusts can be rental, rent-to-own, or affordable ownership models either exclusively or in some combination deemed appropriate for the population they intend to serve.

Within the Community Land Trust's affordable ownership model, housing can remain affordable in perpetuity. In many models, both the purchaser and the non-profit entity operating the Community Land Trust enter into an agreement as joint owners of the property allowing both parties to earn a portion of the equity. Homes are either sold back to the Community Land Trust through a first right of refusal clause, or the homes are sold directly to new buyers at a sale price previously determined by the Community Land Trust. This allows sellers to keep the portion of the equity that they have earned from their homes and provides them with money for a down payment, which they can use to enter the non-subsidized housing market. It also allows the

Community Land Trust to maintain the affordability of its housing by setting the sale price of its properties well below the market rate.

Community Land Trusts can receive funding through various sources of public and philanthropic capital including receiving federal and provincial grants for affordable housing, benefitting from the acquisition of City-owned property, from local philanthropic efforts, and from the inclusion of anchor institutions within affordable developments (Community Land Trust Network, 2018). The typical funding models for Community Land Trusts directly align with many of the City of Calgary's strategic directions for affordable housing including leveraging City-owned land for affordable housing development, regenerating existing City-owned affordable housing, and strengthening intergovernmental partnerships and improving the housing system through innovation.

Community Land Trusts are more common in the United States than they are in Canada. There are approximately 225 CLTs currently operating in the United States and just a few operating in Canada (Harper, 2012). In Canada, the CLT model has been employed to varying levels of success and the small number of Community Land Trusts in Canada poses a barrier to their general acceptance in this country, as there is a both the lack of both technical support and an established network of CLTs that can work together on common initiatives to support their growth in Canada. Canada also suffers from a lack of research on the model's impact, as there are very few examples in this country to study unlike the United States, which has many successful examples of multi-generational CLTs where the efficacy of the working perpetual affordability model can be observed and studied.

Community Land Trust Cases

A Very Brief History of Community Land Trusts

The concept of Community Land Trusts as a means of providing affordable housing is grounded in the broader social justice movement which emerged out of the United States Civil Rights Movement in the 1960s. Activist Robert Swann takes credit for developing the CLT model as we know it in the United States. Swann was inspired by the Jewish National Fund in Israel, which amongst other activities, leased land for the settlement of the European Jewish diaspora after the Second World War. In 1967 alongside Martin Luther King's cousin, Slater King, Swann initiated plans for New Communities Incorporated in Albany, Georgia. This was the first CLT in the United States and was intended to be a means of both homeownership and employment for African American farmers. Although the complete plans for New Communities Incorporated were never realized, Swann went on to found the Institute of Community Economics, an organization that provides technical assistance to developing CLTs (Gray, 2008).

The Benefits of Community Land Trusts

Community Land Trusts have many unique benefits as providers of affordable housing. The most important of these is the perpetual affordability model. In most other affordable ownership models the home is only made affordable for one purchaser, once during its lifetime. Attainable Homes Calgary, for instance, requires purchasers to contribute \$2000 towards the down payments for its homes, with Attainable Homes providing the rest up to the required 5 percent minimum down payment. The purchasers are then expected to pay Attainable Homes back in full for the down payment and a 25 percent portion of the home's appreciated value when they decide to sell (Attainable Homes). Once the homeowner sells, the homes enter the regular

housing market and are no longer classified as affordable. Community Land Trusts on the other hand, make more efficient use of their housing resources by ensuring that their homes remain affordable even after the first purchaser decides to sell. They accomplish this by using a long-term 99-year lease to ensure that the CLT always gets first right of refusal to repurchase the home at an approved rate whenever the current owner decides to sell.

The CLT sets its re-purchase price based on a per-year scale of appreciation, usually to a maximum of 25 percent. This maximum rate of appreciation is especially crucial in robust housing markets where appreciation can increase rapidly like Vancouver or California's Bay Area. In weak markets, however, setting a cap on appreciation can also provide the benefit to owners of knowing exactly what price they can expect to get for their homes when they decide to sell. For homeowners who want to use the equity that they gain from their CLT home to enter the non-subsidized housing market, this information is extremely important for knowing what market rate home they can afford to buy. While organizations like Attainable Homes Calgary and Habitat for Humanity Southern Alberta provide affordable homes for a single generation of owners, CLTs can provide affordable home ownership for generations that is linked to one community or to a distinct geographic area.

Because Community Land Trusts usually own the land on which the homes belonging to the CLTs reside, the CLT becomes strongly associated with its geographic area. This is not the case with housing organizations such as Attainable Homes or Habitat for Humanity, whose homes are usually scattered across a much larger geographic area. This association of CLTs with a specific location can help foster a stronger sense of community for those who live within the CLT and these communities often coalesce into advocacy networks for their members. There are examples of this in many of the older CLTs in the United States, including the Dudley Street

Neighborhood Initiative in Boston, where a chronically disinvested community formed a community organization, which in turn started a CLT and went on to develop a powerful advocacy network for its community members (Dudley Neighbors Incorporated).

Working Models: Community Land Trusts in the United States

These three American cases were selected because they all represent successful, long-term examples of Community Land Trusts that are sensitive to the particular context of the communities that they serve. As such, they are outwardly quite dissimilar from one another, yet they apply similar strategies in terms of public outreach and education.

Dudley Neighbours Incorporated (Boston, MA)

Located in an economically disadvantaged neighbourhood in Boston, the Dudley Street Neighbourhood Initiative (DSNI) began in 1984 as a response by civically engaged residents to disinvestment, which had resulted in large swathes of vacant land, where property damage, and dumping were common (Dudley Neighbors Incorporated). The DSNI's mandate became "development without displacement". Impressed by the community's capacity to organize, the City of Boston granted the DSNI eminent domain authority to purchase vacant land in the neighbourhood in an effort to protect affordability and family stability for future generations. To manage the land and property purchased through eminent domain the DSNI formed Dudley Neighbours Incorporated, which operates as a Community Land Trust. Dudley Neighbours Incorporated has a democratically elected Board of Directors that encourages accountability and promotes civic participation amongst its residents. The DSNI and DNI champions its residents as the stewards of their own community and upholds this through a statement of Community Values

and a Declaration of Community Rights. The DSNI's focus on resident agency through its *Community Values* and *Declaration of Community Rights* addresses racial disparities around access to land, homeownership, and wealth creation. As of 2016, Dudley Neighbours Incorporated had developed 226 affordable units that were found to have lower vacancy rates than surrounding neighbourhoods, lower rates of foreclosure, and rising rates of owner-occupants (Dwyer, 2015). The DNI purchases market value land in the Dudley neighbourhood and sells it to income-qualified buyers at affordable prices. Homeowners lease their homes from DNI for a period of 99 years. The success of Dudley Neighbours Incorporated in providing affordable housing within the geographical area where it is both desired and needed is one of the principle benefits of the Community Land Trust model. The DNI is an outstanding example of a successful community-led affordable housing development, where free public education and training have been used to help community members advocate for themselves.

Bay Area Community Land Trust (San Francisco Bay Area, California)

The San Francisco Bay Area is subject to some of the highest housing prices in the world. As a result of widespread unaffordability and rapid gentrification, the Bay Area is fast becoming an enclave of the wealthy, with workers, students, seniors, and low and middle-income populations completely priced out of the market. The diversity of the region has also declined dramatically as housing prices have soared; for example, from 2000 to 2015 the African American population in Berkeley declined by 37 percent (BACLT, n.d.). The Bay Area Community Land Trust (BACLT) is a member of the Consortium of Bay Area Community Land Trusts, which is comprised of 16 geographically distinct Community Land Trust organizations operating mainly in the San Francisco Bay area, but also throughout Southern California including Los Angeles (BACLT, n.d.). The BACLT's goal is to permanently provide affordable, resident-owned

housing to benefit workers, families, students, seniors, the disabled, and low and middle-income people from diverse backgrounds. It operates cooperatively owned, limited equity, and multifamily housing on urban land that is permanently owned by the Community Land Trust. The CLT contributes to sustainable living by sharing community resources, including appliances, common spaces, and in some cases even transportation (BACLT, n.d.). The BACLT acquires properties through direct donation and from owners who sell their properties at below market value to the Community Land Trust. They currently manage five properties including two that operate on a cooperative housing model and one that operates on a mutual housing model and has been providing low cost housing for 40 years (BACLT, n.d.).

The BACLT provides skills training and information to its tenants and the general public on how to form a Co-op or a Community Land Trust, as well as how to manage existing Co-ops and Community Land Trusts and how to convert properties. The BACT offers introductory workshops on communication skills, the development of basic operating rules for Co-ops and CLTs, developing and reviewing legal documents, basic finance skills including teaching members to develop and revise an annual operating budget, maintenance planning and budgeting including how to set up reserves for long-term property maintenance. By providing education and training about both the Community Land Trust model as well as the cooperative housing, the BACLT contributes to increasing the public awareness of non-market housing in its area.

Colorado Community Land Trust (Denver, CO)

The Colorado Community Land Trust (CCLT) is located in the Lowry neighbourhood of Denver, Colorado on the site of the former Lowry Air Force base. Denver, like Calgary, has experienced a consistent period of economic growth that brought an influx of new workers into the city looking for employment, which subsequently created a hot housing market. More recently, housing prices in Denver have cooled due in part to stock market instability and rising mortgage rates (Denver Metro Association of Realtors, 2019). The area median income of Denver, the current strength of the housing market, and its available housing typology are all similar to what can currently be observed in Calgary.

In operation since 2004, the CCLT Lowry development is comprised of single family homes and townhomes. To qualify, residents must make less than 80 percent of the area median income of Denver (no more than \$50,400 for a single person and \$64,800 for a three-person household), have good credit, have sufficient income after other debts to afford the mortgage payment, the land lease payment, and homeowners' association dues, and have \$1000 for a down payment (Peterson, 2017). Interested buyers who qualify are also required to attend a buyer information and orientation session led by the CCLT. The housing project has been very successful for Denver and more homes are in development at Lowry with an additional 14 homes to be added at Boulevard One, the final phase base's redevelopment into a residential community. To date the CCLT has developed 186 new affordable homes in Denver through the Lowry Redevelopment Authority and about one third of the homes comprising the CCLT portfolio have been sold at least once (Peterson, 2017). In one of the Lowry area developments a two-bedroom townhouse that was sold for \$135,000 in 2004 was sold for \$175,699 in 2017,

which is less than half of the estimate for a comparable market-rate home in Lowry (\$400,000) (Peterson, 2017).

The CCLT incrementally increases the appreciation of its properties from 10 percent in the first year to 20 percent over time, to a peak of 25 percent over the tenure of homeownership. It is the suppression of market appreciation that maintains the affordability of the homes within the development.

While the benefits for the residents of the CCLT are obvious, it also allows eligible buyers to enter the housing market and affords them more stability than they could expect from the rental market. For developers too, the affordable housing model also offers significant benefits. The CCLT's Lowry development is a development project with a stable, permanent market that generates a consistent and predictable cash flow for years. In many places where land and property prices have risen sharply and housing markets have become hot, Community Land Trusts can help to buffer market instability by separating the land costs out of affordable developments and developers can lease the land long-term instead of buying it outright (Urban Land Institute Colorado, 2016). The CCLT's Lowry development is a good example of how a CLT housing project can be a profitable development project that provides a social benefit to its community.

Community Land Trusts in Western Canada

The next section features five cases selected to highlight the diversity of experiences of Community Land Trusts in Western Canada. These cases are meant to provide an overview explaining how a small sample of CLTs were started and what results they achieved in their communities. These cases also provide examples of some of the common obstacles that CLTs can face in Canada.

West Broadway Community Land Trust

The West Broadway Community Land Trust (WBCLT) was a Community Land Trust located in central Winnipeg and active for approximately six years from 1999 to 2005. The WBCLT was located within a densely populated inner-city neighbourhood with very low rates of homeownership. Formerly home to middle class professionals and their families, the neighbourhood underwent a long period of economic and physical decline beginning in the 1960's (Beaubien and Ring, 2006). By the late 1990's house prices were beginning to rise again due to improvement projects in Winnipeg's downtown core. This raised concerns amongst local residents about the ongoing affordability and the safety of the housing in West Broadway. Many of the homes in the neighbourhood were subject to non-resident owners (absentee landlords) and property speculation. Also common at the time was the conversion of single family homes into multi-unit dwellings, many of these being rooming or boarding houses, which was a permitted use at the time in Winnipeg. However, in 1999, the establishment of new rooming houses ceased to be permitted under the land use designation R2 and property owners were no longer able to legally convert their properties into rooming houses. This left many homes in the area vacant.

Worried about the impact that vacant homes were having on the neighbourhood, the West Broadway development corporation incorporated in 1997 as a residents' association and renewal corporation with the goal of revitalizing the neighbourhood through the physical improvement of its housing stock (Beaubien and Ring, 2006). The Community Land Trust model was chosen as the means for providing affordable housing in the area in an effort to increase the low rates of homeownership. The WBCLT rehabilitated 17 homes in West Broadway, but as of 2005, just three of these homes were still associated with the WBCLT. Higher than anticipated energy and rehabilitation costs plagued the homes that the WBCLT purchased. Four of the rehabilitated

homes were re-sold at market rates when suitable buyers could not be found to meet the requirements of the CLT, and 11 families were forced to leave the WBCLT and their new homes because they were unable to pay the utility costs. All of the homes that were purchased by the WBCLT were in poor condition at the time of purchase, and even after they were rehabilitated the heating and utility costs remained very high. The WBCLT did not conduct home energy audits after the rehab or prior to the sale of the homes and residents were not given sufficient information about the energy costs associated with their new homes (Beaubien and Ring, 2006). All of the homes were vacant at the time of purchase by WBCLT and many were former rooming houses. Major capital investment by the WBCLT was required to make the homes habitable.

The most likely explanation for the early demise of the WBCLT was that it suffered from a lack of experienced partners, namely property developers who could manage the renovation of its properties and property managers who could administrate the sale of its homes and preside over the five-year rent-to-own period. The WBCLT was formed at a time when federal and provincial governments' non-profit affordable housing agreements from the 1980's and 1990's were beginning to be phased out, and this change in funding greatly impacted the long-term viability of the WBCLT. The CLT model requires considerable upfront capital to pay for the purchase of land and or property and the costs associated with renovating properties.

Gaining access to consistent funding sources is crucial to the long-term success of affordable housing schemes in the United States. The department of Housing and Urban Development's Low-Income Housing Tax credits are the most important government source of funding for affordable housing providers in the United States. These tax credits allow developers of affordable housing to receive tax credits towards the acquisition, rehabilitation, and

construction of new housing (U.S. Department of Housing and Urban Development, 2018). In Canada, government funding for affordable housing is more likely to take the form of grants, which unlike tax credits do not provide a consistent, guaranteed source of funding on which an organization can depend year-on-year. The kind of tripartite government funding agreements that were originally in place when the WBCLT was founded also took the form of grants. Unfortunately, much of this funding ended shortly after the WBCLT's rehabilitation phase (Maunder, 2019).

The homes that the WBCLT rehabilitated remained unaffordable for much of the population living in West Broadway at the time, many of whom were renting subdivided houses or single rooms. Finding appropriate participants within the community for the five-year rent-to-own project proved to be more difficult than the WBCLT expected (Maunder, 2019). The approved purchasers were required to pay a reduced down payment for their homes, as well as rent during the five-year rent-to-own period, and also pay the full utility costs associated with their homes for as long as they lived in them. Given the neighbourhood's low homeownership rates and the type of very low-cost rental that the area's housing stock provided, the West Broadway neighbourhood may have been better suited to affordable rental development than to a rent-to-own scheme. The West Broadway Development Corporation believed that affordable home ownership would initiate the neighbourhood's revitalization, but there was little evidence to support this belief and it is more likely that an increase in owner-occupied homes would bring about little more than a surface transformation of the neighbourhood.

The physical deterioration of the housing stock in West Broadway was likely due more to the prevalence of absentee landlords, who did not maintain their properties to a livable standard, and by the property speculators who let homes remain vacant and fall into disrepair,

than to the high percentage of renters in the neighbourhood. More preliminary research should have been conducted by the West Broadway Development Corporation to determine if a CLT operating on rent-to-own model was the most appropriate response to the unaffordability issues faced by the population living in West Broadway. The board members of the WBCLT did go on a field trip to visit the board of the Central Edmonton Community Land Trust, but it would appear, based on the outcome of the CLT, that little focus was paid to the demographic differences between the West Broadway community and the community being served in Edmonton by the Central Edmonton Community Land Trust. The prevalence of rooming houses and boarding houses in West Broadway suggests that the neighbourhood was clearly in need of safe and stable affordable rental rather than affordable ownership. Property prices have continued to increase in the 13 years since the dissolution of the WBCLT and boarding and rooming houses, which offer the cheapest available rental are still a feature of the neighbourhood (West Broadway Community Organization, 2014). In 2014, 91 percent of the residents in West Broadway were renting, neither an increase nor a decrease from the rates observed prior to the founding of the WBCLT. The WBCLT was unsuccessful because of the West Broadway Development Corporation's lack of experience developing affordable housing. The project may have been successful if they had had the opportunity to partner with a more experienced organization.

Central Edmonton Community Land Trust

There is very little information available about the Central Edmonton Community Land Trust (CECLT). It does not have a web presence and the information which can be gleaned from other CLT sources is very limited. However, it was used as an example by the West Broadway Development Corporation when they were beginning their initial research on starting their own

CLT. The CECLT was founded in 1998 as a non-profit organization that is managed by a staff of volunteers. It operates in the inner-city neighbourhoods of Edmonton using a CLT model to purchase land, renovate properties, and construct new homes (The City of Edmonton, 2002). Its homes are sold on a 5-year rent-to-own model, but there is no information about whether or not a limited equity model is also used. If the CECLT operated on a limited equity model, the owner would be required to sell the property back to the CECLT at a lower than market rate in order to keep the home affordable for a future CLT buyer. If a limited equity model was not employed, then the homes would revert back to market rates after the first CLT buyer chose to sell. Given the availability of housing stock during the period of its early operation and given its target demographic of low-to-moderate-income families and individuals, the CECLT likely could have allowed its homeowners to benefit from the full equity of their homes.

The CECLT partnered with the City of Edmonton and the federal government as well as corporate partners to purchase and renovate 22 housing units as of 2001 (The City of Edmonton, 2002). The CECLT received funding from the City of Edmonton through its *Low-Income Housing Capital Assistance Program*, a grant program worth an unspecified amount offered through the City of Edmonton, and through the federal *Residential Rehabilitation Assistance Program*, another grant program that provides up to \$60,000 for low-income residents in dwellings in need of major repairs, and which is available to First Nations communities or to individuals who identify as First Nations (Canada Mortgage and Housing Company, 2018).

The City of Edmonton's support for the CECLT peaked in the late 1990's and early 2000's when the City's methods for addressing the affordable housing shortfall pivoted towards increasing local capacity and local decision-making over a historically more centralised process, which determined the allocation of City resources (The City of Edmonton, 2002). There is

currently no information available about the CECLT's current projects or capacity, but given that it is a volunteer run organization, it could be that its operations have slowed significantly or ceased altogether since its most active period in the year 2000 when it sold 17 properties.

Community Housing and Land Trust Foundation (Vancouver)

The Community Housing and Land Trust Society (CHLTF) builds affordable housing in the city of Vancouver using a community land trust model and is the largest Community Land Trust providing affordable housing in western Canada. The housing developed by CHLTF is permanently affordable and is removed from the market forever, ensuring that the housing it provides will always be affordable (Cooperative Housing Foundation of BC, 2019). In 2018 the CHLTF responded to an RFP from the Vancouver Affordable Housing Office for the development of City-owned sites and was subsequently awarded with the project of developing over 1000 new affordable homes to be built on City-owned land in Vancouver.

The CHLTF was formed by the Cooperative Housing Foundation of BC (CHF BC) which assists new co-ops in forming and helps existing co-ops that are struggling (Cooperative Housing Foundation of BC, 2019). In 2016 the CHLTF pre-qualified as a non-profit housing partner for the City of Vancouver, which allows it to manage new city-owned social housing (Cooperative Foundation of BC, 2019). The CHLTF focuses on housing for low-to-moderate-income households, serving as the real estate development arm of CHF BC with the mission to acquire, create and preserve affordable housing for future generations with a focus on development and redevelopment of co-operative and non-profit housing. The CHLTF's goal is to make land permanently available for housing for low-to-moderate-income households, seniors, and people with special needs. As a result of its successful partnership with the Vancouver

Affordable Housing Agency, the CHLTF is developing more than a thousand new affordable homes on land which previously belonged to the City.

Through its relationship to the Vancouver Affordable Housing Agency, which has previously established a partner relationship to the City of Vancouver, the CHLTF was able to pre-qualify as non-profit housing partner for the City of Vancouver and has access to City-owned land, which is an extremely rare opportunity for a CLT in Western Canada. It may be unique to the Vancouver context, because the need for affordable housing impacts a larger segment of that city's population than it does in Calgary or in other large cities in western Canada. Having access to City-owned land helps CLTs by reducing their initial costs for purchasing land. The high costs of land is one of the greatest barriers to the establishment of new CLTs in Canadian cities (Bunce & Khimani, 2015). Purchasing market rate land is unlikely to be financially feasible for non-profits like CLTs and therefore having access to land at non-market rates is one of the few ways that CLTs can afford purchase land on which to develop affordable housing. The CHLTF is unique as a Canadian CLT in that its partnership with housing organizations like CHF BC and the Vancouver Affordable Housing Agency have enabled it to compete for and be awarded with coveted City-owned land against other more established developers of affordable housing.

Salt Spring Community Housing and Land Trust Society

Outside of Vancouver, the CLT model has proved attractive for other communities in British Columbia who are dealing with the effects of unaffordability and a shortfall in adequate housing for low and moderate-income families. The Salt Spring Island Community Housing and Land Trust Society was established in 2001 by Salt Spring Island Community Services when its Board

of Directors initiated renewed interest in affordable housing on the island. An advisory Committee then undertook a needs assessment analysis of the community and created a plan to establish a housing organization on the island and look for available funding sources and in 2002 the advisory committee renamed itself the Salt Spring Island Community Housing and Land Trust Society. The intention behind the formation of the Salt Spring Community Housing and Land Trust Society was to provide affordable housing through an affordable ownership model and was inspired by similar initiatives in the neighbouring US island communities of Orcas and Lopes, as the communities in those US examples derived substantial community benefits for families living on those islands (Salt Spring Commons, n.d.)

In 2004, Salt Spring Island Community Services turned the project over to the Salt Spring Island Community Housing and Land Trust Society, and the land for the development was transferred to the developer Three Point Properties. Three Point Properties had originally planned a large, upscale housing development with the promise to commit several acres to affordable housing. Instead, Three Point Properties gave all of the land to the Salt Spring Island Community Housing and Land Trust Society as a donation. After the donation was received, a dispute over ownership of the land arose between Salt Spring Island Community Services and Salt Spring Island Community Housing and Land Trust, which delayed the development of the site. In 2007 it was determined that Salt Spring Island Community Services, Salt Spring Island Community Housing and Land Trust Society, and Three Point Properties would all enter into a tripartite agreement over the land ownership (Salt Spring Commons, n.d.).

In 2014 the planning for the affordable development was underway and Green City Builders was hired to lead the project. An updated needs assessment was also completed, which confirmed the need for an affordable family housing neighbourhood including both rental and

affordable ownership options. The VanCity Credit Union reviewed the development proforma and joined the project to provide the upfront pre-development funding with a preliminary commitment to also provide construction funding and a large private donation was also secured for the project. The project finally entered the development phase as of April 2018, although the land is now under the exclusive ownership of Salt Spring Island Community Services and the Salt Spring Island Community Housing and Land Trust appears to be defunct. Despite the shuttering of the Salt Spring Island Community Housing and Land Trust Society, the planned affordable development will still be operated on a CLT model inspired by those operating on nearby US island communities including those in the San Juan Islands. The units will also be kept affordable in perpetuity, using a limited equity model (Salt Spring Island Community Services, n.d.).

The timeline simply to reach the development stage for this yet-to-be-completed project was extremely long and outlasted the organization that had originally been formed to develop and manage the housing. Issues around property ownership rights and securing the necessary funding for upfront capital costs were a major barrier to the completion of this project and for the development of new CLTs. Even in situations such as these, where the land has been donated it can prove difficult to get shovels in the ground and get housing units built.

Calgary Context

Calgary Community Land Trust Society (HomeSpace)

The Calgary Community Land Trust Society (CCLTS) was started by the Calgary Homeless Foundation as an affordable property developer and property manager in 2003 after research conducted by the Calgary Homeless Foundation identified the need for additional affordable

housing units. It is not a Community Land Trust in the traditional sense insofar as it is not operated within and does not represent a distinct geographic area of the city, nor did it ever really operate as a CLT. Rather, it facilitated the receipt of donated lands to the Calgary Homeless Foundation on which affordable housing could be developed (Cundall, 2019). In 2008 the Calgary Homeless Foundation and CCLTS received land donations and also government grants for the purpose of developing affordable housing, and the CCLTS ceased operation as a ‘Community Land Trust’ shortly after it received this initial donation of land. The CCLTS, now known as HomeSpace focuses exclusively on affordable rental properties, and its close relationship to the Calgary Homeless Foundation means that its mandate is to serve the most vulnerable populations in Calgary who are at critical risk of homelessness. As a charitable real estate developer, rental housing owner, and property developer, HomeSpace manages a portfolio of 521 units of housing in 27 developments throughout Calgary (HomeSpace, 2018). HomeSpace does not offer affordable ownership opportunities as it is not an appropriate model for the type of very low-income resident that they serve, and there are no plans in the future to expand their mandate to serve a larger portion of the population (Cundall, 2019).

In March of 2018 the City of Calgary initiated the largest sale of City-owned land in the city’s history, announcing the sale of six plots of land earmarked for the development of affordable housing. HomeSpace submitted separate proposals for all six pieces of land and was subsequently selected to develop on three of the sites while Habitat for Humanity was selected to develop on two of the sites and Homes for Heroes was selected to develop one site (Rieger, S., 2018). The sale of city-owned land is a boon for affordable housing developers in Calgary as purchasing land at market rates is not usually financially viable for non-profit organizations such as HomeSpace. The City also greatly reduces the costs for development charges and

development permits for affordable housing developers and regularly negotiates property tax reductions on a per-development basis. The City has made efforts to increasingly incentivise the development of affordable housing in Calgary as outlined in *Foundations for Home Calgary's Corporate Affordable Housing Strategy 2016-2025*. Incentivized development leads to faster development and construction is currently already underway for two of the three sites sold to HomeSpace by the City.

Usually when the City sells an asset it must be put through a general bid process, which means that it is open to the general public to submit proposals. However, in this case the City only accepted proposals from organizations that the City had invited to bid, and all of the organizations who were invited to bid were already established affordable housing partners with the City of Calgary (Cundall, 2019). While this makes sense from the City's standpoint since they want to ensure that the organizations have the experience and expertise to deliver the promised affordable housing, it does in effect limit the pool of proposals. Large and well-established affordable housing providers like HomeSpace are much more likely to qualify as an affordable housing partner with the City and get the opportunity to purchase city-owned land at below market rates than would a small or newly formed organization. Since CLTs tend to be small, community-led, and volunteer run organizations, it is much less likely that they would have the same opportunity to compete for city-owned land without partnering with a more established developer.

These five western Canadian cases represent different several experiences of Community Land Trusts and offer important insights into the development and long-term success of the CLT model. The first critical observation from these case studies is the importance of understanding the needs of the community. An understanding of community demographics is required to

determine what kind of housing is needed and what will produce the best outcomes for the community. Introducing affordable housing into a community that is in need of deeply affordable rental is an inappropriate response and unlikely to have the intended benefit. The second critical observation is recognizing the benefits of partnering with an established organization. The Community Housing and Land Trust Foundation has strong partnerships within the affordable housing sector that generate development opportunities as well as access to coveted City-owned land. The third critical observation from the cases is the importance of securing the upfront capital funding required for development. Without access to sufficient funding or consistent funding, CLTs can languish indefinitely in the pre-development phase, while public and philanthropic interest in the project diminishes by the day.

Affordable and Non-Market Housing in Calgary

In Calgary, affordable or non-market housing consists of emergency shelters and transitional housing, supportive housing in the form of subsidized rental units designed for either individuals or families offered in high rise, mid-rise, and less typically, low rise developments, and attainable ownership. The leasing of single-family homes and non-market (affordable) home ownership models have by far been the least commonly used approaches for affordable housing in Calgary despite single family homes being the most common housing typology in the city. As of 2014 there were 13,900 non-market rental units and just 1,100 affordable ownership units in the city (Community Housing Affordability Collective, 2015). Calgary has significantly less non-market housing than other major cities in Canada, with just 3.6 percent of the housing in Calgary qualifying as non-market, compared to the 6 percent national average. Not only does Calgary have less non-market housing than other major Canadian cities, but what it does have is old. 80 percent of non-market units currently being occupied in the city are 25 years or older

(City of Calgary Affordable Housing Division, 2018). The advanced age of these units means that the necessary maintenance and repairs required to keep the city's non-market housing stock safe are also becoming increasingly costly, and when the units can no longer be reasonably repaired they are left vacant. In order for Calgary to reach the 6 percent national average for non-market housing, an additional 15,000 units would have to be constructed (Rumbolt, 2019).

The City of Calgary's *Corporate Affordable Housing Strategy 2016-2025* proposes leveraging City-owned land and regenerating City-owned properties as a means of spurring the development of more affordable units in Calgary. The strategy also calls to improve the housing system by expanding the programs which support residents living in non-market and subsidized housing. The objectives of the City of Calgary's *Affordable Housing Strategy* are supported by the federal government's new *National Housing Strategy* (2018), in which the federal government pledges to re-invest in affordable housing across the country and engage the public, private, and non-profit sectors to act on the national housing affordability crisis. One of the stated goals of the *National Housing Strategy* is to invest in the construction of 100,000 new affordable homes across Canada.

Calgary has very low levels of non-market housing compared to other large cities in Canada, supplying just slightly more than half of the non-market housing that is available in Canada's other large cities. When compared to the actual need for affordable units, there is a 15,000-unit supply shortfall for households that meet the City's criteria for affordable housing, putting approximately 17,000 people who earn \$30,000 or less and who spend half of their incomes on housing at immediate risk of homelessness (The Community Housing Affordability Collective, 2018). According to organizations working in the affordable housing sector, one of the main reasons for the inadequate supply of affordable housing has been the 10 percent

population growth that Calgary has experienced over the past 5 years. The city has simply grown too fast to meet the ever-increasing demand for affordable housing. Based on the current growth trends, the demand for affordable housing in Calgary is projected to continue to grow by 2,000 households per year (City of Calgary Affordable Housing Division, November 2018). Faced with this challenge, the City's affordable housing office quite understandably focuses first on the most vulnerable populations who are at the greatest risk of becoming homeless. As such, the City has concentrated almost exclusively on affordable rental as the means to meet its affordable housing deficit. The Calgary Housing Company, which is the affordable housing subsidiary of the City of Calgary and the largest affordable housing provider in the city, manages 7,300 affordable rental units and provides rent subsidies to 2,500 tenants with private landlords (The Calgary Housing Company, 2019). Currently the Calgary Housing Company has 7 rental housing developments underway and 4 proposed awaiting approvals. None of these will feature affordable ownership opportunities. In 2018, the City sold 6 parcels of land earmarked for affordable housing developments. Just one of those parcels was awarded to Habitat for Humanity who intends to build affordable homes for buyers.

Calgary Economic Overview

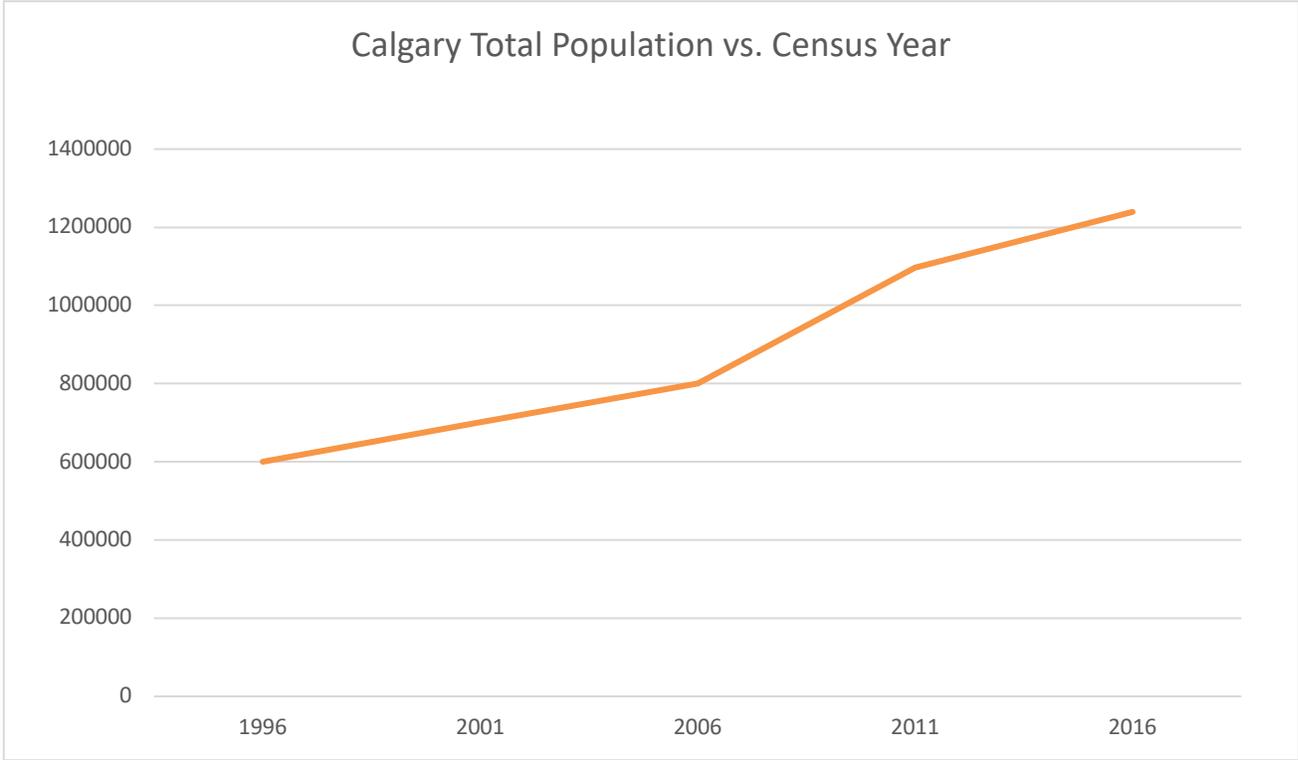
Located 220km north of the American border, with a population of over 1.2 million, Calgary is the financial centre of western Canada. Between 2006 and 2011, Calgary was Canada's fastest growing city. Its rapid growth during this period was due in part to the success of the oil and gas industry, which makes the city an attractive location for new immigrants and also attracts internal migration from across Canada and especially the Atlantic provinces. Historically Calgary's economy has been associated with commerce and distribution, but more recently it has been known as a world energy and financial centre. Calgary has the highest number of national

head offices of any city in Canada and its workforce is oriented towards white-collar office workers. The trade occupations in Calgary have traditionally been dominated by construction, railway, and oil supply and servicing. The local economy is heavily dependent on oil prices and tends to grow when oil prices are high and stall or shrink when oil prices are low. Despite efforts to diversify, energy remains Calgary's most important economic sector (Foran, 2019).

In 2015 a downturn in oil prices precipitated a recession in Alberta, which significantly affected Calgary due to its position as the centre of the oil and gas industry in the region. The province lost a total of 19,600 jobs in 2015, most of which were in Calgary (The Canadian Press, 2018). The recession officially ended in Alberta in 2017, but Calgary has been slower to recover, with growth in the energy sector not expected to reach pre-recession levels for several more years (Rumbolt, 2017). Calgary's unemployment rate reached a 21st century high of over 9.2 percent in December 2016 and still remains higher than the national average. Alberta also saw the largest year-on-year increase in consumer bankruptcies of all the provinces (Statistics Canada, 2017). Calgary is expected to experience modest economic growth over the next few years with housing starts expected to total 40,500 units between 2019 and 2022, which matches the projection for household formation for the same period. By 2023 the unemployment rate is expected to decrease to 6 percent (City of Calgary Corporate Economics Division, 2018). The potential future risks for Calgary's economic forecast include an inability to keep pace with faster job growth elsewhere in the country and challenges in diversifying the economy and transitioning from predominantly goods-producing to predominantly service-producing sectors.

Calgary Demographics

Population

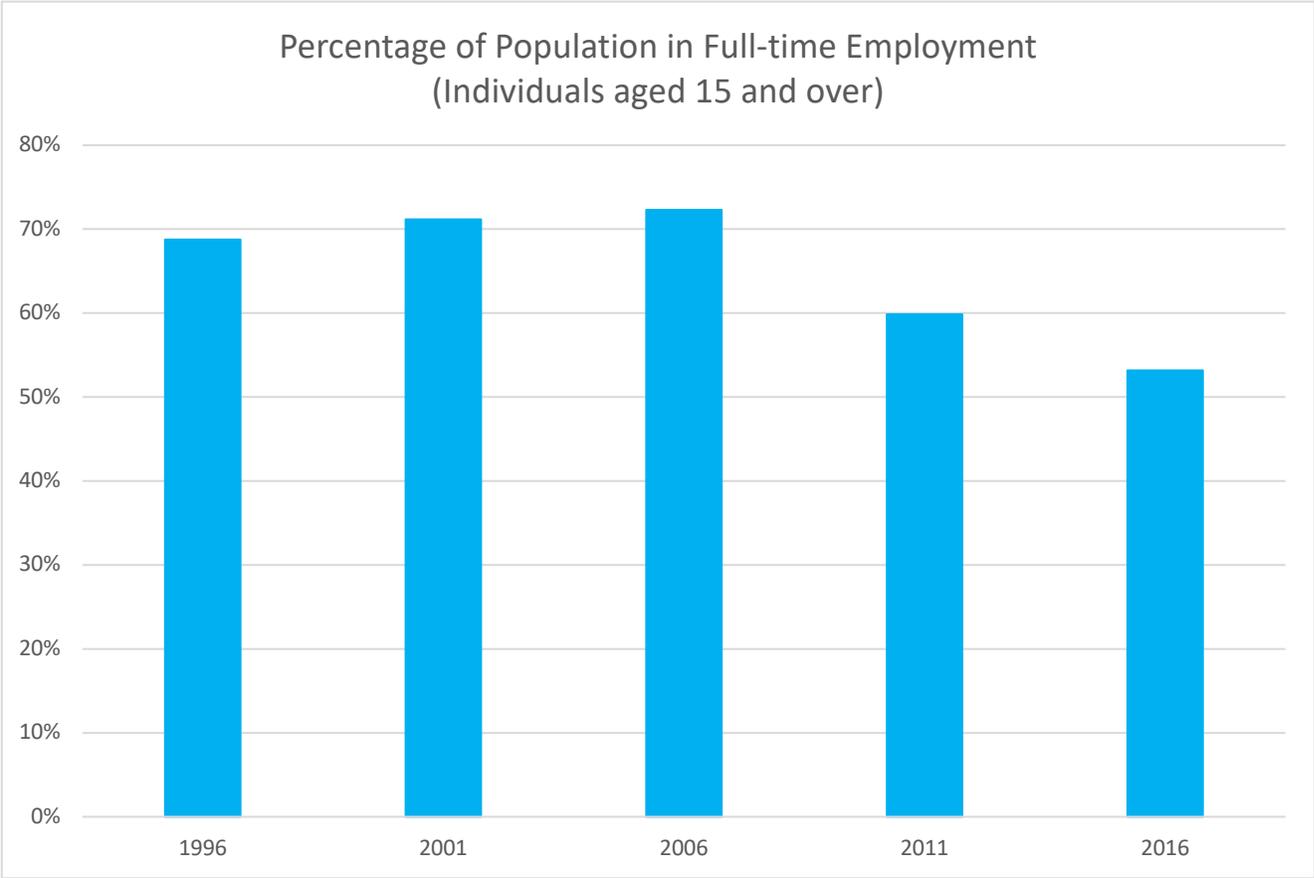


Source: Statistics Canada

Figure 1. The population of Calgary by census year

Calgary’s population has experienced steady growth since the 1980’s and has continued to experience net gains in population in spite of the 2015 recession and the subsequent economic slow-down, as illustrated by Figure 1. Calgary’s population increase. Calgary’s population is projected to increase annually by 26,300 people to 2023 (City of Calgary Corporate Economics Division, 2018).

Employment

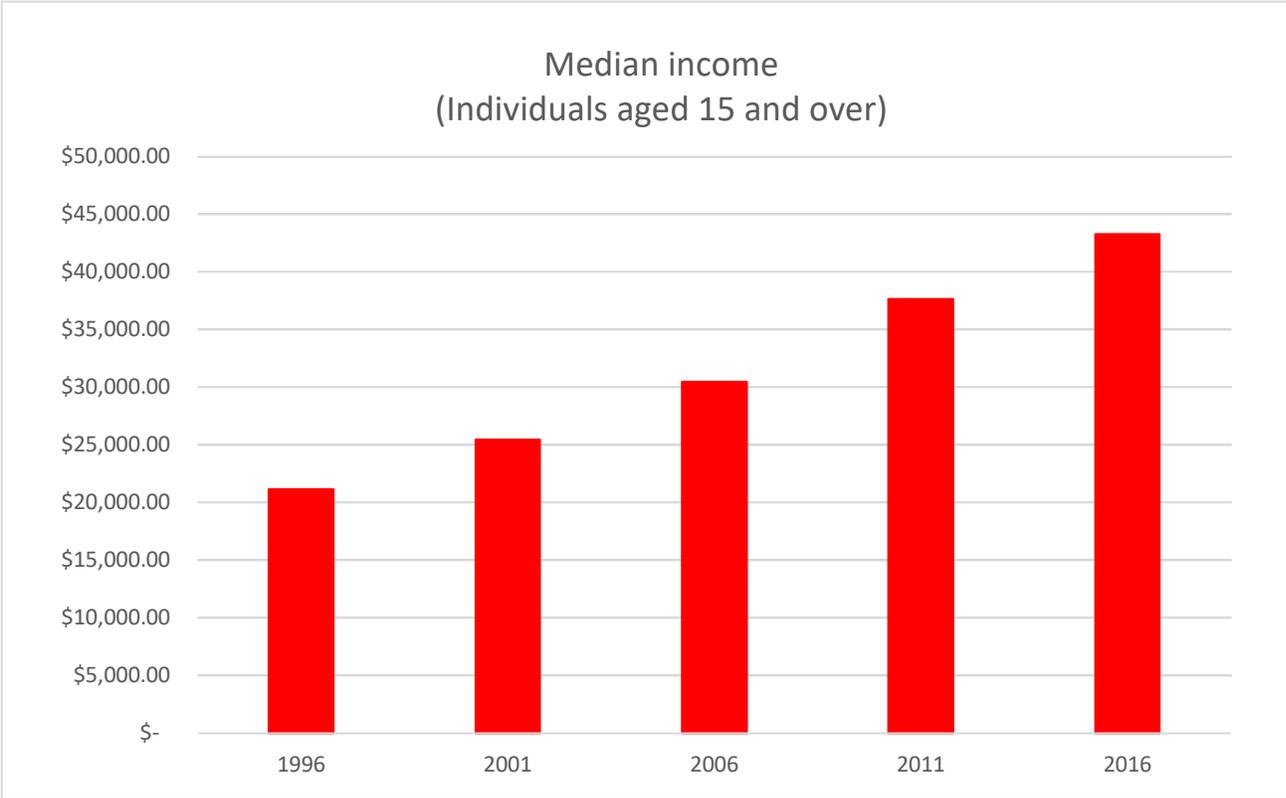


Source: Statistics Canada

Figure 2. The percentage of Calgary’s population engaged in full-time employment over the age of fifteen.

The percentage of the population aged 15 and over engaged in full-time employment increased modestly between 1996 and 2006 before sharply declining in 2016, as observed in Figure 2. This significant decline was likely due to the 19,600 recorded job losses caused by the 2015 recession. Increasing retirement rates and the trend of workers aged 55 and over choosing to retire as a result of a job loss may also be contributing factors to the decrease in the percentage of the population engaged in full-time employment.

Income



Source: Statistics Canada

Figure 3. The median income of individuals in Calgary aged fifteen and over by census year.

Median Income and the Impact of Housing Cost in Calgary

As seen in Figure 3, the area median income for all individuals aged 15 and over in Calgary increased at a rate of 17 percent between the census years 1996 and 2001 and between 2001 and 2006, and at a rate of 30 percent between 2006 and 2016. The median income in Calgary in 2015 was 22 percent higher than the national median despite a lack of significant economic growth in the region (Statistics Canada). The average cost of an owner-occupied dwelling in Calgary was \$466,440 in 2018 and is traditionally affordable (traditionally meaning a buyer earning an income of roughly 30% of the home’s cost or the cost of the home is 3x the annual household

income) for those with a household income of \$139,932. However, a 2017 analysis indicates that the cost-to-income ratio in Calgary is closer to 4.2. This is in part due to the slump in oil prices that have caused housing prices to dip, but also due to the low interest rates of the early-to-mid 2010's which allowed the cost of homes relative to household income to creep higher as buyers were able to take advantage of more favourable mortgage rates (Carrick, 2017).

In October 2018 the average cost of a two-bedroom apartment in Calgary was \$1,272, which would be considered affordable for a household earning more than \$45,792 annually. Based on the average market rents in 2018 recorded by CMHC, the only available rental units which fit within the traditional definition of affordability for people earning Calgary's median income of \$43,333 were bachelor and one-bedroom units. For someone earning the area median income in Calgary to be classified as living in housing that is affordable relative to their income, their monthly shelter costs could be no more \$1,047.21. However, according to CMHC rental market data, the average rent for a one-bedroom apartment in Calgary in October 2018 was \$1,050. This effectively means that unless an individual is living in a bachelor unit (in which the CMHC October 2018 average rent was \$879) there is no available housing within the affordable threshold in the primary rental market for those earning at or below the area median income. An individual who meets the City's criteria would be earning \$28,166.45 or less annually and be spending more than \$704.16 a month on shelter costs. According to Statistics Canada data compiled by the Canada Mortgage and Housing Corporation, just 13.83 percent of market rental housing in 2015 fell within the affordable threshold for Calgarians earning the area median income of \$43,333 and yet individuals who fall within in this group do not meet the City's criteria to qualify for affordable or subsidized housing. The reason given for the City's

qualifying criteria was that their method accounts for households who are choosing to overspend on housing.

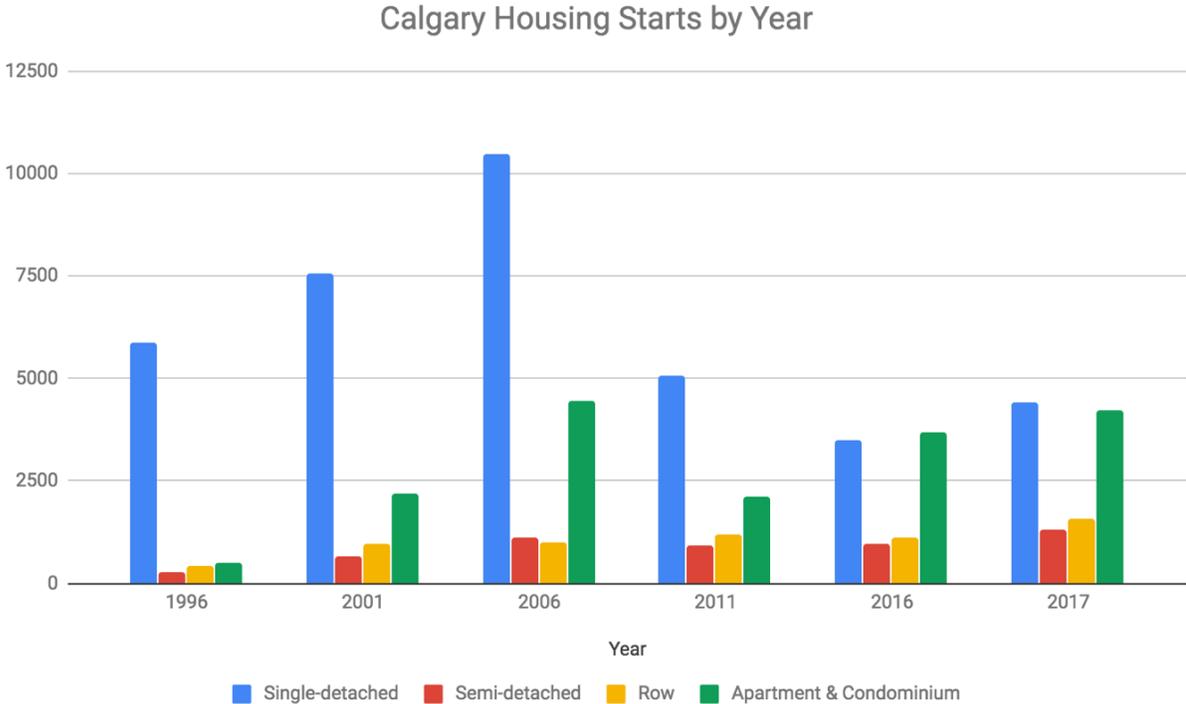
There are fewer options available in Calgary for those earning somewhere between the \$139,932 household income (not including the down payment and good credit) traditionally considered necessary to afford the average owner-occupied property and the very low incomes which qualify for housing subsidies and affordable housing with the City. The needs of households earning between \$30,000 and \$85,000 are not currently being adequately met within Calgary's housing continuum. Households with low incomes who do not qualify for affordable housing may be limited to rental housing and are likely paying more than necessary for shelter because they do not qualify for subsidies. Likewise, those earning moderate incomes may feel that they have no choice but to stay in the rental market if they do not have good credit, or sufficient savings available for a down payment, or if they do not qualify for a mortgage. Given Calgary's cost-to-income ratio of 4.2 for homeownership, there is evidence that moderate income households are choosing to buy (perhaps spending more than what would be considered traditionally affordable relative to their household income) in order to get the benefits of home ownership, including the ability to build equity. Calgary has slightly higher rates of home ownership (over 71 percent) compared to the national average (67.8 percent) and compared to Canada's other large cities. Given the relative abundance of owner-occupied dwellings in the city, this may indicate an increased expectation of home ownership in Calgary compared to other large cities. The relatively limited supply of rental housing also suggests that rental housing is considered a temporary step on the way to achieve the ultimate goal of home ownership.

It would therefore be an appropriate response, given the cultural expectations around home ownership in Calgary and the lack of affordable market options for low and moderate-

income earners, for the City to put more emphasis on affordable ownership and rent-to-own options in its affordable housing strategy. This would be an especially prescient move now that the housing market is relatively weak. There are several organizations currently operating in Calgary that focus on the affordable ownership sector including Attainable Homes Calgary, but it is still an underrepresented and underdeveloped area in Calgary's affordable housing continuum in relation to the need for such services. While focusing on the most vulnerable populations is a key strategy to reduce the rates of homelessness it should not be the sole focus of the City's affordable housing strategy. This is especially true when it is clearly evident that even those earning more than the median income are likely to be overspending on housing. Given these facts, Calgary needs more options for affordable and non-market housing.

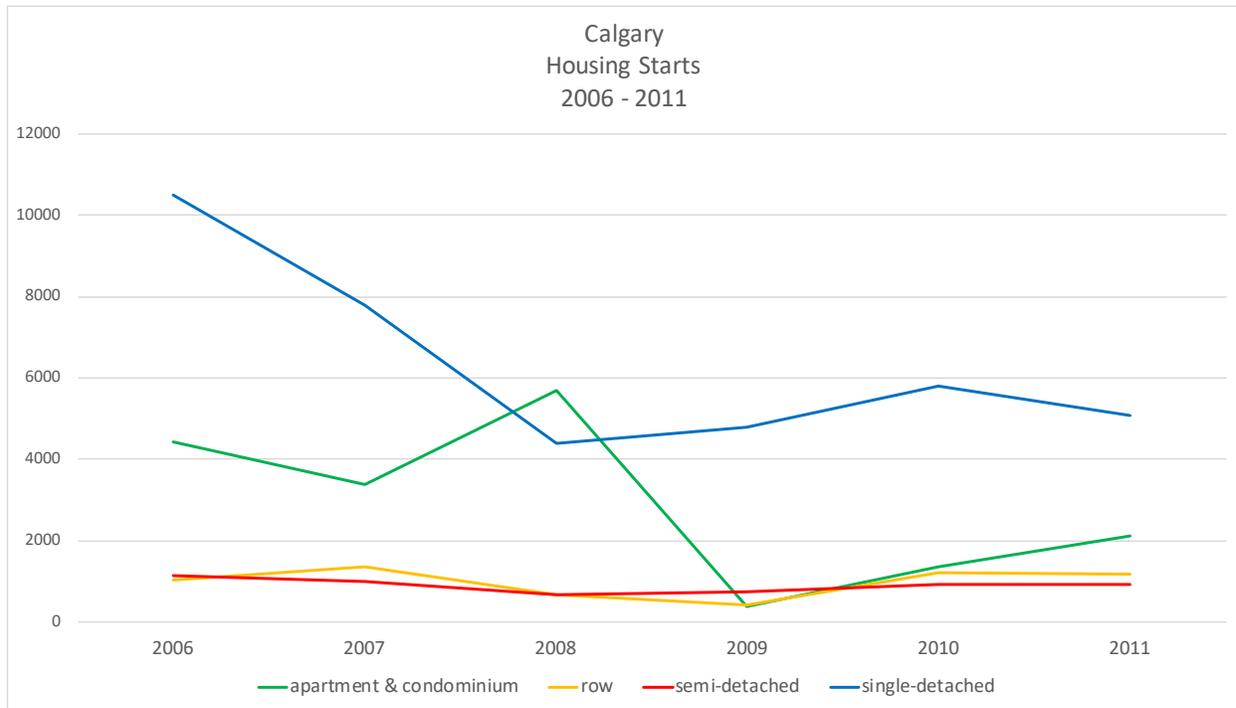
Increasing rates of income inequality have also exacerbated the supply issues around access to affordable market housing in Calgary. Calgary has the highest rate of after-tax income inequality of all Canada's major cities and income inequality in Calgary is four times greater than the national average (Fong, 2017). A large proportion of Calgarians are high income earners and the city's housing market caters to higher earners because housing developers make better profits building expensive homes.

Housing



Data Source: Alberta Government

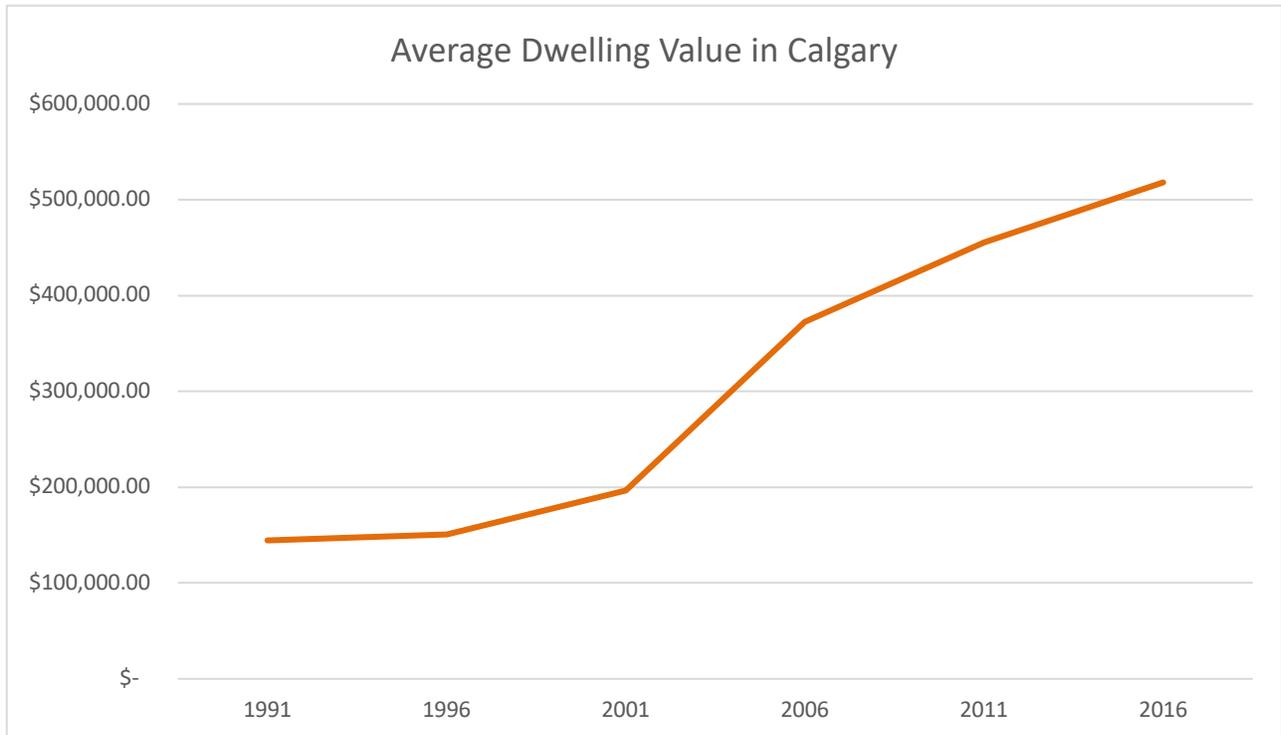
Figure 4. Housing starts in Calgary by structure type between the years 1996 and 2017.



Data Source: Alberta Government

Figure 5. Housing starts in Calgary by structure type between 2006 and 2011.

Calgary experienced a housing boom during the early to mid-2000s influenced by a growing, affluent population and low interest rates, as depicted in Figure 4. This period was dominated by the development of new single-detached homes. During the 2006 to 2011 period when net immigration to the city peaked, apartment and condominium development briefly overtook all other forms of housing development (see Figure 5) but by 2009 development in Calgary returned to pre-2008 levels until 2016, when the 2015 Alberta recession and housing starts dropped to less than half of the peak they had reached a decade earlier (Alberta Government).



Data Source: Statistics Canada

Figure 6. The average value of dwellings in Calgary by census year.

Due to previously established development patterns, the breakdown of the housing typology in Calgary is heavily skewed towards single-detached homes. In 2011, there were 464,000 households in Calgary, 60 percent of which were living in single-detached homes, almost 10 percent in semi-detached, 8 percent in row houses, 20 percent in apartments or condominiums, and 2 percent in some other detached structure such as a mobile home. In 2018, 44 percent of all new housing development was single-detached, 16 percent was semi-detached, 11 percent were row houses, and 28 percent were apartments and condominiums. It is important to note that just 1 percent of 2018’s housing starts were purpose-built rental and that there was an unabsorbed inventory of 534 single-detached homeowner/condominium units as of January 2019 (Canada Mortgage and Housing Company). Since 2001, the City has defined the need for

affordable housing as anyone making 65 percent or less of the area median income and who is spending 30 percent or more on housing. According to this definition 81,240 households in Calgary met the qualifications for affordable housing in 2016. This forecast is expected to exceed 100,000 households by 2026 and the number of Calgarians who struggle to afford housing and yet do not meet the City's criteria for affordable housing will be exponentially greater.

Community Land Trusts have the potential to meet the future needs for affordable ownership in Calgary as demonstrated by some of the successful CLT case studies, such as the Colorado Community Land Trust. The type of affordable ownership schemes that can be created through CLTs have the potential to enable low-to-moderate income households to acquire and maintain safe, stable housing that they would otherwise not be able to afford. As seen in Figure 6, the average value of housing in Calgary has almost quadrupled in the past fifteen years making home ownership unachievable for many Calgarians. 1 in 5 Calgary households currently struggle to afford their housing costs and single parents and people living with disabilities are at the greatest risk of housing unaffordability (City of Calgary Affordable Housing Division, 2018).

Issues Impacting the Potential Success of Community Land Trusts in Calgary

Despite limited available research within the Canadian context, there are a handful of examples of Community Land Trusts that have operated in western Canada including the Calgary Community Land Trust Society, the Central Edmonton Community Land Trust, the Community Housing Land Trust Foundation in Vancouver, the Salt Spring Community Housing & Land Trust Society, and the West Broadway Community Land Trust in Winnipeg. All of these organizations operated to varying degrees of success and faced similar issues and barriers which have impacted their operation and their ability to provide safe, stable homes for people in need.

Based on precedent research of the identified case studies for Community Land Trusts that have operated in Western Canada, the barriers which are most likely to impact the success of the Community Land Trust model in Calgary are: the cost of land; the reduction of federal and provincial funding sources; a lack of public awareness and education about Community Land Trusts and their benefits; a lack of political will in Calgary municipal politics to advocate for the expansion of non-market housing for all but the most vulnerable, based on the common misconception that a soft housing market will act as a corrective to unaffordability and overspending on housing.

The relatively high cost of land on which it is appropriate to develop non-market housing in the city is limited. In 2018 the City of Calgary put out a request for proposals for six parcels of City-owned land earmarked for the development of affordable housing. However, the process by which the proposals were evaluated was not made transparent to all prospective bidders. According to a researcher within the City's Affordable Housing Division, the successful proposals were all submitted by organizations that have previously established partner relationships with the City of Calgary. It would therefore be very unlikely that a new, non-profit organization intending to develop and manage a Community Land Trust would be given the same opportunity as established operators of non-market housing to gain access to City-owned land or development through the regular bidding process.

Much of the development in the non-market sector until the late 1990s was aided by tripartite funding from the federal, provincial, and municipal government. Much of this cohesive funding for affordable housing is no longer available, and funding is more likely to take the form of grants. Or funds have become more targeted, as in the case of the *National Housing Strategy* (2018), federal funds are being allocated towards providing safe and adequate housing for the

most vulnerable demographic segments, including women and children fleeing family violence, seniors, Indigenous peoples, people with disabilities, those dealing with mental health and addiction issues, veterans, and young adults.

Another barrier that Community Land Trusts face is a critical lack of public awareness and understanding about what they are and who they are intended to support. A crucial component to the success of Community Land Trust projects elsewhere has been providing free education to the public about the Community Land Trust model and training that supports community-led housing projects. Lastly, there is a lack of political will behind the provision of non-market housing for all except the most vulnerable in Calgary. This attitude has been demonstrated by the focus on subsidized rental as the City's primary model for non-market housing in Calgary. While municipal leaders in Calgary may recognize that increasing unaffordability is a significant issue facing the city there has not yet been significant political support for models of housing affordability that are intended for people earning low-to-moderate-incomes and who are not at immediate risk of homelessness. Even without the threat of homelessness, increasing numbers of Calgarians are finding themselves in precarious housing situations that may be causing them long-term financial harm.

Community Land Trusts are a relatively unknown concept in Calgary and the term is often conflated with co-operative housing. Despite not being on the City of Calgary's radar, it is encouraging to note that Community Land Trusts were referenced in a 2018 report by Calgary Economic Development, which identified Community Land Trusts as one of several strategies that may be employed in encouraging market affordable housing, which are beyond the scope of land use planning or outside the municipal jurisdiction (Calgary Economic Development, 2018).

Community Land Trusts for Long-term Affordability in Calgary

The lack of public knowledge about CLTs and the benefits that they provide is a barrier for the successful implementation of the model in Calgary. In Canada, there are only a handful of active CLT's, and the concept was not familiar to a representative of HomeSpace or to the staff researcher within the City of Calgary's Affordable Housing office. While the model has been used successfully in the United States for decades, the concept has not reached a level of general public awareness where it could influence affordable housing policy in Calgary. Yet, despite the lack of awareness in Calgary of the CLT model, the City's Corporate Affordable Housing Strategy is primed for the inclusion of CLT's into the affordable housing continuum through initiatives like the Resolve Campaign, which matched affordable housing developers with philanthropic organizations and service providers and the recent push to leverage city-owned land for affordable development. However, restricting the bidding for City-owned land in Calgary to the 'known entities' of affordable housing development prevent new, smaller affordable housing developers like CLTs from benefiting from the sale of City-owned land. The significant upfront costs associated with purchasing land and properties make the formation of CLTs prohibitive without significant financial support from governments or large philanthropic donors.

Another major barrier to the popularization of the CLT model is the lack of successful examples in the Canadian context and especially the western Canadian context. Vancouver's Community Housing and Land Trust Foundation is the notable exception to this, whose success is due in no small part to its lineage from the Cooperative Housing Foundation of BC, and its established partnerships with both the City of Vancouver as a pre-qualified provider of affordable housing and Vancouver's largest provider of affordable housing, the Vancouver

Affordable Housing Agency. Its connections to larger, more well-established organizations created opportunities that would not exist had it been an unknown entity operating in the city.

The administrative burdens associated with establishing a new non-profit organization and the administrative complexities of establishing a CLT and managing its property portfolio are significant barriers to their success in Canada, where funding often takes the form of grants and is not consistent year-on-year. Unlike the United States where affordable property developers and managers can anticipate receiving regular federal tax refunds, funding for affordable housing in Canada is notoriously inconsistent across all three levels of government. In addition, policies like the *National Housing Strategy* and even Calgary's *Corporate Affordable Housing Strategy* focus mainly on the prevention and reduction of homelessness and are less well equipped for addressing housing affordability for those earning low and moderate incomes who are not at immediate risk of homelessness. The kind of affordability issues affecting those households in Calgary earning between \$30,000 and \$85,000 are more insidious, because while not at direct risk of homelessness, they are still potentially living in precarious housing situations which prevent them from saving for their retirement or oblige them to incur higher than average rates of personal debt.

CLTs are an appropriate response to the affordability issues in Calgary, because the overall percentage of affordable ownership options within Calgary's non-market housing supply needs to increase to reflect the actual housing needs in the city. To that end, any addition to the city's stock of affordable housing is beneficial. When implemented successfully as observed in the Colorado example, CLTs are particularly appropriate to meet the needs of the low-to-moderate-income households who do not qualify for subsidized housing, yet are overextending themselves financially on available market housing. While organizations like Attainable Homes

Calgary, Liberty Home Ownership, PEAK Housing Initiatives, and Habitat for Humanity Southern Alberta all provide down payment assistance or rent-to-own schemes to assist Calgarians purchasing their first homes, there are years-long waiting lists associated with all of these programs, and simply qualifying is no guarantee that an applicant will actually get a home. The demand for affordable ownership proves that there is room for CLTs in Calgary. If the CLT model was to gain traction it would increase the availability of affordable ownership and ease the demand felt by other organizations in the city.

The financial strain of housing costs negatively impacts the population outside of those determined to be in core housing need. Households that do not qualify for housing subsidies, and who are earning close to the area median income or even above, may overextend themselves to purchase a house in order to exit the rental market. This puts considerable financial strain on such households and contributes to increasing levels of personal debt. Rising levels of personal debt impact not only individuals, but also impacts the economy, as the burden of servicing debt rises faster than income levels. Personal debt in Canada has steadily risen over the past 30 years and mortgages comprise two thirds of that debt (Poloz, 2018).

Since Affordable Housing at the City of Calgary maintains that some households are making a choice to overspend on housing, the need for affordable ownership in Calgary has been underestimated. Those households that fall into the category of overspending by choice are those that make at least 65 percent of the area median income and spend more than 30 percent of their incomes in shelter. That could be someone earning \$45,000 a year who is spending more than \$1,125 per month on shelter and according to the 2018 CMHC rental market report the average cost of rent in the Calgary CMA is \$1,149 (Canada Mortgage and Housing, 2018). Such an individual or household would easily meet the qualifying criteria for Attainable Homes Calgary,

a provider of affordable rent-to-own housing, as long as they could pay the \$2000 down payment, qualify for a mortgage, and completed an education session (Attainable Homes, n.d.).

CLTs provide an additional source for affordable ownership and they are usually small, meaning that CLTs require less administration than a large organization such as Attainable Homes Calgary or Habitat for Humanity Southern Alberta, which both have paid staff. Unlike larger non-profit organizations, which serve an entire city or region, CLTs are generally situated within the communities that they support. Additionally, the community-led nature of such organizations may contribute to the reduction of some of the stigma associated with non-market housing in Calgary, since they are generally perceived (at least in the US context) as a more grassroots approach to fulfilling the local need for affordable housing rather than as an intervention by the state. The limited number of affordable ownership units in Calgary, 1100 in 2014, compared to 13900 affordable rentals, creates a gap along the City's housing continuum where the needs of low-to-moderate income earners are not being adequately met and those households that do not qualify for subsidized rental are forced to overspend on market rent. Similarly, some households may face pressure to purchase market housing even when it is not in their best interest financially.

Recommendations

In light of Calgary's projected economic outlook, its current supply of non-market housing, and its prevailing housing typology and prevalence of owner-occupier households, the Community Land Trust model is a practical and appropriate tool to increase the supply of non-market housing in Calgary. Here are five actions which the City can take to encourage wider interest in the CLT model and provide support for new CLTs in Calgary.

- 1) Formally incorporate Community Land Trusts into the City of Calgary's *Corporate Affordable Housing Strategy*.

One of the first steps that the City of Calgary can undertake to legitimize the CLT model in the city is by incorporating the definition of Community Land Trusts into the *Corporate Affordable Housing Strategy*. If CLTs are not included in the City's strategies to address its affordable housing crisis, the model will not be seen as a legitimate tool or will be perceived as inappropriate or too obscure to be useful, when in reality there are no institutional barriers preventing the wide scale adoption of CLTs in Calgary. As for the strategy itself, Community Land Trusts fit well into the strategy's first objective to "Get the Calgary community building" (The City of Calgary, 2016), as any increase in affordable housing in Calgary is a good thing for the city.

- 2) Make information about Community Land Trusts publicly accessible on the City's affordable housing website.

Along with a definition, an explanation of how CLTs operate and what benefits they provide should also be included on City's affordable housing website. The City already provides definitions and brief descriptions for topics such as *seniors' affordable rental*, *Attainable Homes Calgary*, *Calgary Housing Company*, and other related topics. Since it is much less likely that a certain approach or tool will be used if it is not explicitly referenced in City policies, an appropriate definition should be added to the strategy along with additional information to the City of Calgary's Affordable Housing webpage and printed literature.

- 3) Create mechanisms for providing financial support for Community Land Trusts and other community-led affordable housing initiatives.

While the City does contribute to affordable housing, these dollars are more likely to go to larger, more established organizations where it is felt that the money will have a greater impact than a small organization. This is also true for the sale of City-owned land, which is less likely to be sold at non-market rates to smaller or community-led organizations than it is to larger, established developers of affordable housing. The City has to encourage smaller organizations if they want to see the benefit of increased diversity in the affordable housing market. The City already provides rebates for application fees, development permits, and property taxes for affordable development. However, there are more revenue generating tools worth exploring. For instance, in February 2019, the City of Vancouver implemented an empty homes tax equal to 1 percent of the home's assessed taxable value, as well as increasing property taxes on homes worth \$3million and above to contribute towards affordable housing in the City (City of Vancouver, 2019). These two additional fees will apply to approximately 58,000 homes in Vancouver and are expected to generate around \$400million in revenue for the City to fund new affordable housing developments (Hunter, 2018). While similar fees would not generate as much revenue in Calgary which has a smaller population and fewer luxury and vacant homes, introducing similar forms of progressive taxation may be a way that Calgary could generate some additional revenue for community-led affordable development without burdening already struggling households.

- 4) Provide institutional supports and partnership opportunities for Community Land Trusts and small-scale affordable development.

Most successful affordable developments in Calgary are the result of partnerships between at least two organizations working in adjacent areas. These partnerships are important because they can facilitate both financial and institutional connections. Different organizations have access to different funding sources and are able to pool both their resources and their expertise.

Organizations working in affordable housing are often competing against one another for funding, when it would make more efficient use of their mutual resources to work together to secure available funding. One of the most efficient Canadian examples of partnerships working to benefit CLTs is in Vancouver, where the Cooperative Housing Foundation of BC, the Community Housing and Land Trust Foundation, the Vancouver Affordable Housing Agency, and the City of Vancouver all worked in concert to develop new affordable housing units using a CLT model. The City of Calgary should publish its list of preferred partner organizations for affordable housing to facilitate connections across organizations and encourage those organizations to form mutually beneficial partnerships to get more affordable housing built in Calgary. Furthermore, the City should investigate engaging the Community Housing and Land Trust Foundation as expert consultants to assist the City in the incorporation of Community Land Trusts into the *Affordable Housing Strategy*.

- 5) Provide education and support for community-led organization trying to gain charity status

Community Land Trusts are comparatively uncommon in Canada and the Canada Revenue Agency does not have a system in place for reviewing applications for charity status from CLTs. Subsequently each application the CRA receives from a CLT is reviewed on a case-by-case basis, rather than against some established criteria (Bunce & Khimani, 2015). Becoming

approved for charity status can be a difficult and time-consuming process for small organizations who do not have the experience of submitting previous successful applications or the resources to devote to learning how to submit a successful application. This is one area where they City could provide impactful support and guidance by providing free education sessions for qualifying organizations. If the City wants to encourage affordable, community-led development in Calgary then it must offer both financial and institutional support to those organizations which are doing the work it wants to foster.

Information about Community Land Trusts and community-led affordability initiatives more generally should be offered by the City through its educational *Partners in Planning* program. *Partners in Planning* is a free certificate program about planning in Calgary offered by the City of Calgary and the Federation of Calgary Communities. The program is intended to encourage the public to participate in the planning process (City of Calgary, 2014). Holding a *Partners in Planning* seminar on Community Land Trusts and affordable housing would be an easy way to provide education on the topic of community-led affordable development and generate public interest.

Each of these five recommendations is a practical action that would encourage interest in the Community Land Trust model in Calgary and make it easier for new CLTs and other small-scale or community-led organizations to develop new affordable housing. While there is so single solution to Calgary's affordable housing crisis, Community Land Trusts are an intriguing option, because they have already proven themselves to be successful in other cities such as Denver which faces similar housing issues to Calgary. Community Land Trusts have the potential to make a worthwhile contribution to Calgary's supply of non-market housing options

and ease the way for households living with the negative impacts of unaffordable and unstable housing.

Works Cited

- Alberta Government. (n.d.). Alberta Regional Dashboard: Calgary. Retrieved from <https://regionaldashboard.alberta.ca/region/calgary/#/>
- Attainable Homes. (n.d.). Program Information. Retrieved from <https://attainyourhome.com/program-info/>
- BACLT. (n.d.). Projects. Retrieved from http://bayareaclt.org/projects/mcgee_homes.php
- Bunce, S., & Khimani, N. (2015). *Urban Community Land Trusts: Case Studies from Boston, Calgary, and London*. Presented for The Parkdale Community Land Trust in Toronto, ON. Retrieved from <http://www.pnlt.ca/wp-content/uploads/2015/04/bunce-parkdale-clt-presentation.pdf>
- The Calgary Housing Company. (2019). About. Retrieved from <http://calgaryhousingcompany.org/about/>
- Calgary Economic Development. (2018). *Housing Affordability in Calgary*. (pp.1-13, Rep.)
- The Canadian Press. (2018, March 16). Alberta lost the most jobs in 2015 since 1980s recession: Statistics Canada. Retrieved from <https://business.financialpost.com/investing/outlook/alberta-lost-the-most-jobs-in-2015-since-1980s-recession-statistics-canada>
- Canada Mortgage and Housing Company. (n.d.). Housing Market Information Portal. Retrieved from <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/0140/3/Calgary%20CMA>
- Canada Mortgage and Housing Company. (2018, March 31). Residential-rehabilitation-assistance-program. Retrieved from <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/funding-opportunities/on-reserve-renovation-programs/residential-rehabilitation-assistance-program>
- Carrick, R. The Globe and Mail. (2017, June 5). A house for three times your income? Think again. Retrieved from <https://www.theglobeandmail.com/real-estate/mortgages-and-rates/canadas-old-standards-of-housing-affordability-need-an-update/article27126408/>
- The City of Calgary Affordable Housing Division. (2018). Housing in Canada's Big Cities (pp. 1-56, Rep.). City of Calgary. May 2018
- City of Calgary Affordable Housing Division. (2018, November 19). Housing Needs Assessment: In Calgary, supply of affordable homes is a significant problem. Retrieved from <https://newsroom.calgary.ca/housing-needs-assessment-in-calgary-supply-of-affordable-homes-is-a-significant-problem/>

City of Calgary (n.d.) Overview of affordable housing in Calgary. Retrieved from <http://www.calgary.ca/CS/OLSH/Pages/Affordable-housing/Affordable-Housing-Overview.aspx>

City of Calgary Corporate Economics Division. (2018). Calgary & Region Economic Outlook 2018 – 2023. Retrieved from http://www.calgary.ca/_layouts/cocis/DirectDownload.aspx?target=http%3a%2f%2fwww.calgary.ca%2fcfd%2ffinance%2fDocuments%2fCorporate-Economics%2fCalgary-and-Region-Economic-Outlook%2fCalgary-and-Region-Economic-Outlook-2018-Fall.pdf&noredirect=1&sf=1

The City of Calgary. (2016). *Foundations for Home Calgary's Corporate Affordable Housing Strategy 2016 – 2025*(Publication). Retrieved from <http://www.calgary.ca/CS/OLSH/Documents/Affordable-housing/Corporate-Affordable-Housing-Strategy.pdf>

City of Calgary Planning and Development. (2014, June 04). Partners in Planning. Retrieved from <http://www.calgary.ca/PDA/pd/Pages/Partners-In-Planning.aspx>

The City of Edmonton. (2002, March). Building Together The City of Edmonton Low-Income and Special Needs Housing Strategy 2001 – 2011. (pp. 1-16, Rep.) Retrieved from https://www.edmonton.ca/programs_services/documents/PDF/BuildingTogether.pdf

City of Vancouver. (2019, January 30). Empty Homes Tax. Retrieved from <https://vancouver.ca/home-property-development/empty-homes-tax.aspx>

The Community Housing Affordability Collective. (September 2018). Let's Get Building! (pp. 1-2, Rep.). Calgary Housing Affordability Collective.

Cooperative Housing Foundation of BC. (2019). Community Land Trust - Co-op and Non-Profit Housing. Retrieved from <https://www.chf.bc.ca/community-land-trust/>

Cooperative Housing Foundation of BC. (2019). Home. Retrieved from <https://www.chf.bc.ca/>

Cundall, Wendy. Telephone Interview. (2019, January 8).

Denver Metro Association of Realtors. (2019, January). Denver Metro Real Estate Market Trends Report. (pp. 1-29, Rep.) Retrieved from https://www.dmarealtors.com/sites/default/files/content/dmar_markettrendsreport_january2019.pdf

Dudley Neighbors Incorporated. (n.d.). History of DNI. Retrieved from <https://www.dudleyneighbors.org/background.html>

Dwyer, L.A. (2015, May 21). Mapping Impact: An Analysis of the Dudley Street Neighbourhood Initiative Land Trust. (pp. 1-108, Thesis). Retrieved from https://dusp.mit.edu/sites/dusp.mit.edu/files/attachments/news/Dwyer_Thesis_FINAL.compressed.pdf

Fong, F. (2017). Income Inequality in Canada: The Urban Gap. (pp. 1-22, Rep.) Chartered Professional Accountants Canada.

Foran, M. L. (2019, March 5). Calgary. Retrieved from <https://www.thecanadianencyclopedia.ca/en/article/calgary>

Gray, K.A. (2008). Community land trusts in the united states. *Journal of Community Practice*, 16(1), 65-78. doi:10.1080/10705420801977999)

Harper, D. (2012). *The community land trusts: Affordable access to land and housing*. Nairobi: UN Habitat.

HomeSpace. (2018). Our Vision. Retrieved from <http://www.homespace.org/about/#top>

Hunter, J. (2018, March 14). New B.C. tax on high-value homes goes largely unnoticed. Retrieved from <https://www.theglobeandmail.com/opinion/article-new-bc-tax-on-high-value-homes-goes-largely-unnoticed/>

Ministry of Families, Children, and Social Development. (2018, January 30). Canada's National Housing Strategy. Retrieved from <https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy.pdf>

Maunder, Mike. Telephone Interview. (2019, January 17).

Peterson, E. (2017, February 22). Community Land Trusts: Permanently Affordable Housing. Retrieved from <http://www.confluence-denver.com/features/community-land-trusts-022217.aspx>

Poloz, S. (2018, May 1). *Canada's Economy and Household Debt: How Big Is the Problem?* Address presented at Yellowknife Chamber of Commerce, Yellowknife, Northwest Territories. Retrieved from <https://www.bankofcanada.ca/wp-content/uploads/2018/05/remarks-010518.pdf>

Rieger, S. (2018, March 01). Calgary sells land to non-profits for new affordable housing projects | CBC News. Retrieved from <https://www.cbc.ca/news/canada/calgary/calgary-affordable-housing-land-1.4557811>

Rumbolt, R. CBC News. (2017, August 31). *Alberta officially says bye-bye to the recession – but the economy will be slow to recover, ATB forecasts*. Retrieved from <https://www.cbc.ca/news/canada/calgary/alberta-recession-over-atb-jobs-economy-oil-gas-1.4269136>

Rumbolt, R. (2019, February 13). City still has 'long way to go' to fill affordable housing demand: Nenshi. Retrieved from <https://calgaryherald.com/news/local-news/city-still-has-long-way-to-go-to-fill-affordable-housing-demand-nenshi>

Salt Spring Commons. (n.d.). The History. Retrieved from <http://saltspringcommons.ca/history/>

Salt Spring Island Community Services. (n.d.). Salt Spring Commons. Retrieved from <http://saltspringcommunityservices.ca/services/shelter-and-housing/salt-spring-commons/>

Statistics Canada. (1991). Calgary, Alberta. Census Profile, 1991 Census. Retrieved from <http://dc1.chass.utoronto.ca.ezproxy.lib.ryerson.ca/cgi-bin/census/1991/displayCensusCSD.cgi?lang=fr#>

Statistics Canada. (1996). Calgary, Alberta. Census Profile, 1996 Census. Retrieved from <http://dc1.chass.utoronto.ca.ezproxy.lib.ryerson.ca/cgi-bin/census/1996/displayCensusCSD.cgi?lang=fr>

Statistics Canada. (2001). Calgary, Alberta. Census Profile, 2001 Census. Retrieved from <http://dc1.chass.utoronto.ca.ezproxy.lib.ryerson.ca/cgi-bin/census/2001/displayCensusCD.cgi?lang=fr>

Statistics Canada. (2006). Calgary, Alberta. Census Profile, 2006 Census. Retrieved from <http://dc1.chass.utoronto.ca.ezproxy.lib.ryerson.ca/cgi-bin/census/2006/displayCensusCSD.cgi?lang=fr>

Statistics Canada. (2011). Calgary, Alberta. Census Profile, 2011 Census. Retrieved from <http://dc1.chass.utoronto.ca.ezproxy.lib.ryerson.ca/cgi-bin/census/2011/displayCensus.cgi?year=2011&geo=csd>

Statistics Canada. (2016). Calgary, Alberta. Census Profile, 2016 Census. Retrieved from <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CMACA&Code1=825&Geo2=PR&Code2=48&Data=Count&SearchText=calgary&SearchType=Begins&SearchPR=01&B1=All&TABID=1>

Statistics Canada. (2017, March 31). Annual consumer insolvency rates by province and economic region 2010-2017. Retrieved from <https://www.ic.gc.ca/eic/site/bsf-osb.nsf/eng/br01820.html>

Urban Land Institute Colorado. (2016, October). Overcoming Barriers to Affordable Housing in Colorado. (pp. 1-20, Rep.) Retrieved from <https://colorado.uli.org/wp-content/uploads/sites/19/2016/10/Overcoming-barriers-to-affordable-ULI-CO-report-9-30-16.pdf>

U.S. Department of Housing and Urban Development. (2018, June 6). Retrieved from <https://www.huduser.gov/portal/datasets/lihtc.html>

West Broadway Community Organization. (2014). West Broadway Housing Plan 2014 – 2019. Retrieved from <http://www.westbroadway.mb.ca/wp-content/uploads/2014/09/WB-Housing-Plan-2014-2019-Part-1.pdf>