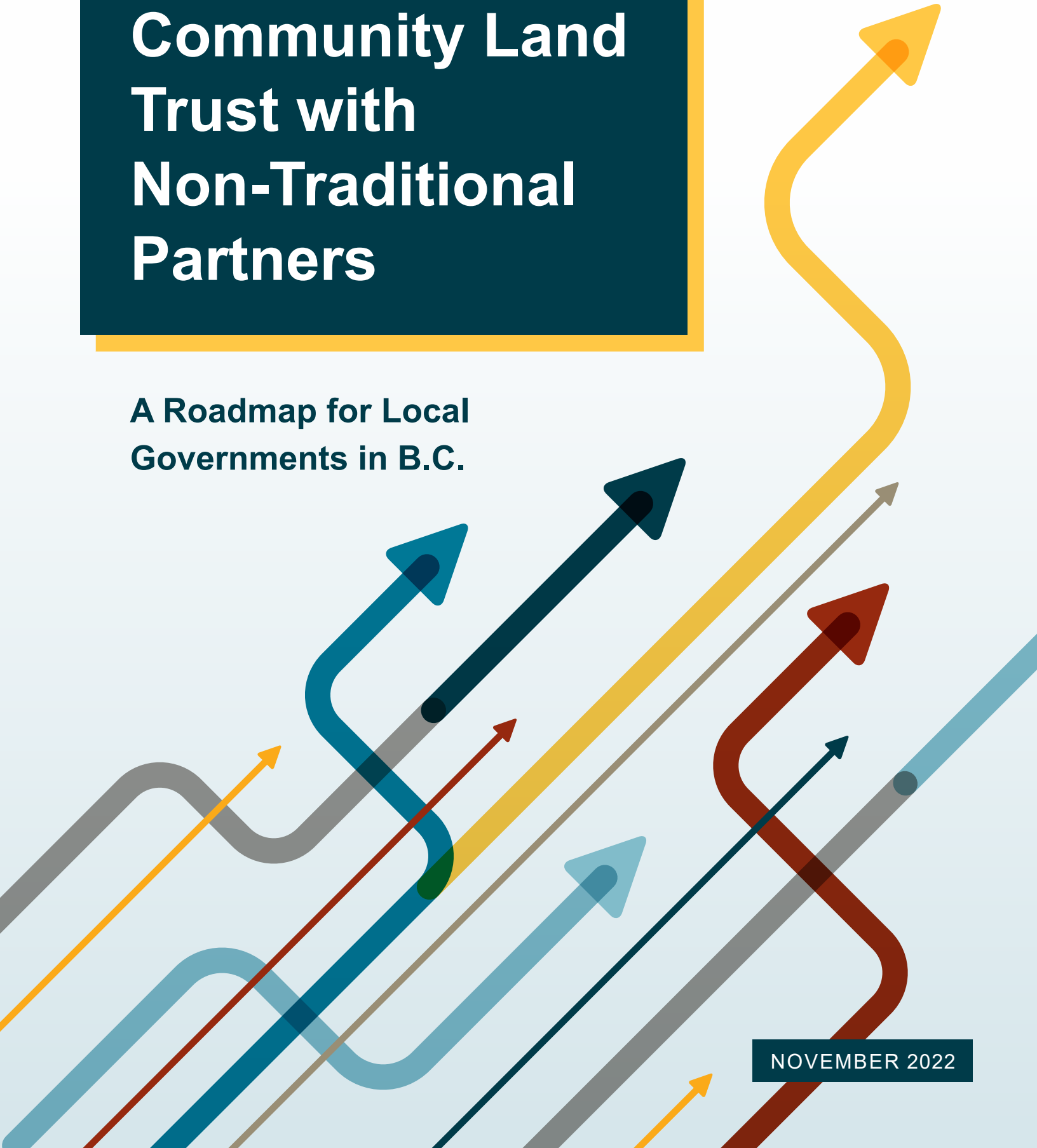


# Establishing a Community Land Trust with Non-Traditional Partners

A Roadmap for Local  
Governments in B.C.

NOVEMBER 2022



# Acknowledgement

The City of Kamloops occupies land that, since time immemorial, has been a place of great cultural and economic importance in our region. The City acknowledges that we are located on Tk'emlúps te Secwépemc (TteS) territory, situated within the unceded ancestral lands of the Secwépemc Nation. We honour and respect the people, the territory, and the land that houses our community.



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# Overview

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Aerial photo of Kamloops.  
Credit: Lurii Shamkin.

# The Purpose of this Roadmap

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This Roadmap is for local government staff, elected officials and community-based non-profits to help navigate their roles and responsibilities in starting a Community Land Trust (CLT).

A CLT is a purpose-built housing entity at arms-length of local government that provides or protects long-term affordable housing for the benefit of its local community. A CLT describes **an entity that removes land and housing from the speculative market** and places controls on the rise in housing costs.

This Roadmap focuses on the creation of CLTs that include **strong involvement of local government and non-traditional partners who own land** (such as faith-based organizations, federal and provincial partners, First Nations, health authorities, legions, the non-profit sector, park boards, school districts and universities).

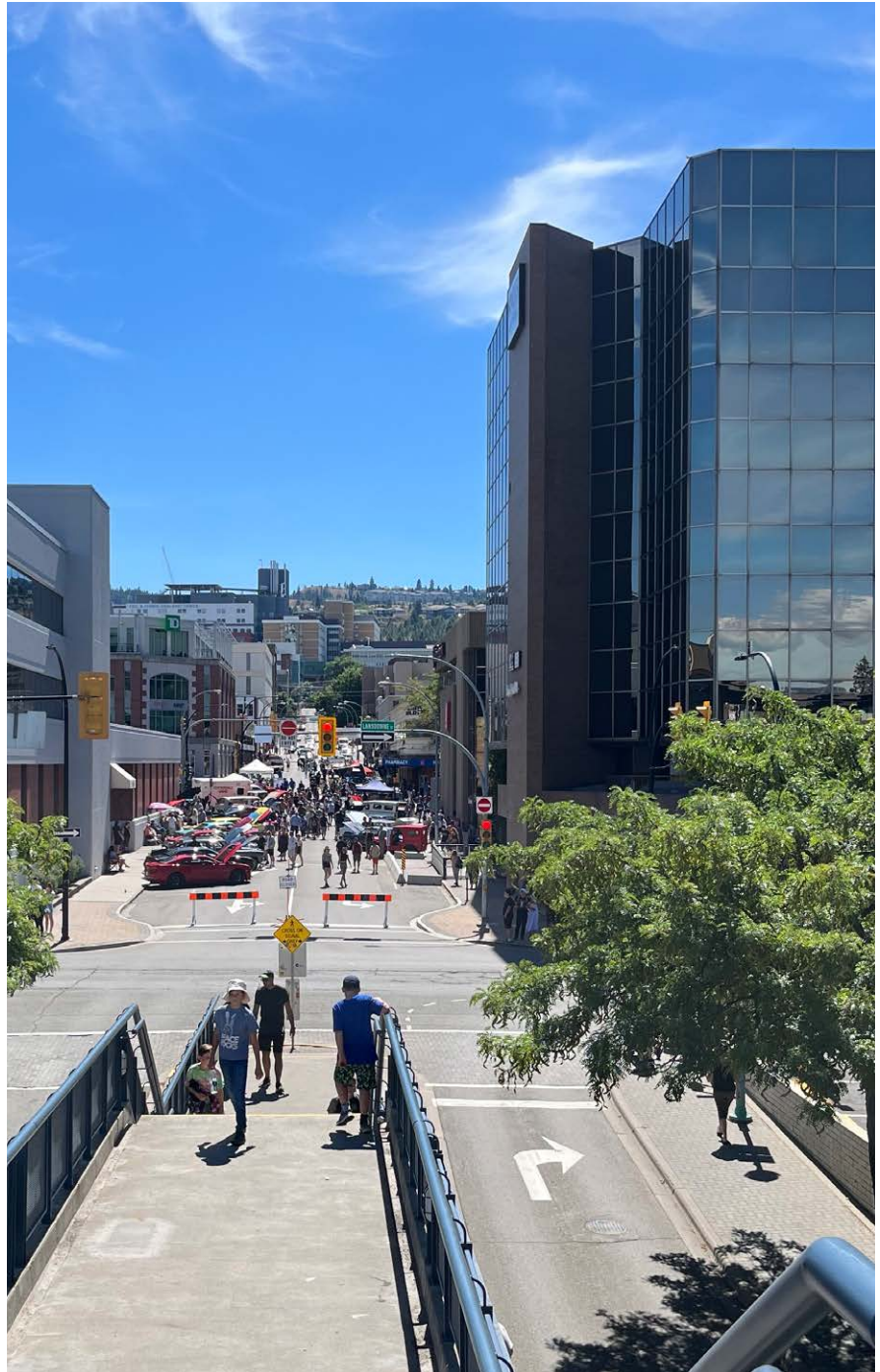


◀ Photo of Kamloops City Hall.

# Why a CLT?

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Distinct benefits of a CLT for local governments are to create some separation between local government political processes and affordable housing development and unlock development potential with other institutional partners who can provide land. Working through a CLT retains local governments' primary roles of stewardship, investment, regulation, and communication without assuming the role of developer, property owner, or housing operator.



▲ Photo of people on a staircase in Downtown Kamloops. Credit: K. Rodrigue.

# General Considerations for Local Government

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To address ongoing issues of housing affordability local governments can create a business corporation or a dedicated **non-profit society** (either of which can be defined as a CLT) or may choose to work through a **local government housing department**. The choice to establish either comes with **risks and opportunities** and may be influenced by considerations such as legal, political/governance, financial management, borrowing, operations, taxation, asset acquisition and disposition and reporting requirements.

The most notable factor to consider in creating an entity is that **initial startup grant funding is required to set up a CLT. Self-sufficient cost-recovery is feasible over time – but is highly dependent on the development scenarios.** Grant and/or government involvement is likely required until it reaches a threshold of units. A second notable factor involves considering the role a CLT will play in the community and how it will contribute rather than compete with the existing housing ecosystem. This includes ensuring the local government carefully considers the relationship it wants to have with the CLT. This can influence the governance model, local government decision making ability, and how lands and/or funding is contributed to the CLT over time.



◀ Photo multi-family housing area.



# Roadmap at a Glance

Find the complete Roadmap on [page 22](#).

The following seven steps outline a “road map” to facilitate the creation of a community land trust with non-traditional partners.

## 2. Define roles, and responsibilities in affordable housing creation

*What functions should the CLT perform?*

CLTs are versatile and able to fill functional gaps in affordable housing creation. An effective CLT will complement the functions of Local Government, existing Housing Non-Profits and Partners who hold land. Functions to define among stakeholders include:

- land disposition and development
- housing policy and advocacy
- housing development
- operations
- marketing
- and more...

## 3. Engage with non-traditional partners who hold land

*Who can support with resources and aligns with your goals?*

There are six crucial steps to build strong partnerships with land holders:

- Identify potential partners
- Identify developable sites
- Connect with potential partners to identify barriers and opportunities to transfer lands into a CLT
- Engage with decision-makers on the transfer of their lands
- Discuss types of affordable housing the CLT can and should pursue as condition of partnership
- Secure written agreement to collaboration and further exploration from partners

## 4. Prepare a Business Plan for the Community Land Trust

*What risks do you need to plan for?*

The following key sections in a Business Plan will help assess and mitigate risks and raise questions to answer:

- Executive Summary
- CLT Description
- Target Audience/Market
- Scope of Services and Programs
- Governance and Management
- Operations Plan
- Costs and Funding

## 1. Assess local government and community capacity

*Are you ready for a CLT?*

The foundational conditions that need to be in place to proceed with the idea of creating a successful CLT include:

- access to local government staff & staff capacity
- start-up and long-term funding sources
- access to land
- willingness to share control
- defined affordable housing policies

## 5. Consult and educate the wider community

*Who do you need to bring along and how?*

The best strategy for creating a long-term viable CLT that is supported by local government, is to build a strong base by securing resources and core supporters who will champion the cause.

Building on your base, you need to identify audiences, their interests, and a scope of engagement to bring the wider community along.



## 6. Determine sustainable governance structure and incorporate the CLT

*How will the CLT be governed in the long-term?*

Five steps will set the path towards incorporation of your CLT:

- a. Define the Local Government and CLT Relationship (Some autonomy is crucial!)
- b. Consider critical legal foundations before setting up the CLT
- c. Governance and the composition of your board
- d. Role of partners in governance
- e. Incorporate!



## 7. Initiate the typical project development process

*Conduct due diligence, determine the project concept, and define financial benefits!*

You are ready to move from concept to project. Some pointers on this journey for a process under a CLT include to:

- a. Conduct general site-specific due diligence
- b. Jointly define the Project Concept
- c. Assess what financial benefits can be achieved for all parties





# Introduction

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Aerial photo of  
Kamloops. Credit:  
Lurii Shamkin.

# What is a Community Land Trust for Affordable Housing?

A Community Land Trust (CLT) is an organization which holds land and functions as a steward of land to provide benefits for the community. CLTs can be used to respond to many types of challenges such as fostering conservation, supporting commercial, agricultural, retail development, or stewarding land for affordable housing. The goal of a CLT is to align the use of the land it stewards with the characteristics of the community it serves.

We use the concept of a CLT to describe a housing entity that provides or protects long-term affordable housing for the benefit of its community. A CLT is a means to facilitate land transfers and affordable housing development through an entity that is at arms-length to local governments (LGs).

## About the Project

In 2017, the City of Kamloops began exploring the concept of Land Trusts as part of an ongoing effort to address housing supply and affordability challenges in the community.

In 2019, the City of Kamloops initiated the Land Trust Roadmap project. Urban Matters CCC Ltd. (UM) supported the City with this work through a grant provided to the City of Kamloops by the Real Estate Foundation of British Columbia.



◀ Photo of a BC Housing affordable housing project construction site in Penticton, BC.

Housing CLTs usually work by acquiring land and maintaining ownership of the land, while the housing or other improvements on the land are often leased long-term to individuals or non-profit organizations. CLTs thereby remove land and housing from the speculative market and place controls on the rise in housing costs. This ensures affordability in perpetuity by limiting resale values and controlling rent levels.

A new buyer purchases a house but leases the land underneath from the CLT



With the cost of the land removed, the home is more affordable



The buyer pays an annual minimal lease fee to the CLT

**CLT**

The CLT retains ownership of the land



▲ **Illustration separating a house from the land.**

Since the first community based CLT focused on housing was established in 1969 in Burlington, Vermont, there have been different CLT models identified to facilitate housing supply and increase affordability. These include CLTs initiated by either a sector-based group (e.g., co-operative housing), local non-profit or a local government.

# Why Should Local Governments Establish a Community Land Trust?

Generally, local governments in Canada and in British Columbia have been focused on governing and developing land for affordable housing on an ad-hoc basis through respective municipal planning or social development departments. Rapid changes in housing needs require that local governments consider innovative approaches to increasing their housing supply.

**Local governments can take an active role to support stewardship, investment, facilitation, communication, and advocacy to increase housing supply in their community.**

The purpose and benefits of a CLT for local governments are to:

- create a purpose-built entity whose role is to advance affordable housing developments.
- **create some separation between local government political processes and housing implementation.**
- fill the role of facilitator and steward of land for the purpose of affordable housing.
- preserve, acquire, and provide land that is owned by levels of government – this is a proven collaborative approach to increase the affordable housing supply.
- actively develop new partnerships to support housing development.
- **unlock development potential with other institutional partners who can provide land.**
- take on additional functions as the need arises, such as the management of amenity contributions from private development, such as land, capital, or turn-key units.

As an arms-length entity, this structure **retains local governments' primary roles of stewardship, investment, regulation, and communication without assuming the role of developer, property owner, or housing operator.**

The new entity can be set up to focus on developing affordable housing types that are not currently pursued by existing organizations in the community. The operation of below-market housing can be undertaken with partners in the non-profit housing sector who already hold operating expertise, unless the CLT is defined to also meet this need.

**When designed correctly, CLTs will work in a complementary way to the non-profit housing sector** and serve as a vessel to facilitate previously untapped land development by focusing on functions the local non-profit sector does not currently fulfil. This roadmap discusses how this may occur.



▲ **Photo of Downtown residential building and patios in Kamloops, BC.**  
Credit: J. Putnam

# Why a Roadmap for Local Government?

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As housing affordability challenges are being felt by households across income groups and geographies, there is interest from local governments to explore new collaborative housing models. This includes CLTs with non-traditional partners who have access to land that can be utilized to build affordable housing. These non-traditional partners can include faith-based organizations, federal and provincial partners, First Nations, health authorities, legions, municipalities, non-profit sector, park boards, school districts and universities.

Exploring new housing solutions among local governments requires a clear understanding of the roles and responsibilities of each. Creating a roadmap to support how local governments can navigate their roles and responsibilities in starting a CLT helps take the guesswork out of the process.

## Non-Traditional Partners

“Non-traditional partners” in this roadmap refers to organizations who do not commonly use their land for affordable housing development. They may include:

- Faith-based organizations
- Federal lands
- First Nations
- Health authorities
- Legions
- Municipality
- Non-profit sector
- Park boards
- School districts
- Universities





# Role of Local Government

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Photo of Kamloops  
Tournament Capital  
Centre and Thompson  
River University.

A critical role of local government in the establishment of a CLT is to support its creation. The creation process includes a feasibility analysis, business plan development, and ultimately the formation of a CLT organization that can operate at arms-length of local government.

However, it is important to understand that for local government involvement in the creation of a CLT as a purpose-built housing development entity the **risks and opportunities to the local government need to be identified:**

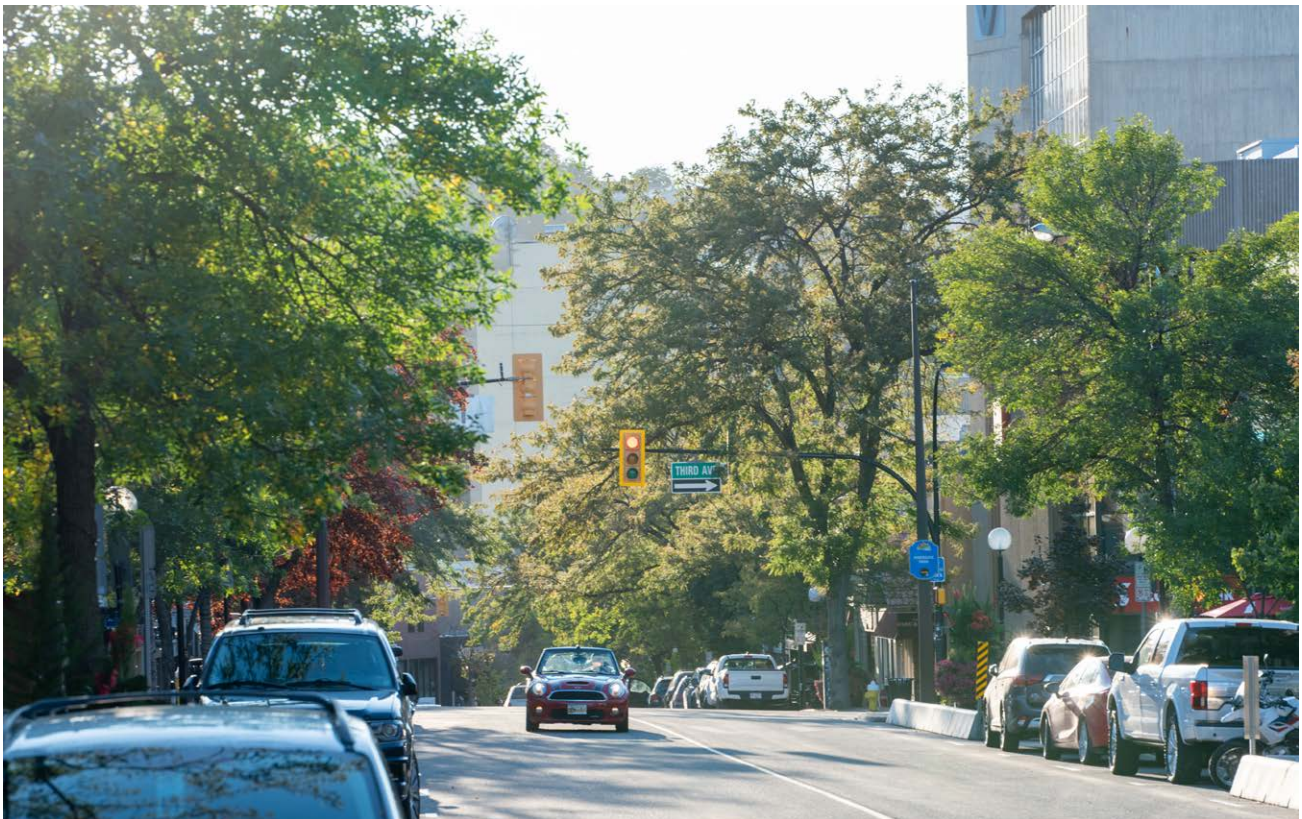
<b>Local Government Risks</b>	<ul style="list-style-type: none"><li>• May be perceived to be stepping outside jurisdictional boundary/into operator function</li><li>• May not have staff capacity to take on early leadership role</li><li>• Political interference or/and top-down government influence could impact CLT in the process, intent, and, potentially, it's ability to achieve outcomes</li></ul>
<b>Local Government Opportunities</b>	<ul style="list-style-type: none"><li>• Contribute to CLTs through housing policies, engagement, land use plans, and bylaws to set the stage for a catalyst role and clarifying the roles and responsibilities local government will play</li><li>• Champion or lead in the innovation and brainstorming stages of CLT formation. Local government expertise in policy, housing development, and governance supports the business model and governance structure required for a CLT to be successful</li><li>• <b>Accelerate partnerships and financial resources for the CLT</b></li></ul>

# What Type of CLT Should a Local Government Pursue?

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Local governments (LGs) who seek to actively facilitate affordable housing development in their communities can do so in different ways. One approach is to establish an in-house **local government housing department** to address ongoing issues of housing affordability. Another is to explore the creation of an arms-length local government **housing corporation** (a Business Corporation) or a dedicated **non-profit society** (either of which can be defined as a CLT).

Under the Local Government Act and Community Charter of British Columbia, local governments have the unfettered ability to set up third-party corporations, such as a police or library board, airport authorities, or economic development corporations. They may also enter into partnership agreements or take an active role in creating non-profit societies.



▲ Photo of Third Avenue, Kamloops, B.C.

The following table considers the differences between the entities including Canadian examples.

**Table 1: Overview of local government’s role in different approaches to facilitating housing supply.**

Local Government Housing Department (not a CLT)	Local Government Housing Corporation (can be a CLT)	Non-Profit Society (can be a CLT)
<ul style="list-style-type: none"> <li>• LG is highly involved in the day-to-day process of administering and managing affordable housing initiatives</li> <li>• Requires significant capacity and experience from LG to oversee housing administration and operations</li> <li>• Little separation between LG decision-making body (council) and housing delivery aspects</li> </ul>	<ul style="list-style-type: none"> <li>• Wholly owned by LG</li> <li>• LG maintains oversight (either as a shareholder and/or board member) and has ongoing vested interest in success of the entity</li> <li>• May function as housing department by extension to planning/development department within LG</li> <li>• Requires funding to hire dedicated staff</li> </ul>	<ul style="list-style-type: none"> <li>• Can be initiated by LG</li> <li>• LG may be contributor and have separate agreements in place to confirm and guarantee appropriate use of investment, but does not hold sole governance, ownership, or fiduciary oversight</li> <li>• LG primary role is to develop LG housing policies and regulations that the non-profit society must follow</li> <li>• May operate independent of local government housing functions and, thus, may be able to meet the needs of, and partner with, many interests in the community to facilitate housing creation</li> <li>• Requires funding to hire dedicated staff</li> </ul>

Local Government Housing Department (not a CLT)	Local Government Housing Corporation (can be a CLT)	Non-Profit Society (can be a CLT)
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Examples – Facilitating Land Development through ...

<p>...a Local Government Housing Department:</p> <p>The <b>City of Richmond</b> leased municipal land for the development of Storeys, an affordable rental building with 124 units through a competitive bidding process. The building was developed and is operated by a consortium of five non-profit housing organizations in the community. The units are secured with affordable rents through housing agreements between the City of Richmond and the non-profit housing consortium.</p>	<p>...a Local Government Housing Corporation:</p> <p><b>Tofino Housing Corporation</b> and <b>Whistler Housing Authority</b> are corporations fully owned by the District of Tofino and Resort Municipality of Whistler respectively. They develop and operate housing on land acquired from the local government.</p> <p>Both are incorporated, but its only shareholders are the Resort Municipality of Whistler and the District of Tofino. This creates a separation of the local government and the day-to-day operations of the CLT.</p>	<p>... a Non-Profit Society (a traditional Community Land Trust)</p> <p>The <b>Neighbourhood Land Trust</b> in Toronto is a community land trust that originated from and is governed by the community. The City of Toronto provided financial support for the purchase of one building, as a pilot project, and transferred the land to the community land trust.</p> <p>The City of Toronto has no involvement with the governance of the organization or lands. The organization is a typical non-profit housing organization governed and driven by a volunteer board of directors made up of community members.</p>
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## How does a CLT differ from a non-profit organization that owns land for the purposes of affordable housing?

In British Columbia, non-profit housing providers fill a crucial role in providing affordable non-market housing as they provide affordable, safe and secure housing for people in need. They may act as stewards of land and improvements in the same way a CLT does.

CLTs that are also non-profits differ from housing non-profits primarily in their governance structure and long-term mission. CLTs are defined in relationship to its place-based community and, in this instance, through its relationship to local government. They are a purpose-built housing entity to achieve specific outcomes defined by its partners and can be set up to focus on developing affordable housing types that are not currently pursued by existing non-profit organizations in the community.

While local government may always impose rules on the use of its land through written agreements, in the instance of a society as CLT, local government is an established stakeholder participating in the governance of the organization.

## Implementation Considerations for Different Types of CLTs

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The preferred approach to creating a purpose-built housing entity (i.e. a CLT) must be chosen in consideration of factors that include the risk of political interference, taxation, financial risks, partnership opportunities, and others. The following table summarizes general considerations in choosing a preferred approach to establishing a CLT **that each local government must explore further through a legal review and business plan (see Step 4).**

**Table 2: General considerations in establishing a CLT or Local Government Housing Department.**

Factors	Local Government Housing Department (not a CLT)	Local Government Housing Corporation (can be a CLT)	Non-Profit Society (can be a CLT)
Legal	<ul style="list-style-type: none"> <li>In-house facilitation and business operations through internal department</li> <li>Subject to Freedom of Information (FOI) requests</li> </ul>	<ul style="list-style-type: none"> <li>A Business Corporation established under the Business Corporation Act</li> <li>Creation enacted through bylaw and policies that dictate governance setup and establish relationship to local government (LG)</li> <li>Subject to FOI</li> <li>Incorporation process is considerable</li> <li>The Inspector of Municipalities must approve the corporate articles</li> </ul>	<ul style="list-style-type: none"> <li>A society created under the Societies Act as separate legal entity</li> <li>LG can be (one or the sole) voting board member</li> <li><b>Societies do not have shareholders and, therefore, decision making is the responsibility of the Board of Directors. This impacts the LG’s ability to control activities.</b></li> <li>LG is protected from lawsuits and claims against the society</li> <li>FOI applicability unclear</li> <li>Simple incorporation process through a council directive to staff preparing bylaws and constitution</li> </ul>
Political/ Governance	<ul style="list-style-type: none"> <li>Decisions subject to close public scrutiny, political approvals, and political changes</li> </ul>	<ul style="list-style-type: none"> <li>Governed as separate legal entity by appointed board with expertise</li> <li>LG as (one or sole) corporate shareholder</li> <li>Long-term direction may be set by the LG through incorporation papers, which provides autonomy, while some activities may require shareholder approval</li> </ul>	<ul style="list-style-type: none"> <li>Governed by separate board with expertise</li> <li>Society bylaws dictate governance setup and relationship to the LG</li> <li>LG can appoint directors</li> <li>Senior government oversight is limited</li> <li>Risk of duplication of community activities need to be managed and mitigated</li> </ul>

Factors	Local Government Housing Department (not a CLT)	Local Government Housing Corporation (can be a CLT)	Non-Profit Society (can be a CLT)
Financial Management	<ul style="list-style-type: none"> <li>All assets are part of local government finances</li> <li>Limited access to government grant funding, loans, and financing</li> </ul>	<ul style="list-style-type: none"> <li>May allow a municipality to address unique local needs through a focused operation and financial management distinct from the Local Government itself</li> <li><b>Capital asset transfers require deliberate model to clarify LG-relationship</b></li> <li>Limited access to government grant funding, loans, and financing</li> <li>Greater ability to take on financial risk than in-house function</li> </ul>	<ul style="list-style-type: none"> <li><b>Full access to government grants and philanthropic funding</b></li> <li>Must operate under a not-for-profit model, limiting capacity for risk</li> </ul>
Borrowing	<ul style="list-style-type: none"> <li>Can borrow capital through Municipal Finance Authority (MFA)</li> <li>Electoral approval required</li> </ul>	<ul style="list-style-type: none"> <li>Borrowing powers and limitations (e.g., nature and amount of debt) may be set during incorporation</li> <li>Can borrow money but needs to be capitalized. If backed by the LG's buying power the corporation may also indemnify the LG.</li> </ul>	<ul style="list-style-type: none"> <li>Can borrow money but needs to be capitalized</li> <li><b>A society cannot borrow on LG's borrowing capacity</b></li> <li>Society borrowing would not impact LG's debt capacity and does not put the LG at risk.</li> </ul>



Factors	Local Government Housing Department (not a CLT)	Local Government Housing Corporation (can be a CLT)	Non-Profit Society (can be a CLT)
Operations	<ul style="list-style-type: none"> <li>Administrative staff paid through local government budget</li> </ul>	<ul style="list-style-type: none"> <li>May directly manage assets and operations, or contract to external agency</li> <li><b>Initial startup grant funding is required. Self-sufficient cost-recovery is feasible over time but is highly dependent on the development scenarios.</b> Grant and/or government involvement is required until it reaches a threshold of units (often no less than 200-300 units).</li> <li>Experienced, self-starting, and goal-oriented staff with housing and real estate expertise required</li> <li>Local government resources required to liaise, set direction, and assist</li> </ul>	
Taxation	<ul style="list-style-type: none"> <li>Property Transfer Tax (PTT) payable on clear title sales and land leases of more than 30 years</li> </ul>	<ul style="list-style-type: none"> <li>Eligible for permissive property tax exemptions</li> <li>May be eligible for tax exempt status (federal). Must be clarified</li> <li>Must pay PTT</li> </ul>	<ul style="list-style-type: none"> <li>Eligible for permissive property tax exemptions</li> <li><b>Charitable organizations are PTT exempt</b></li> </ul>
Asset Acquisition and Disposition	<ul style="list-style-type: none"> <li>Can dispose of land through land leases or clear title sales</li> <li>Community Charter Section 21 also allows for partnering agreements</li> </ul>	<ul style="list-style-type: none"> <li>Can own property, sue and be sued, and enter into contracts with other entities independently from the local government</li> </ul>	
Reporting requirements	<ul style="list-style-type: none"> <li>As any other department</li> </ul>	<ul style="list-style-type: none"> <li>Among others, must provide annual report through shareholders resolution, including audited financial statements, conflict disclosure statements, and others</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meeting and filing of audited financial statements</li> </ul>

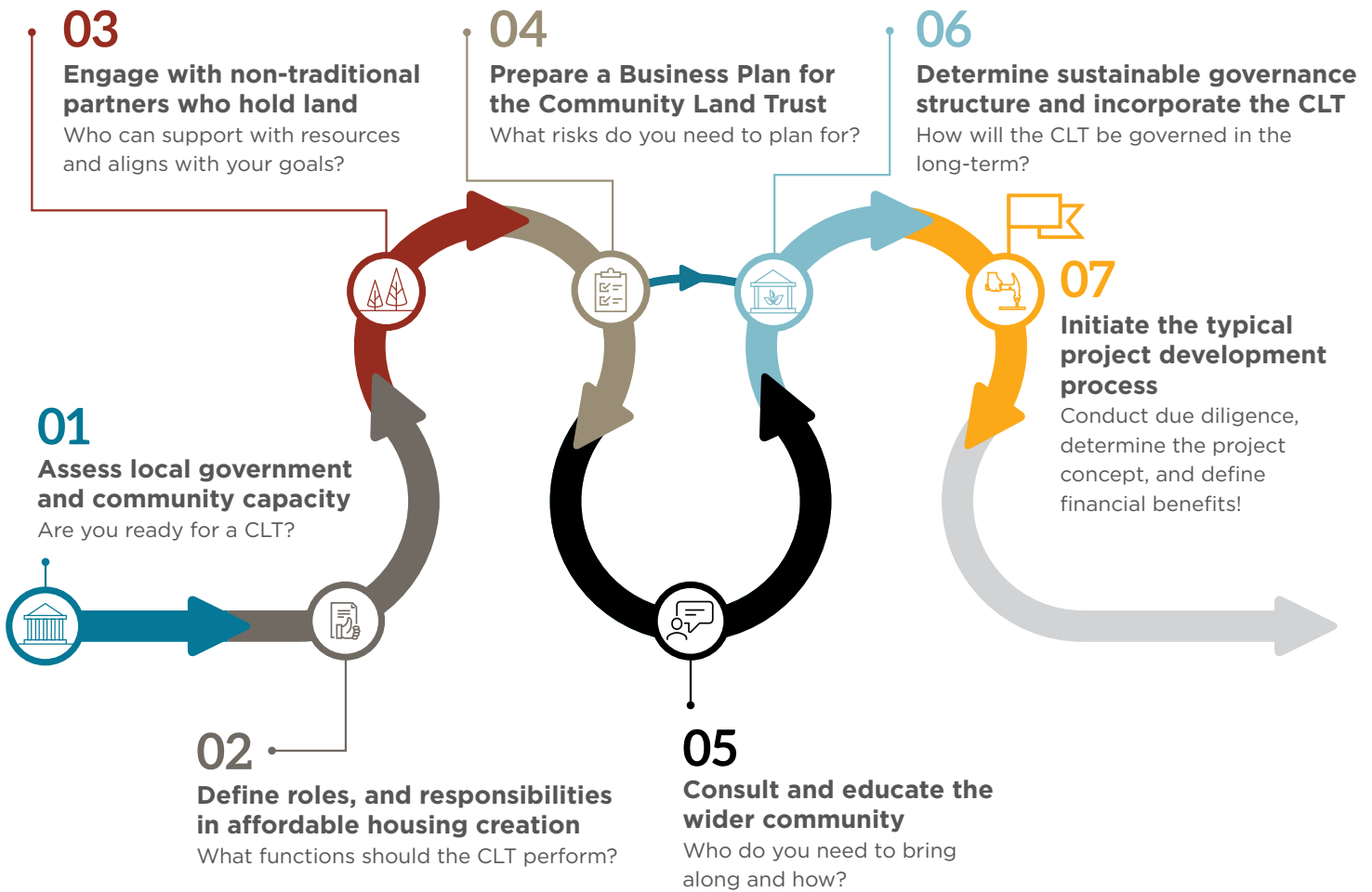


# Roadmap to Creating a Community Land Trust

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# Overview

Seven steps outline a standard path or “road map” for local governments to facilitate the creation of a CLT with non-traditional partners. As this is intended to be an iterative, non-linear process involving collaboration with all partners at the table, it is natural, and expected, that the process will move between steps, reassess, and re-visit previous steps for refinement.



## ▲ Diagram of the Roadmap

## A Note on Process – CLT or Housing Project, Which Comes First?

While this roadmap includes references to site-specific due diligence and financial assessments (detailed work to be undertaken with partners who hold land) this may not be a given in every process. In some cases, the CLT will be incorporated before a project is built. However, we take the perspective that form follows function – without a project the viability of the CLT is uncertain altogether!



▲ Photo of Riverside Park in Kamloops, B.C. Credit: J. Putnam

## The Road Map in Detail



# 01

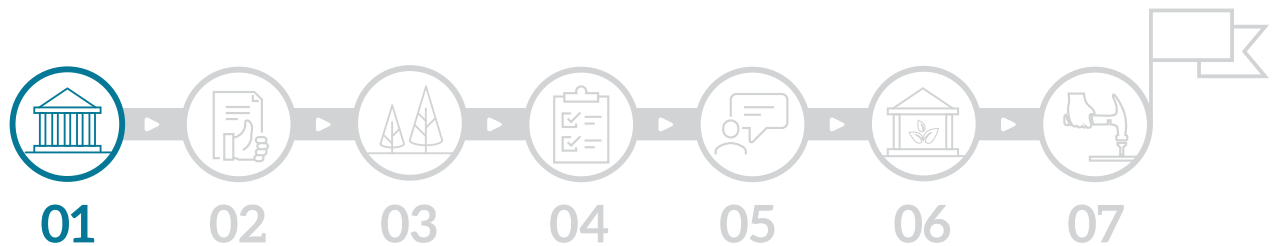
**Assess local government and community capacity –**  
*Are you ready for a CLT?*

**The foundational conditions that need to be in place to proceed with the idea of creating a successful CLT include:**

- access to local government staff & staff capacity
- start-up and long-term funding sources
- access to land
- willingness to share control
- defined affordable housing policies

# The Road Map in Detail

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## 01 Assess local government and community capacity – *Are you ready for a CLT?*

All levels of government have distinct roles and responsibilities to play in helping to regulate, incentivize, invest in, and facilitate the development of housing, including affordable and non-market housing. The roles of each level of government have evolved over time and continue to change as local housing needs change.

Typical responsibilities of local government include setting directions through Official Community Plans and Zoning bylaws that affect land use, building form, and density. Through Affordable Housing Plans the local government sets the foundation for policies that may include incentives and regulations, such as rental protections, inclusionary zoning, Development Cost Charges (DCC), Community Amenity Contributions (CAC) or parking reductions, among others.

**Creating a Community Land Trust is another tool in the toolbox for local government. However, its creation requires clear direction from the approval authority (i.e., council) regarding the local government’s desire and capacity to be actively involved and how.**

Local government can be actively involved in providing or protecting long-term affordable housing for the benefit of its community. This may include facilitating land transfers and affordable housing development. The following decision-making characteristics can help conceptualize the degree of involvement by the local government.

### Do NOT proceed with the creation of a CLT if:

- ✗ The local government has not clearly identified its affordable housing **objectives**
- ✗ Neither the local government nor a local non-traditional partner **hold land** that can be made available for affordable housing development
- ✗ No working mechanism to **make land available** for development has been established
- ✗ The local government does not have the **staff baseline capacity** (know-how or time) to participate in the creation of a CLT
- ✗ The local government is not able to be an **active partner to the CLT** on an ongoing basis (i.e., support with moving projects through the development cycle)
- ✗ The local government or land-holding partner does not want to relinquish direct **control** over the use of the land
- ✗ No **financial resources** exist to support a CLT during the start-up phase

### Carefully explore further if a CLT is the right approach for your community if:

- ? There is no notable **development pressure** in the community (as it is required to scale up)
- ? Crucial **housing policies** (e.g., affordable housing strategy, housing reserve funds, development cost charge exemptions, tax incentives, etc.) have not been developed yet
- ? Sources for **financial investments** that will be required to catalyze housing development are not clearly articulated or currently available (e.g., senior government capital funding)

### DO proceed with the creation of a CLT if:

- ✓ The above factors are not of concern
- ✓ The community is ready to create and resource an affordable housing entity (i.e. a CLT) that operates in an effective partnership, but without strong political intervention.



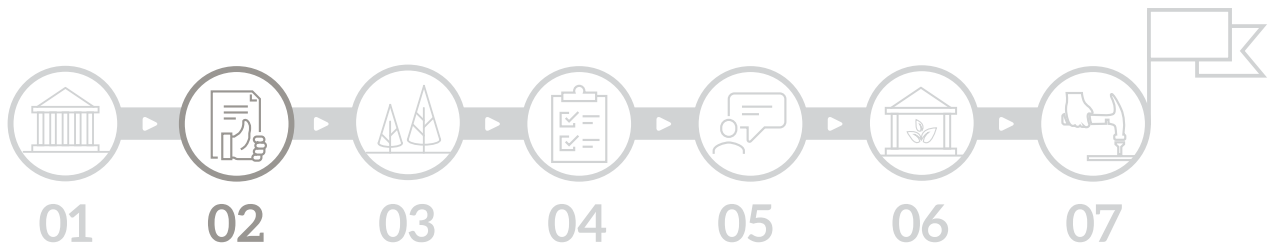
## 02

**Define roles, and responsibilities in affordable housing creation – *What functions should the CLT perform?***

**CLTs are versatile and able to fill functional gaps in affordable housing creation. An effective CLT will complement the functions of Local Government, existing Housing Non-Profits and Partners who hold land. Functions to define among stakeholders include:**

- land disposition and development,
- housing policy and advocacy,
- housing development,
- operations,
- marketing,
- and more...





## 02 Define roles, and responsibilities in affordable housing creation – *What functions should the CLT perform?*

Many steps must be taken to lay a strong foundation for a new affordable housing development. The activities associated with laying this foundation in a community can be undertaken by different partners:

- 1 Local Government (e.g., Housing Department or Council)
- 2 Community Land Trust (e.g., an arms-length housing entity that is a corporation or a non-profit)
- 3 Traditional Non-Profit Housing Organization (i.e., not acting as Community Land Trust)
- 4 Non-traditional partners (e.g., who hold land)

This is in addition to the roles of other partners, or senior government who may provide funding.

### Consider the following questions to inform the creation of an initial prototypical governance framework:

- ? What are the housing needs in the community and which entities are best positioned to meet those needs at present? Where are the gaps and opportunities for new solutions and new actors?
- ? What is the most effective way to create the staff and resources to implement the required activities to create new affordable housing developments?
- ? Who is in the best position to develop land, acquire funding, and solicit development expertise?

A first step in the journey is to **define who is best suited to hold crucial functions in the community in regard to the creation of affordable housing.**

The following is a breakdown of these crucial functions as one suggested starting point for the pursuit of a CLT. However, the role breakdown will look different from community to community.











































The assignment of authorities or responsibilities of the CLT will be fully defined through the process of developing the governance structure of the CLT (Step 6).

## The Role of Non-Traditional Partners Who Hold Land

The desired level of involvement in governance will vary from partner to partner. Some may want to participate actively, while others will happily pass on their involvement in exchange for assurance their needs will be met in exchange for their resources. Of key importance is that what the Non-Traditional Partners' want or need is reflected in both the governance structure and the land disposition process.

**Table 3: Suggested distribution of functions in affordable housing creation.**

	1	2	3	4
	Local Government	CLT	Non-Profit (not CLT)	Partners who hold land
Develop community housing policy and affordable housing objectives	●			
Govern decision-making over the use of community land	●			☺
Undertake housing development process		●	☺	
Select non-profit housing provider to operate non-market housing		●		
Acquire, hold, and sell land strategically	●	●	☺	☺

Legend:  Lead Role  Support Role	1	2	3	4
	Local Government	CLT	Non-Profit (not CLT)	Partners who hold land
Establish and maintain relationship with non-traditional partners with land				
Define housing beneficiaries, geographic service area, and type of development and housing types.				
Oversee land and housing development process				
Administer operating or partnering agreements				
Identify suitable community lands to meet housing needs and consider development				
Sell or lease land for development				
Manage municipal housing agreements to guarantee affordability				
Take on debt for housing development and operations				
Provide or contract out property management				
Market new homes and select eligible buyers or renters through a fair and transparent process				
Champion the cause of affordable housing creation				
Liaise with local First Nations governments with respect to their involvement and protocols				
Build partnerships to facilitate affordable housing investment				
Inform community about affordable housing initiatives				
Diligently pursue project financial and regulatory reporting				

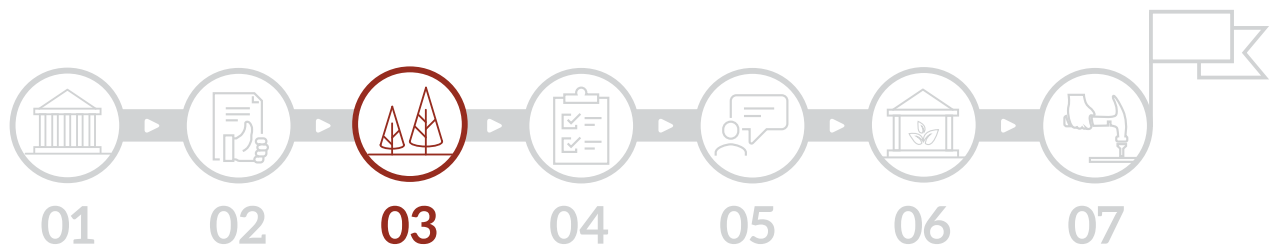


# 03

**Engage with non-traditional partners who hold land – *Who can support with resources and aligns with your goals?***

**There are six crucial steps to build strong partnerships with land holders:**

- a** Identify potential partners
- b** Identify developable sites
- c** Connect with potential partners to identify barriers and opportunities to transfer lands into a CLT
- d** Engage with decision-makers on the transfer of their lands
- e** Discuss types of affordable housing the CLT can and should pursue as condition of partnership
- f** Secure written agreement to collaboration and further exploration from partners



### 03 Engage with non-traditional partners who hold land – *Who can support with resources and aligns with your goals?*

The foundation for establishing a CLT is identifying land that can be developed for affordable housing. Land may be contributed through land exchanges, sales, or donations.

**CLTs that include non-traditional partners must consider how these potential partners make decisions and which interests they may have regarding the future use of their own lands.**

The following are minimum steps that must be pursued to lay the foundations for a CLT with non-traditional partners:

- a Identify potential partners
- b Identify developable sites
- c Connect with potential partners to identify barriers and opportunities to transfer lands into a CLT
- d Engage with decision-makers on the transfer of their lands
- e Discuss types of affordable housing the CLT can and should pursue as condition of partnership
- f Secure written agreement to collaboration and further exploration from partners

These minimum requirements are further detailed in this section.

## A. Identify potential partners

A first approach is to identify potential partners with land who are suited to partner in a CLT. For local governments interested in creating a CLT that may also mean utilizing land that is owned by the local government itself.

These organizations can include:

- |                             |                      |                     |
|-----------------------------|----------------------|---------------------|
| ? Faith-based organizations | ? Health authorities | ? Non-profit sector |
| ? Federal lands             | ? Legions            | ? Parks board       |
| ? First Nations             | ? Local government   | ? School districts  |
|                             | ? Municipality       | ? Universities      |

While every process will look different, there are some common characteristics for an ideal non-traditional partner in a land development opportunity.

### An ideal land partner...

- ? Owns multiple sites
- ? Owns sites with development potential
- ? Has internal approval/governance processes of limited complexity
- ? Has a charitable cause or non-profit mandate
- ? Does not have housing or land development as its mandate
- ? May need support due to internal barriers to land development or a lack of knowledge and capacity
- ? Has complementary/non-overlapping partnership objectives
- ? Has a minimum level of capacity to engage in a partnership process
- ? Has a positive relationship to the local government
- ? Can accept below market return for its land
- ? May seek to meet specific housing needs for a population it serves

### **Example: School Districts across BC vary in their capacity to contribute and participate in a land development process**

School Districts (SDs) across BC operate thousands of schools and outright own buildings in which school business is conducted.

Many growing urban areas have seen a strong increase in the demand for schools and, in response, sought growth opportunities. Some of these landholders in high demand areas, such as SD44 (North Vancouver) and SD39 (Vancouver), have learned to benefit from land value increases and generate a financial return to support the expansion of its operations. They built capacity and know-how by hiring dedicated staff and developing detailed disposition strategies to generate benefits for the SD.

Other SDs have seen only modest growth in demand and remained more focused on its core function of sustainable asset management without an eye to expansion. As a result, their capacity to drive a development-focused process will be smaller.

While growth oriented SDs are likely more experienced, they also have established developments models and may not need to rely on new partnerships such as through a CLT. On other hand, SDs that are new to development may be looking to capitalize on the opportunity of a partnership with a CLT for this very reason.



▲ **Photo of painted fish tied to a school fence.**

## B. Identify developable sites

A second, connected approach is to create a land inventory and prioritize land with high development potential. This step may occur independent of or in conjunction with possible partners. In practice this step may occur more organically than is described here.

Local governments may:

- **Conduct an inventory of bare land and under-developed sites within the local government boundaries**, that are controlled by one of the identified potential partner types mentioned above
- At a high level, **assess the development potential of identified lands** by ranking sites by factors such as size, location, and current land use, and prioritizing lands in serviced and built-up residential areas

Depending on the local government's capacity, this step could be as simple as identifying a handful of prime, known parcels through a discussion with staff, or undertaking a sophisticated GIS-based analysis. In practice this step is likely to occur organically and iteratively through the exploration process.

## C. Identify critical barriers and key opportunities for partners to transfer lands into a CLT

Equipped with information on promising sites and/or partners to be considered for development, the next step is to identify barriers and opportunities to transfer this land into a CLT. This conversation is the ideal point to connect with landholders to identify the prospects of a partnership and to better understand their mandate, policy objectives, and program needs.

At this stage, analysis occurs at a high level as the purpose is only to identify critical risks and potential exclusion criteria. Later in the process the partners will conduct a detailed due diligence process. Key barriers and opportunities related to the transfer of the land may include:



**Table 4: Land transfer barriers and opportunities.**

Critical Barriers	Key Opportunities
<ul style="list-style-type: none"> <li>✘ Land may only be used for limited defined purposes that do not align with housing due to mandate of organization</li> </ul>	<ul style="list-style-type: none"> <li>✓ Land has been identified as surplus</li> </ul>
<ul style="list-style-type: none"> <li>✘ Site is encumbered through pollution, a covenant on title or not suitable for other legislative physical, environmental, cultural or other reasons</li> </ul>	<ul style="list-style-type: none"> <li>✓ Partner has set direction/ policy for land disposition</li> </ul>
<ul style="list-style-type: none"> <li>✘ Land may be identified for another need, therefore not surplus to operations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Partner requires partnership to achieve its objectives</li> </ul>

Each partner will have unique circumstances when it comes to the use of their land and must consider provincial legislation, regulations, and organization-specific processes in acquiring or disposing of land to the CLT. While not all barriers can be lifted or adapted, the local government is in a unique position to facilitate partnerships and advocate for solutions as the development and planning approval authority for the land of interest.

The following are examples of such unique requirements and encumbrances that the CLT will have to explore with each partner. This is part of the general due diligence process and a critical step to assess the viability of the partnership and land development opportunity.



▲ Photo of a school and surroundings.

**Table 5: Examples of partner-specific land disposition conditions.**

Partner	Example Land Disposition Conditions
<b>Faith-based organizations</b>	<ul style="list-style-type: none"> <li>✓ Varied multi-lateral governance and decision-making processes involving diocese and congregation</li> <li>✓ Seeking to achieve benefits aligned with its mission, which impacts project feasibility</li> </ul>
<b>Federal lands, including military</b>	<ul style="list-style-type: none"> <li>✓ Stringent consultation process with First Nations and other government bodies to determine appropriate current and potential future use of lands</li> <li>✓ Slow decision-making processes</li> </ul>
<b>First Nations</b>	<ul style="list-style-type: none"> <li>✓ On-reserve lands are governed by the Nation’s own laws as well as those of Canada</li> <li>✓ UNDRIP and the British Columbia Rights of Indigenous Peoples Act will set the foundation for engagement</li> <li>✓ Nation may seek to find mutual benefit alignment for use of off-reserve lands in partnership with a CLT</li> </ul>
<b>Health authorities &amp; hospitals</b>	<ul style="list-style-type: none"> <li>✓ Land may be owned by hospital foundation or by provincial government. Use of hospital lands for housing likely requires auxiliary benefits to the health sector requiring creative concept development</li> <li>✓ Disposition may require provincial government approval on future use of lands</li> </ul>
<b>Legions</b>	<ul style="list-style-type: none"> <li>✓ Require approval from provincial command and local members</li> <li>✓ Seeking to achieve benefits for its membership</li> </ul>
<b>Local government &amp; parks board</b>	<ul style="list-style-type: none"> <li>✓ Local government contributions require housing types to align with its housing objectives</li> <li>✓ Land contribution to a CLT will be eased if preferential relationship is clarified via CLT incorporation</li> </ul>

Partner	Example Land Disposition Conditions
<b>Non-profit sector</b>	<ul style="list-style-type: none"> <li>✓ May in its own regard act as a steward of lands, but is in a position to partner to achieve efficiencies</li> <li>✓ Boards hold the fiduciary powers to execute land leases and other such matters</li> </ul>
<b>School districts</b>	<ul style="list-style-type: none"> <li>✓ Must prepare a disposition plan and deem lands that are not to be used in the future as surplus. The Ministry of Education must review and agree</li> <li>✓ Use of former Crown lands also require special ministry approval</li> </ul>
<b>Universities</b>	<ul style="list-style-type: none"> <li>✓ Universities seek to build in ways that enhance their mission and are subject to complexity of its community's approval - faculty, students and local public. Any new development will be viewed as potential stain or benefit.</li> <li>✓ Use of lands for profit generation (i.e., sale) will cause taxation – resulting in preference for real trusts created by university</li> </ul>

### Example: Facilitating a land transfer between SFU UniverCity and the City of Burnaby

While some barriers may seem unsurmountable at first, consider that these may also be a reason that no development has taken place to date. A partnership that can tackle these will unlock previously untapped development potential. Land transfers between local governments and non-traditional land partners have occurred in the past. In 1995, Simon Fraser University (SFU) transferred 320 hectares of university-owned land to the City of Burnaby to be included in the Burnaby Mountain Conservation Area. In exchange for the land, the City supported and approved the Official Community Plan and zoning bylaw amendments for the development of a mixed-use community, “UniverCity,” allowing the development of 4,536 residential units close to the SFU campus.

### Example: School Districts & School Boards

The board of education for a school district must follow the school land disposition process prior to selling, exchanging, or leasing school lands. Other public entities have similar legislative requirements to consider and meet. Depending on the rules for the non-traditional land partner, this could include providing public notice prior to land disposition, specific conditions as to how the proceeds from the sales of land can be used, and requirements regarding the sale price of the land.

## D. Engage with decision-makers on the transfer of their lands

The collaboration with non-traditional land partners for land transfers can generally be driven at the staff level in these organizations. However, the decision to sell, donate, or lease land needs to be authorized by its approval authority.

Consider the following in shaping an engagement approach with non-traditional partners:

- ? **Who makes the decisions?** The approval authority may be an elected official or someone with fiduciary responsibility to the organization's interests (e.g., a Board of Directors, church trustees, a Minister, Chief and Council, etc.). These decision-makers need to be kept apprised throughout the process of potential land disposition opportunities, while maintaining the confidentiality of such matters.
- ? **What motivates them?** The motivations or interests of decision-makers vary from organization to organization. Consider their motivations in the execution of their authority when developing a partnership approach. Consider how they may benefit from this partnership in achieving their mandate in the organization. The future use of the land must present mutual benefits for the partners. Work closely with staff to identify what their needs are, what benefits they may see, and how they may want to be involved in the process.

- ? **When are decisions made?** Define decision points of approval authorities (e.g., Council, Board, etc.) and consider when strategic directions are set or altered (e.g., strategic planning, budgets, elections).
- ? **What networks are they part of?** Opportunities to work with non-traditional partners are likely to come through in networked relationships among decision-makers (e.g., elected officials, staff, community organizations, champions, developers, etc.). Consider who allies are and how they may be able to advance and benefit from the CLT's cause.

### **E. Discuss types of affordable housing the CLT can and should pursue as condition of partnership**

The local government and non-traditional partners who contribute land will each have unique interests regarding the future use of their own lands. Before the purpose of the CLT is defined in detail, the **start-up partners might want to explore the potential use of the lands and which housing needs can be met on them.**

This exploration with start-up partners ensures that the strategic direction of the CLT aligns with the partners' needs. However, it is important that the direction is not set too narrow to preclude future flexibility.

All housing types can be part of a CLT, but whether a housing type fits into a CLT's mandate must be discussed in light of its intent. The following are considerations for **in- or exclusion of different housing types and tenures that align with a CLT that meets the roles defined in Step 2** of this Roadmap. However, the goals and objectives of the CLT will look different from community to community.

These discussions will inform your business plan, your community consultations, and your governance structure.

**Table 6: Considerations for inclusion of affordable housing types in CLT model.**

Housing Type Included in the CLT Mandate	Considerations for In- or Exclusion
<ul style="list-style-type: none"> <li>✓ Turn-key units secured through municipal housing agreements</li> </ul>	<ul style="list-style-type: none"> <li>✓ Housing policies may mandate private-sector contributions through inclusionary zoning that can form base of a CLT portfolio</li> <li>✓ CLT may assume ownership and/or partner for operations and asset management</li> </ul>
<ul style="list-style-type: none"> <li>✓ Workforce- or resident restricted ownership or rental housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Partner-contributed lands may benefit from this restriction</li> </ul>
<ul style="list-style-type: none"> <li>✓ Below market rental housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ CLT may be able to help stimulate supply in this portion of the housing continuum</li> </ul>
<ul style="list-style-type: none"> <li>✓ Rent-geared-to-income housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Charitable societies may be in a better position to provide</li> </ul>
<ul style="list-style-type: none"> <li>✓ Affordable home ownership housing (limited appreciation, shared equity)</li> </ul>	<ul style="list-style-type: none"> <li>✓ CLT can provide viable/affordable alternatives due to land costs removed from development costs in ownership price</li> </ul>
<ul style="list-style-type: none"> <li>✓ Housing with supports</li> </ul>	<ul style="list-style-type: none"> <li>✓ Requires partnership with non-profits with operating expertise</li> <li>✓ May not align with contribution of land from partners</li> </ul>

### Example: Decision-making Process in Churches

While the decision-making processes differ from church to church, they are likely to involve several decision-makers within the organization, especially when it comes to major decisions like the use of their land. Operational decisions may rest with a board of trustees (i.e., church members who have a fiduciary duty towards the church). Matters of faith are the domain of the reverend or pastor. Long-term strategic decisions may rest with a regional, national, or provincial diocese who may approve and make decisions regarding land use for the organization. In other cases, the church may have clear title to its own land, and the power of decision-making rests in the parishioners themselves. It is important to understand what policies or informal practices must be followed in this context.



▲ Photo of a church and its surroundings.

## F. Secure written agreement to collaboration and further exploration from partners

Securing progress requires trust and commitment to the process by all parties. Written documents that are signed by decision-makers are a way to demonstrate this commitment. These documents may or may not be legally binding and can come in the form of a Memoranda of Understanding (MOU), Partnership Agreements, Service Agreements, or other formal partnership agreements.

A first step in engaging with potential partners is to engage in a collaborative discussion to jointly develop a MOU as an aspirational partnership framework. This MOU outlines the relationship and support between both parties for the exploration and development of a CLT and may include items such as:

- ✓ Purpose of the project
- ✓ Roles & responsibilities
- ✓ Approval & oversight
- ✓ Resolving differences
- ✓ Cost coverage & procurement
- ✓ General terms (e.g., confidentiality, good faith, legal status, duration)

An external legal review may need to be procured at the end of the process.

In the MOU it can be stated that the intent is to convert the objectives outlined in the memorandum into a contractual agreement over time and that each of the partners will have to play a role in the governance of the organization.





## The Road Map in Detail

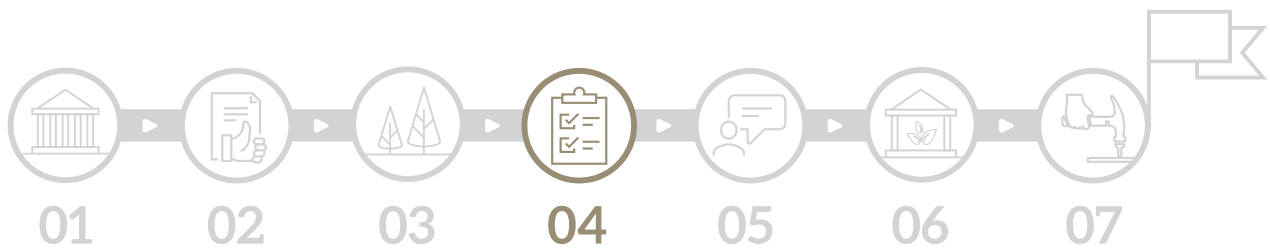


# 04

**Prepare a Business Plan for the Community Land Trust** – *What risks do you need to plan for?*

**The following key sections in a Business Plan will help assess and mitigate risks and raise questions to answer:**

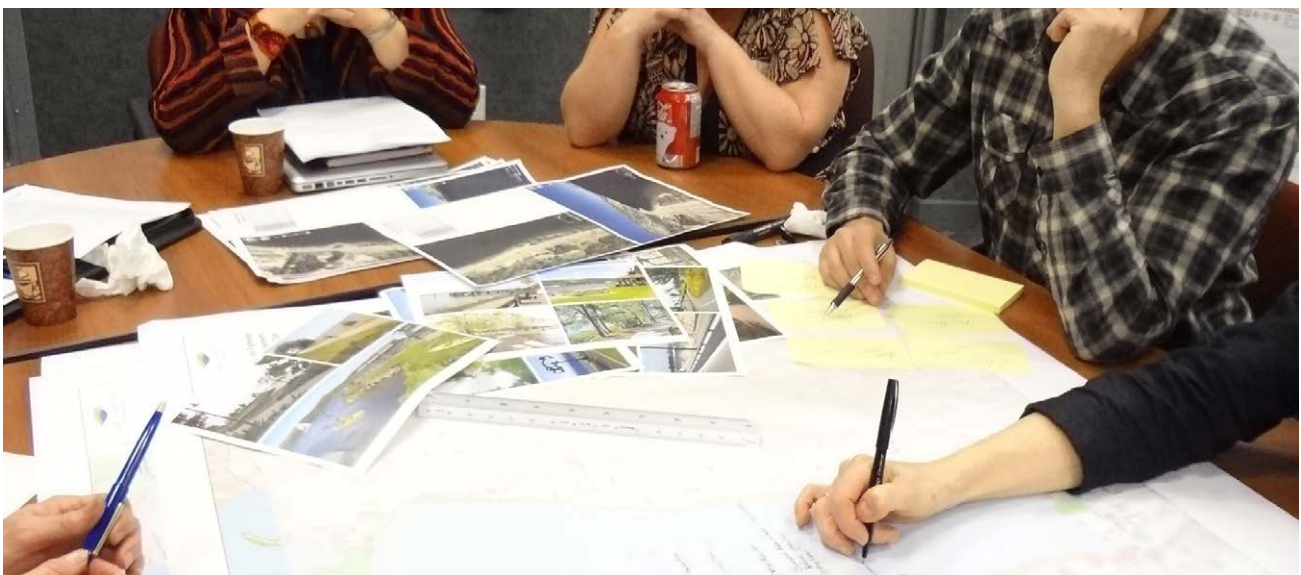
- a** Executive Summary
- b** CLT Description
- c** Target Audience/Market
- d** Scope of Services and Programs
- e** Governance and Management
- f** Operations Plan
- g** Costs and Funding



## 04 Prepare a Business Plan for the Community Land Trust – *What risks do you need to plan for ?*

A crucial step in the process is to **objectively assess risks regarding the operations and long-term viability of the CLT**. A Business Plan is a tool that clarifies the essential components of the proposed model. It can also serve to assess risks and **uncover open questions and uncertainties**. It needs to be created with input from content matter experts in legal, accounting, real estate development, non-profit/business governance, and other areas of expertise.

The business plan will remain a work in progress throughout the initiation phases of the CLT. In its early iterations more uncertainty will be evident. The further along in the process, the more certainty will be established. Over time, additional questions such as the details of ground leases, resale formulas, rent appreciation, marketing plan, selection policies, and orientation procedure for new residents will need to be established.



▲ Photo of a town vision meeting.

The plan should include the following sections in response to key questions and to outline how the following risks are to be mitigated:

**Table 7: Key sections in a Business Plan and risks and open questions to be addressed in each section.**

Section	Questions Answered in this Section <sup>1</sup>	Mitigatable Risks in this Area
Executive Summary	<ul style="list-style-type: none"> <li>• What are the main takeaways from each section?</li> <li>• Globally, what are likely or severe risks that may threaten the project? What remains uncertain?</li> </ul>	
CLT Description	<ul style="list-style-type: none"> <li>• What is the purpose of the CLT?</li> <li>• Who will the CLT serve?</li> <li>• Where will the CLT operate?</li> <li>• What is the incorporation structure?</li> <li>• What is the relationship to the local government? (general)</li> </ul>	<ul style="list-style-type: none"> <li>✘ The CLT hinders processes, duplicates functions, and adds bureaucratic barriers rather than remove them</li> </ul>
Target Audience/ Market	<ul style="list-style-type: none"> <li>• What are the housing market conditions, rent or sale prices, and likely demand for units serving the target population?</li> <li>• What is the Marketing and Outreach Plan? (May be more required in some geographies)</li> </ul>	<ul style="list-style-type: none"> <li>✘ Current market conditions are not conducive to achieving intended housing types</li> <li>✘ CLT cannot deliver housing more cost-effectively than the current process</li> </ul>

<sup>1</sup> Some of the key questions build on Davis, John E., Jacobus, Rick: "The City-CLT Partnership. Municipal Support for Community Land Trusts". Lincoln Institute of Land Policy. 2008. p.11.

Section	Questions Answered in this Section <sup>1</sup>	Mitigatable Risks in this Area
Scope of Services and Programs	<ul style="list-style-type: none"> <li>• What kinds of housing will be developed on the CLT’s land?</li> <li>• What role(s) will the CLT play in the development process?</li> <li>• What makes the CLT different from other approaches to facilitate housing development?</li> <li>• What is the financial model used to create an affordable housing program? (e.g., low-cost ownership, below-market rentals, mixed tenure housing, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>✘ The CLT duplicates rather than complements existing community housing sector functions</li> </ul>
Governance and Management	<ul style="list-style-type: none"> <li>• How are you incorporated and what legal standards will you meet?</li> <li>• How will the governing board be structured and selected?</li> <li>• Will the CLT have membership? If so, what role(s) will the members play?</li> <li>• What is the relationship to the local government and to other partners?</li> </ul>	<ul style="list-style-type: none"> <li>✘ Lack of clarity in decision-making</li> <li>✘ Conflicts of interest</li> <li>✘ Absence of qualified experts to support decision making</li> <li>✘ Political interference</li> </ul>
Operations Plan	<ul style="list-style-type: none"> <li>• How is the organization structured?</li> <li>• How many, and what staff roles will be needed to work effective and efficient?</li> </ul>	<ul style="list-style-type: none"> <li>✘ Staff lack experience to deliver outcomes efficiently and effectively</li> <li>✘ Inadequate operating conditions (e.g., physical, technological)</li> </ul>

Section	Questions Answered in this Section <sup>1</sup>	Mitigatable Risks in this Area
Costs and Funding	<ul style="list-style-type: none"> <li>• Present the start-up and long-term operations budget</li> <li>• When is the CLT projected to operate cost-neutral? What is the projected start-up operating shortfall?</li> <li>• How will the CLT secure funding to pay for projects and operations at start-up? What about over the long-term?</li> <li>• What public and private resources for land acquisition, development, housing subsidies, and CLT operations exist?</li> </ul>	<ul style="list-style-type: none"> <li>✘ Funding unsustainable or insufficient to attract necessary talent</li> <li>✘ Lengthy start-up period drains limited start-up capital</li> </ul>



▲ Photo of sunset in Kamloops, B.C. Credit: Steven Gilligham



## The Road Map in Detail

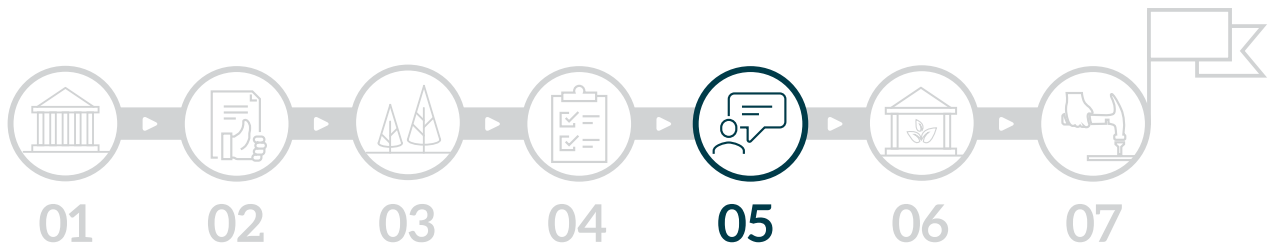


# 05

**Consult and educate the wider community – *Who do you need to bring along and how?***

**The best strategy for creating a long-term viable CLT that is supported by local government, is to build a strong base by securing resources and core supporters who will champion the cause.**

**Building on your base, you need to identify audiences, their interests, and a scope of engagement to bring the wider community along.**



## 05 Consult and educate the wider community – *Who do you need to bring along and how?*

As the CLT will be an unfamiliar model to many, a minimum level of community education and engagement will be required to achieve buy-in for the idea of a CLT. Education and consultation are important so that when a CLT is finalized and ready to operate, the community isn't thrown off guard by the City's role in initiating the entity.

But what is the best way to bring along your community in this process? When do you start engaging?

### **Step-by-Step:** Quick reference for a typical engagement process

- 1 Keep local government and partners' decision-making bodies informed and engaged
- 2 Outline engagement process
- 3 Engage with crucial allies, partners, and possible detractors
- 4 Announce intent to create the CLT
- 5 Begin educating community residents and key stakeholders about the CLT
- 6 Document and incorporate feedback

## A. Building The Base for a New CLT: Resources and Core Supporters

John E. Davis, in “Starting a Community Land Trust” describes three strategies for *Building the Base For a New CLT* with advantages and disadvantages for each. These are described as Community Organizing, Core Group Organizing, and Resource Organizing. Each of these strategies may be applied in creating CLTs. There is no one way.

However, this Roadmap asserts that for CLTs that include strong involvement of local government and non-traditional land partners, **Resource Organizing is the crucial foundation to build on**. Herein, CLT advocates secure funds or lands to seed the CLT and take an active role to spread the word, to build the base, and to plan for the use of resources. This strategy creates the resource foundation and credibility required to establish a new CLT.

Community Organizing on the other hand is a bottom-up strategy that focuses on building an informed base of support for the CLT before a board is seated or a single unit of housing is built. While this is an effective and sustainable approach that creates broad alliances, this community-based strategy may be at odds with the stringently regulated and often rigid governance and control requirements of local government and non-traditional land partners.

Local government councils typically do not talk publicly about issues pertaining to land acquisition or disposition until due diligence on land disposition has been completed. Until that point, discussions typically remain in-camera. Non-traditional partners may also have different processes and protocols around public communication, especially around sensitive information such as financial interests (i.e., land) and sensitive topics, such as disposing of land for housing.

For this reason, **Core Group Organizing is the best approach for local government CLTs**. Here, committed recruits create the CLT and launch the first project. Engagement does not begin until the foundational CLT details have been mostly worked out. This includes identifying the core partners are, how the CLT will be resourced, and what purpose it will serve.



**Table 8: Strategies for Building The Base For a New CLT according to John E. Davis<sup>2</sup>.**

	<b>What is it?</b>	<b>Advantages</b>	<b>Disadvantages</b>
<b>Core Group Organizing</b> (Applicable here)	CLT advocates quietly approach influential partners to support CLT creation while committed recruits create the CLT and launch the first project. Engagement does not begin until the CLT details have been worked out and, perhaps, until a project is underway.	<ul style="list-style-type: none"> <li>✓ Faster development</li> <li>✓ Work through operational details prior to public communication</li> <li>✓ Building credibility</li> <li>✓ Borrowing human capacity</li> </ul>	<ul style="list-style-type: none"> <li>✗ Lack of accountability to community</li> <li>✗ Borrowed baggage brought by core group</li> <li>✗ Market risk: model was not broadly promoted or tested</li> </ul>
<b>Resource Organizing</b> (Applicable here)	Advocates for a proposed CLT secure a commitment of funds or lands from public or private sources to seed the CLT. With these resources in hand, staff is hired to spread the word, to build the base, and to plan for the use of these committed resources, either through community organizing or through core group organizing.	<ul style="list-style-type: none"> <li>✓ Create acceptability and credibility</li> <li>✓ Early professional staffing</li> <li>✓ Leveraging of resources</li> </ul>	<ul style="list-style-type: none"> <li>✗ Guilt by association (through funder relationship)</li> <li>✗ Building projects before building an organization</li> <li>✗ Too big, too fast - cataclysmic money</li> </ul>
<b>Community Organizing</b> (Not applicable here)	Bottom-up strategy that focuses on building an informed base of support for the CLT before a board is seated or a single unit of housing is built.	<ul style="list-style-type: none"> <li>✓ Awareness &amp; acceptance of model</li> <li>✓ Recruitment beyond usual suspects</li> <li>✓ Marketing</li> <li>✓ Fundraising</li> </ul>	<ul style="list-style-type: none"> <li>✗ Time-consuming</li> <li>✗ High expectations</li> <li>✗ Lightning rod for possible opposition</li> </ul>

<sup>2</sup> Davis, John E: "Starting a Community Land Trust: Organizational and Operational Choices". Burlington, VT: Burlington Associates in Community Development. 2007. p.38-43.

## **B. Who, why, and when: Identify audiences, their interests, and the scope of engagement**

Now that we have identified a strategy – focused on resources with support by a core group – and a basic business plan to build momentum for the CLT, it is time to consult with and educate the wider community on your intentions to create a CLT.

This engagement process does not pertain to the development of any parcels of land but rather on the creation of the CLT. More land-related engagement will typically take place as part of the regulatory process of the local government.

Engaging as early and as often as possible is the foundation for a good process, but it is important to be strategic about when to go to the public to achieve public acceptance and receive constructive input. Carefully consider engagement and the timing of such as it relates to identifying partners, reporting on housing initiatives underway, and announcing the formation of a CLT and the future operation of a CLT in the community. The team will have to map out an engagement process that is mutually agreed to by all partners.

### **Engagement Purpose**

The purpose of public engagement is to:

- ✓ Ensure due diligence due to use of public land and resources
- ✓ Inform audiences how the CLT will help meet needs, and how it works
- ✓ Identify major risks that you may not have been aware of
- ✓ Receive input from some audiences/interested parties regarding their participation in the process or the CLT structure

### **Audiences**

Engagement with some audiences will take place earlier if they need to inform important decision points. This is the case where the functions of the CLT overlap with their mandate, and they are likely negatively affected and/or their partnership and buy-in is crucial for its success. These consultations may occur earlier and in confidence. These audiences may include non-profit partners who would typically fulfill any or all functions of a CLT. Consider how the CLT can complement rather than compete and what opportunities there are for mutual efficiencies in housing.

Other stakeholders will only be informed or consulted at this current stage of the process. The following is a high-level overview of audiences and how they are affected by the decision to create a CLT.

**Table 9: Audience-interest table.**

<b>Audiences (e.g., the Public)</b>	<b>Interest and how they are affected by the decision</b>
<b>Voters</b>	<ul style="list-style-type: none"> <li>• Keep electorate up to date on progress that is being made on achieving housing objectives</li> <li>• Understand the use of public resources, and impacts of changes in separation of decision-making between local government political processes and a CLT</li> </ul>
<b>Members of a partner organization</b>	<ul style="list-style-type: none"> <li>• Understand and provide input on how their land and resources will be used</li> </ul>
<b>Future tenants/owners</b>	<ul style="list-style-type: none"> <li>• Understand and influence what housing types, tenures, and forms may be built by the CLT</li> </ul>
<b>Local government departments</b>	<ul style="list-style-type: none"> <li>• Some departments may fulfil some of the functions of a future CLT. A clear definition of roles and responsibilities is important.</li> </ul>
<b>Operating partners (housing non-profits)</b>	<ul style="list-style-type: none"> <li>• Understand how the CLT creation may affect local government processes, what role it will play in the community housing sector, and what partnership opportunities exist</li> <li>• May be concerned about potential for competition on limited grant funding or procurement opportunities</li> </ul>
<b>Developing partners (funders, construction, design)</b>	<ul style="list-style-type: none"> <li>• Understand how the CLT creation may affect local government processes, what role it will play in the community housing sector, and what partnership opportunities exist</li> </ul>

## Engagement Scope

The public will have to be clearly informed about the bounds of its ability to influence the process. The scope of the decision rests with the decision-makers (i.e., the CLT partners and champions), while the scope of the engagement identifies where the public may have an ability to influence the outcome.

The following table is a suggested scope. This may look different from one community to the next.

**Table 10: Decision and engagement scope pertaining to CLT engagement.**

<p><b>Scope of the decision:</b></p> <p>The public <i>does not</i> have influence on these aspects</p>	<ul style="list-style-type: none"> <li>✓ Create a land trust</li> <li>✓ Determine the partners of the CLT</li> <li>✓ Determine the purpose of the CLT</li> <li>✓ Determine which lands will be contributed to the CLT</li> </ul>
<p><b>Scope of the engagement:</b></p> <p>The public <i>does</i> have influence on these aspects</p>	<ul style="list-style-type: none"> <li>✓ Inform about the CLT creation, its purpose, and operations</li> <li>✓ Inform about the CLT's relation to local government housing objectives</li> <li>✓ Consult on potential improvements to the proposed CLT structure</li> <li>✓ Consult on proposed CLT objectives</li> </ul>

## UNDRIP and the British Columbia Rights of Indigenous Peoples Act

It is important that this report acknowledge there is an overarching and critical lens to the development of government initiated CLTs in Canada and specifically in British Columbia that requires further exploration. This context is related to Aboriginal Rights and Title. The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) describes the inherent rights of Indigenous Peoples of the world and establishes a universal framework of minimum standards for the survival, dignity, and well-being of the indigenous peoples of the world. UNDRIP provides instruction on establishing meaningful relationships based on the key principles of equality, partnership, good faith, and mutual respect. The rights of Indigenous peoples described within UNDRIP include culture, identity, religion, language, health, education, and community. UNDRIP has important implications in the future decision-making processes of governments.<sup>3</sup>

Adopted by the UN General Assembly in 2007, Canada formally recognized the principles of UNDRIP in 2010.<sup>4</sup> In November 2019, the BC government passed The Declaration on the Rights of Indigenous Peoples Act (DRIPA) in response to Canada's Truth and Reconciliation Commission confirmation that UNDRIP is the framework to be used for reconciliation.<sup>5</sup> In 2022 BC released a DRIPA action plan developed in consultation with First Nations in BC. In 2021, the federal government passed Bill C15, The Act respecting the United Nations Declaration on the Rights of Indigenous Peoples, and, similar to the BC DRIPA Action Plan, the federal government will develop an implementation action plan over the next two years.

The details regarding DRIPA legislation and the impact on the Local Government Act, which guides local government decision-making, have not been made. However, there are indications that changes will happen over time in collaboration with Indigenous peoples and will consider regulatory frameworks, operational decision making, and/or consultation requirements.<sup>6</sup> This report focuses on the capacity of local government to support the initiation of CLTs which will need to consider the colonial structures of government land tenure models and the decision-making required with local Indigenous peoples. Regardless of the start-up model and how local governments approach their contributions, it will be important for local governments to consider DRIPA legislation, and UNDRIP, in the context of how local governments proceed with collaboration, participation, consultation, and, accommodation relating to the establishment of CLTs.

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3 United Nations (2007). United Nations declaration on the rights of Indigenous peoples. <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

4 Indigenous and Northern Affairs Canada. (2017). United Nations Declaration on the Rights of Indigenous Peoples. <https://www.aadnc-aandc.gc.ca/eng/1309374407406/1309374458958>

5 Government of British Columbia. (n.d.-a). B.C. Declaration on the Rights of Indigenous Peoples Act. <https://www2.gov.bc.ca/gov/content/governments/indigenous-people/new-relationship/united-nations-declaration-on-the-rights-of-indigenous-peoples>

6 Government of British Columbia. (n.d.-b). Declaration on the Rights of Indigenous Peoples Act (local government factsheet). [https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/indigenous-people/aboriginal-peoples-documents/bc\\_declaration\\_act-factsheet-local\\_government.pdf](https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/indigenous-people/aboriginal-peoples-documents/bc_declaration_act-factsheet-local_government.pdf)



## The Road Map in Detail

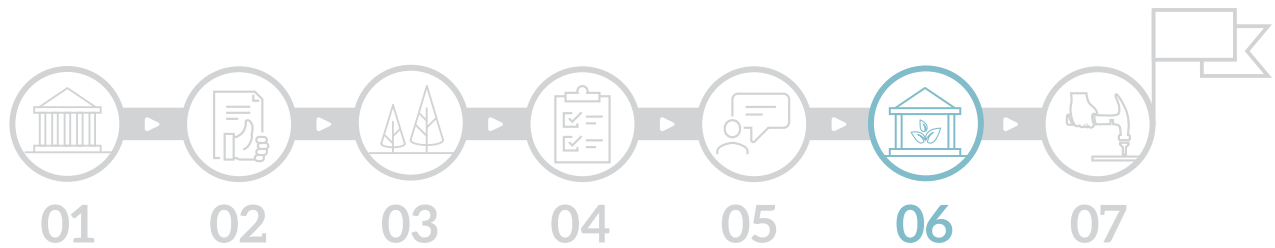


# 06

**Determine sustainable governance structure and incorporate the CLT – *How will the CLT be governed in the long-term?***

### **Five steps will set the path towards incorporation of your CLT:**

- a** Define the Local Government and CLT Relationship (Some autonomy is crucial!)
- b** Consider critical legal foundations before setting up the CLT
- c** Governance and the composition of your board
- d** Role of partners in governance
- e** Incorporate!



## 06 Determine sustainable governance structure and incorporate the CLT – *How will the CLT be governed in the long-term?*

This section discusses both, how to approach the land trust creation from a governance perspective and steps to consider post-incorporation as society or business corporation. It seeks to answer who will be involved and how and what specific topics should be considered by a local government in this process.

### A. Define the Local Government and CLT Relationship

Before incorporation the partners will need to assign authorities or responsibilities within, and beyond the CLT. In any case, with the creation of a CLT the local government decides to outsource specific land- and development related activities to a new entity. To justify this decision the impact of the CLT needs to be greater than the status quo, or any possible alternative (such as increasing in-house staffing alone).

The scope and goals of the CLT will need to drive its implementation. The purpose of the CLT is to facilitate new housing supply by enhancing local capacity and tapping into new partnerships.

The governance structure of the CLT is foundational to achieving its impact, but it is not an easy task to get it right. The CLT needs to be **independent, nimble and adaptive, while also being impactful, connected and authoritative.**



## Autonomy from local government

Insulate the CLT from political interference without undermining democratic processes.

A key benefit of creating a CLT is to remove its designated activities from the close public scrutiny of political approvals, and political changes that are of then at the heart of lengthy processes. This separation of processes, however, comes at the risk of undue separation of important public oversight.

### CLT

## Connected to local government

Benefit from the authority of development and planning approvals for any land of interest without being directly part of the bureaucracy.

As the regulator of land local government is in a unique position to facilitate partnerships, increase development capacity and remove development barriers. This power necessitates a close, and preferential relationship of the CLT to the local government. However, there is a risk that the organization.

To strike this balance impactfully it is important the CLT and local government, as well as any partners, clearly spell out their relationship in the founding documents.

## B. Consider critical legal foundations before setting up the CLT

Whether it be a Local government Housing Corporation or a Non-Profit Society, the CLT will be governed by a separate board of directors. In either case the organization's founding papers will dictate the governance make-up and relationship to any other organization, such as the City. It also sets the long-term direction in this process.

While a local government may appoint directors to both, a society or a corporation, the local government's oversight is naturally limited in a society as the organization exists in isolation of the City. A corporation set up by local government on the other hand will designate the local government as one, or the sole corporate shareholder. This provides autonomy but may also require that some activities require shareholder approval. A society on the other hand is governed as separate legal entity that is appointed by a board with expertise. It does not encumber a local government in the same way and may provide greater authority to other organizations to be represented in the CLT through the board. As outlined above – the balance between autonomy and connectedness will vary with context.

Not only will the choice of incorporation model impact decision making, but it will also affect long-term financial decisions (see Implementation Considerations for Different Types of CLTs on page 18).

To make sure the society is set up properly, this process must be supported by external legal advice.

### **C. Governance and the composition of your board**

Governance refers to the framework of structures, systems, and processes that allow an organization to establish strategic direction and make decisions.

Traditionally, CLTs are organizations designed to ensure community stewardship of land for the benefit of specific causes or groups. They are legally governed by an elected or appointed board of directors. In traditional CLTs this could include lease holders and renters, community members, public servants, or organizational representatives.

However, as the governance always follows the functions and intended purpose of the CLT, the local government will need to be represented on the board. The CLT board would, to a degree, have to be beholden to the City's direction through its initial strategic direction set by the City in consultation with partners.

However, to achieve a representation true to its intent to be a partner-based, not just government, entity, and to be a non-political organization, the governance must consider a mix of board members. Their role and linkage to the community and experts is to support the CLT through advice, resources, and by setting good strategic direction.

While some members will be set, the CLT's board composition may shift to align with an evolving mandate.

The form and function of the final governance structure are intrinsically connected. Not only will the number of elected officials impact the balance of autonomy and connectedness to local government, but it will also impact the remainder of the make-up of the board and its ability to direct efficiently.

## D. Role of partners in governance

As the CLT is established decisions need to be made on how it is set up to not only govern itself over the long term and the local government's relationship to the land and development activities, but also the role of contributing partners.

The desired level of involvement will vary from community to community and stakeholder to stakeholder.

Some may want to participate actively, while others will happily pass on their involvement in exchange for assurance their needs will be met. Of key importance is that their need for participation is reflected in both, the governance structure, and the land disposition process.

## E. Incorporate!

As crucial decisions were made the CLT is in a good position to prepare documents establishing the CLT and institutionalizing its structure and governance. In this process the CLT will seat and orient the CLT's first board of directors. It will also develop and implement a long-term strategic plan for bringing the CLT's portfolio to scale, including a staffing plan, operating budget, policies and procedures, and housing development goals.<sup>7</sup>

As land is already in hand through partnerships, the CLT can now move to implement its first project.



▲ Photo of aerial view of Victoria Street, Kamloops, B.C. Credit: J Putnam

7 Key information in this section was drawn from John Emmeus Davis and Rick Jacobus: The City–CLT Partnership. Municipal Support for Community Land Trusts. 2008. Lincoln Institute of Land Policy. p.11.

## The Road Map in Detail

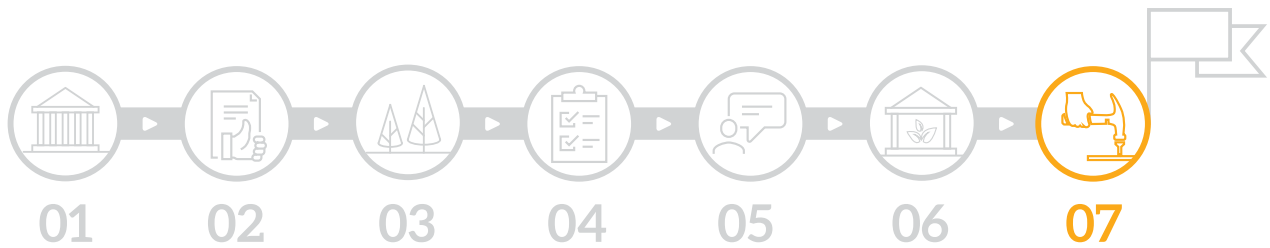


# 07

**Initiate the typical project development process – *Conduct due diligence, determine the project concept, and define financial benefits!***

**You are ready to move from concept to project. Some pointers on this journey for a process under a CLT include to:**

- a** Conduct general site-specific due diligence
- b** Jointly define the Project Concept
- c** Assess what financial benefits can be achieved for all parties



## **07 Initiate the typical project development process – Conduct due diligence, determine the project concept, and define financial benefits!**

To move the CLT and its projects forward, it is important to swiftly move from idea to outcomes. Without operating revenue, the CLT does not operate sustainably. The focus of this road map is not to detail the housing development process, but to close with some high-level considerations for immediate next steps following its inception:

- a. Conduct general site-specific due diligence
- b. Jointly define the Project Concept
- c. Assess what financial benefits can be achieved for all parties

### **A. Conduct general site-specific due diligence**

As with any land sale or purchase, due diligence needs to be completed by both parties involved in the transaction (i.e., by the local government and the non-traditional land partner). Whether or not a full assessment is done at this point will depend on the project-specific context. Due diligence must be completed prior to the transfer of any lands.

Regardless, the following factors should be considered and reviewed with a retained solicitor or development consultant to ensure development viability:

- ✓ Geotechnical and environmental assessment
- ✓ Archeological impact assessment
- ✓ Restrictions on title (e.g., covenants or agreements)
- ✓ Servicing considerations

- ✓ Permitted uses (e.g., development regulations)
- ✓ Nearby designated land uses and existing uses
- ✓ Locational amenities
- ✓ Others

**At this stage, this review may remain higher-level and primarily serve to identify major issues and barriers that influence the potential project concept and impact financial costs and project viability.**

## **B. Jointly define the Project Concept**

Once the CLT – vis-a-vis the local government – and its non-traditional land partner have selected a site (or multiple sites) and identified their preferred housing types as well as any encumbrances and land disposition requirements, they are ready to develop a high-level development concept. This is an opportunity for the partners to set a project vision and translate it into a project design concept. This concept sets the foundation for the next step – the financial analysis.

When designing the project concept, the following factors should be identified:

- Group(s) to be served by the project
- Initial building massing, form, and unit mix
- Initial potential funding sources
- Initial operating budget with revenues and expenditures



**▲ Photo building site workings on land where house building is in progress.**

### **Example: Indigenous-led and designed Elders' housing project**

Cedar Village is a 32-unit Elders' housing project that was developed by Metlakatla First Nation in Prince Rupert. It received project funding of \$17.5 million from BC Housing. The design of the facility honours the local community, with building roofs resembling traditional Tsimshian hats and four totem poles at the front of the building. The land is owned by Metlakatla First Nation, operated by Cedar Village Housing Society, and was acquired through a land sale from the School District 52 as the former site of the King Edward Elementary School.

While this project was not developed as part of a CLT, it is an example of how Indigenous communities and First Nations can be engaged early on to define the concept use of land and partner with a non-traditional partner – in this case, the school district.

This is an important step as it provides inputs to design an outline for a building, as well as the financial feasibility of the concept plan. The concept plan can be redefined over time as decisions are made on the project details.



▲ **Photo of housing development by Tsleil-Waututh Nation.**

## C. Assess what financial benefits can be achieved for all parties

In a land sale or development partnership the financial benefits for each party must be met. The right price is informed by the current as-of-right development value, previous due diligence which will assess the current conditions of any improvements on the land and restrictions on the land title, and the future project concept. As mentioned above, some non-traditional land partners will have rules about disposing the land at or below market value.

For the local government (the buyer), the right price is the one that will facilitate housing development under the current market conditions and meet specific housing objectives outlined in its housing policy. For the non-traditional land partner (the seller of land in this case), they may be targeting a market price to meet its financial objectives or program needs.

Below is a list of typical project costs that can be reduced through the CLT model resulting in lower housing costs

**Table 11 – Typical project costs under a market and Non-market housing scenario.**

Typical Project Cost	Market Housing	Below-Market Housing
Land Cost	Market value	Below market value
Financing	Market rate	Below market opportunities
Commissions	Payable	\$0
Profit	15-25% of costs	Development management fees 2-4% of costs
Local government fees	3-10% of costs	Reduced



# Additional Readings and Resources

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The landscape of resources on CLTs is vast and deep and it can be difficult to know where to start. The following are readings and resources to help navigate the Community Land Trust landscape.

The following sources are of practical utility toward local government staff, elected officials and community-based non-profits to understand the history and foundations for a CLT.

## 1. The City-CLT Partnership: Municipal Support For Community Land Trusts

*Davis, J. E., & Jacobus, R. (2008). Lincoln Institute of Land Policy.*

<https://www.lincolnst.edu/sites/default/files/pubfiles/the-city-clt-partnership-full.pdf>

- This US-focused technical resource summarizes how municipalities are supporting CLTs. It has a focus on resale restricted home ownership models.
- This accessibly formatted manual is a great starting point! – If you would like more depth on the same topic, check out: Davis, J.E., Jacobus, R., & Hickey, M. (2008). Building better city-CLT partnerships: A program manual for municipalities and community land trusts. Lincoln Institute of Land Policy. [https://www.lincolnst.edu/sites/default/files/pubfiles/1401\\_717\\_djh\\_yesim\\_final.pdf](https://www.lincolnst.edu/sites/default/files/pubfiles/1401_717_djh_yesim_final.pdf)

## 2. The Origins and Evolution of the Urban Community Land Trust in Canada

**Video:** *Barndt, J.; Davis, J. E.; Bunce, S (2020). Canadian Network of CLTs.*

<https://www.youtube.com/watch?v=v7DCeCHZRTM> via <http://www.communityland.ca/>

**Research Paper:** *Susannah Bunce and Joshua Barndt (2020). Center for CLT Innovation, Terra Nostra Press.*

[http://www.pnlt.ca/wp-content/uploads/2021/06/Origins-and-Evolution-of-Urban-Community-Land-Trusts-in-Canada\\_Common-Ground.pdf](http://www.pnlt.ca/wp-content/uploads/2021/06/Origins-and-Evolution-of-Urban-Community-Land-Trusts-in-Canada_Common-Ground.pdf) – Page 93-114

- This webinar and paper explore the Origins and Evolution of Urban Community Land Trusts in Canada. It includes a summary of all known CLTs to that date.
- It is important to note that the work proposed in this road map deviates from the definition of a CLT used by focusing on the role of government over community or sector-based CLTs.

### **3. Roots of the CLT: Origins and Evolution of the Community Land Trust in the United States**

*Davis, J. E. (n.d.). National Community Land Trust Network.*

<https://www.burlingtonassociates.com/home-slides/roots-of-the-clt>

John E. Davis is one of the great proponents of the expansion of the CLT model. Here he dives into the origins of the CLT movement in a lecture series.

### **4. Starting a Community Land Trust: Organizational and Operational Choices**

*Davis, J. E. (2007). National Community Land Trust Network.*

<https://www.burlingtonassociates.com/clt-resources/starting-a-clt-organizational-and-operational-choices/>

This US-focused source by John E. Davis, outlines the many variations in the ways in which CLTs are structured and applied.

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