

Canada Public Land Bank – Call for housing solutions

Submission to the Federal Minister of Public Services
and Procurement

October 18, 2024

Summary of Recommendations

1. Integrate all available public land for housing through the Canada Public Land Bank and mandate the Canada Lands Company to facilitate land transactions between developers and other orders of government.
2. Require private developers to partner with non-profit housing providers to be eligible to develop properties from the Canada Public Land Bank or to access funding under the Federal Lands Initiative.
3. Restrict land sales of federal property at discounted or no-cost to Indigenous housing providers, community land trusts, and non-profit developers.
4. Prioritize long-term leases for non-profit developers and private developers partnering with non-profit entities.
5. Adjust minimum affordability requirements so that land leases ensure rents are truly affordable and affordability periods align with the buildings' useful life.
6. Harmonize development approval processes across different orders of government and within federal agencies.
7. Encourage affordable housing development through density bonusing, grants, and incentives.
8. Allocate additional funding for pre-development costs for non-profit developers.
9. Prioritize funding through the Affordable Housing Fund and the Apartment Construction Loan Program for non-profit developers.

The Honourable Jean-Yves Duclos, P.C., M.P.

Minister of Public Services and Procurement

House of Commons

Ottawa, ON

K1A 0A6

jean-yves.duclos@parl.gc.ca

Dear Minister,

I am writing to you on behalf of the Canadian Centre for Housing Rights (CCHR) to expand upon our recent submission to the Call for Housing Solutions survey for the Canada Public Land Bank. CCHR is Canada's leading registered charitable organization working to advance the right to adequate housing across the country. For over 35 years, we have worked tirelessly at the intersection of human rights and housing, providing free services to renters facing evictions and human rights violations to remain housed, providing education and training about housing rights across Canada, and advancing rights-based housing policy through research, policy development, advocacy, and law reform.

Renters across the country are facing soaring rental costs, few affordable options, and limited housing security. Making public lands available for affordable housing development is a critical opportunity to help address the growing housing crisis and build more equitable, inclusive, and sustainable communities across Canada. Building upon our survey submission, we outline below the importance of prioritizing the community housing sector to ensure public lands and assets are maximized for the greatest impact by providing deeply affordable housing options for those in the greatest need, which is a critical component of Canada's commitment to advancing the right to housing.

Facilitating partnerships for truly affordable housing development

In the absence of robust affordability requirements, new private market housing is rarely affordable for households in greatest need and can lead to the further financialization of housing across the country. Prioritizing partnerships with non-profit developers ensures that housing developments are affordable for the long-term, exceed minimum affordability requirements, and meet the needs of households most impacted by the housing crisis. However, non-profit housing providers are limited in their financial and organizational capacity to deliver housing development projects at scale. Facilitating public-private-non-profit partnerships can help leverage private and public investments to guarantee upfront capital for affordable housing development, provide adequate land servicing, and support the scaling up of housing developments that are affordable and accessible to lower income households.

For these partnerships to be successful, it is essential for the federal government to collaborate closely with other orders of government. For example, existing infrastructure may not support new housing developments and partnering with municipalities can help ensure that proper infrastructure is available and/or planned for in advance, while helping to streamline development approval processes. In addition, provincial, territorial, and municipal governments can leverage their material and administrative assets, such as transfers of surplus land or

waivers on development charges, to lend additional capacity to non-profit housing providers in successfully implementing affordable housing development projects.

Leasing vs. purchasing federal property

In order to develop affordable housing on public lands, leasing and purchasing options should be balanced to provide the best value for money of federal property. Long-term leases present many advantages for both non-profit and private housing providers. Leasing can support the development of long-term affordable housing by reducing the upfront costs of acquiring land, reducing financial risks and operational burdens, allowing for easier project reassessment, and ultimately guaranteeing affordable housing in perpetuity by keeping public lands in the public domain. It also offers a greater level of accountability from housing developers by ensuring that potential redevelopment or conversion is carried out in accordance with the project's affordability mandate, and in consultation with the government.

However, leasing unceded lands can undermine efforts to advance reconciliation with Indigenous peoples and should be pursued in close partnership and collaboration with Indigenous communities. Similarly, leasing land where historic communities are at risk of being displaced can lead to urban segregation and further marginalization of these communities.

The Federal Lands Initiative (FLI) has supported housing development projects that exceeded its 30 per cent affordability target, with 42 per cent of new units considered affordable. However, the program's [evaluation report](#) shows that when land is sold at reduced cost to private developers, it does not translate to lower rents over time for units that do not have affordability requirements attached to them. In addition, affordability is not maintained over time and the affordability levels required do not match the financial capacity of households most in need. Affordability requirements under the FLI are based on median market rents, and the majority of "affordable" units created through this program are only accessible to households earning over \$60,000 annually.

Even with subsidies, private developers are not incentivized to build or preserve affordable housing beyond what is required. Conversely, non-profit developers have consistently produced affordable housing through land purchasing under the FLI, regardless of the cost savings on land.

Improving social outcomes by developing public lands for housing

The Public Lands for Homes Plan is a key opportunity for the federal government to prioritize affordability and advance reconciliation by ensuring non-profit and Indigenous housing providers have preferential access to public land. This will ensure public assets are maximized for the greatest impact and public good by delivering long-term, deeply affordable housing options. Moreover, considering the deep connection between inherent Indigenous rights (including as it relates to land), the disproportionate rates of Indigenous housing need, and Canada's constitutional and international commitments to reconciliation, it is incumbent on the federal government to work in close collaboration with Indigenous housing providers and communities to ensure Indigenous access to land and resources for Indigenous-led housing projects.

Key challenges in developing public lands for housing

Land acquisition and development represent a significant proportion of housing development project costs and can impact project timelines and viability. Zoning laws, land use regulations, and environmental assessments can create significant delays, as coordinating approvals from various levels of government often involves extensive documentation and compliance processes. Non-profit developers seldom have the capital to purchase properties, while delays in development approval processes often result in higher planning and building costs. In addition, Canada is facing a labour shortage in the construction sector, coupled with inflation of the costs of materials and skilled labour.

Key considerations related to property condition

Existing properties and properties that are already zoned for residential use and serviced with essential utilities offer significant advantages. They can reduce the time and costs associated with obtaining necessary approvals and constructing infrastructure and are optimal for projects responding to urgent housing needs.

However, “as is” properties may require substantial repairs or modifications to meet adequate housing standards, and there may be regulatory hurdles related to redevelopment. For these properties, funding should be made available to support non-profit developers in upgrading facilities to the most current building standards. While greenfield sites offer more design flexibility, affordable housing development on these sites should be done in partnership with local governments to ensure sites are pre-zoned and serviced according to the municipality’s environmental sustainability and affordable housing development plans.

Key considerations related to competitive bidding

As long as access to federal funding and assets follows a competitive bid process requiring significant upfront resources and organizational capacity, non-profit and small private developers committed to providing affordable housing will continue to face capital and operational constraints compared to large, private sector developers with extensive resources and experience. Additionally, this type of bidding process can pit developers with the same mission against each other, instead of fostering collaboration and partnerships. Access to public lands should prioritize non-profit developers as much as possible, and competitive bidding should be based on the level of affordability provided, community benefits derived from the project, and developers’ experience in engaging with and serving households in greatest need.

Key federal supports to advance the development of public lands for housing

To support the development of affordable housing on public lands and streamline affordable housing development processes from planning to implementation, we recommend that the federal government takes the following actions:

- Establish a process to integrate all available public land for housing under the umbrella of the Canada Public Land Bank and mandate the Canada Lands Company to facilitate land transactions between developers and other orders of government, instead of purchasing and reselling it through the Public Lands Acquisition Fund. Time and cost

savings from limiting multiple land transactions would help fast-track development approvals, provide a wider range of properties suitable for housing development in one place, and would free up funding to support other orders of governments (such as incentive grants for affordable housing infrastructure).

- Require that private developers enter into partnership agreements with non-profit housing providers to be eligible to develop properties from the Canada Public Land Bank or to access funding under the Federal Lands Initiative. For example, the federal government could prioritize development proposals designed through a Community Benefits Agreement, in coordination with the relevant municipality.
- Restrict land sales of federal property at discounted or no-cost to Indigenous housing providers, community land trusts, and non-profit developers committed to providing housing that is affordable in perpetuity.
- Prioritize long-term leases for non-profit developers and for private developers that have entered into agreements with non-profit entities.
- Adjust minimum affordability requirements under the Public Lands for Homes Plan and the Federal Lands Initiative so that land leases to private and non-profit developers ensure rent prices are affordable to vulnerable populations and affordability periods align with the buildings' useful life.
- Harmonize development approval processes across different orders of government and within federal agencies to reduce the amount of documentation required for developers to access funding or get their projects approved.
- Encourage in-kind contributions to affordable housing development through density bonusing to private developers, or grants and incentives to social enterprises (e.g., for workforce training).
- Allocate additional funding for approved projects to help non-profit developers cover the onerous costs associated with pre-development. This could be done by reinvesting revenues from land leasing or purchasing.
- Prioritize funding available under the Affordable Housing Fund and the Apartment Construction Loan Program for fast-track access by non-profit developers that successfully qualify for the Canada Public Land Bank or the Federal Lands Initiative.

We thank you in advance for considering our recommendations. We welcome the opportunity to provide our housing expertise and look forward to further discussions to ensure all people in Canada can live in secure and affordable homes.

Sincerely,

A handwritten signature in black ink, appearing to be 'SB', with a long horizontal line extending to the right.

Sara Beyer
Manager of Policy
Canadian Centre for Housing Rights (CCHR)

CC: The Honourable Sean Fraser, Minister of Housing, Infrastructure and Communities