



Canadian
Network of
Community
Land Trusts

Community Land Trust Foundation of British Columbia

A Case Study

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Balanced
Supply
of Housing

Academic / Community Partnership

Land Acknowledgment: The Balanced Supply of Housing at the University of British Columbia is on the traditional, ancestral and unceded territories of the xʷməθkʷəyəm (Musqueam) People, and we would also like to acknowledge that Metro Vancouver is on the unceded territory of the Coast Salish Peoples, including the territories of the xʷməθkʷəyəm (Musqueam), Skwxwú7mesh (Squamish), Stó:lō and Səl̓ílwətaʔ/Selilwitulh (Tsleil- Waututh) Nations. The Canadian Network of Community Land Trust recognizes that the organization and its members are working on the traditional territories of First Nations, Inuit, and Métis people across Canada and actively work with community land trusts to facilitate the return of land to Indigenous communities.

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Introduction

As housing unaffordability has escalated to a crisis level, there is growing recognition of the value of co-op housing and community land trusts (CLTs) in providing secure and affordable tenure to renters in Canada. This case study aims to explore the unique structure and impact of the Vancouver-based Community Land Trust Foundation of British Columbia (CLTFBC) which leverages a community land trust (CLT) model as a tool to operate housing co-ops.

While there is no legal definition of a CLT in Canada, the CLTFBC differs from existing CLTs in several ways. Unlike many neighbourhood-focused CLTs with high community participation, CLTFBC operates as a consolidated, long-term asset management tool to administer housing co-ops, resulting in less community involvement and more community service. This case study illustrates how this CLT model has been used to benefit the wider co-op and non-profit housing community in British Columbia, Canada, and how it may continue to benefit the Canadian CLT community in the future.

Background

The CLTFBC, colloquially known as the Vancouver CLT or BCLT, evolved in response to the needs of the Co-operative Housing Federation of BC (CHF BC), aiming to become its own engine of growth, independent of government support. While many CLTs are grassroots, neighbourhood-centred non-profits that focus on providing secure, affordable access to land and/or housing in perpetuity, the CLTFBC serves as the real estate development arm of CHF BC, showcasing a different and unique model centred around property management for numerous housing societies.

In 1993, the board of CHF BC incorporated a non-profit society, which became the original Community Housing Land Trust Foundation (CHLTF). Shortly after in 1995, it secured charitable status from the Canada Revenue Agency (CRA) with the goal of protecting land held by housing co-ops and preventing the privatization of affordable housing assets after government operating agreements expired. Seven years later, between 2000 and 2001, the CHLTF successfully acquired six properties, five of which were housing co-ops and one non-profit housing society.

In 2012, the City of Vancouver Mayor's Task Force on Housing Affordability¹ identified community land trusts as a vehicle to ensure affordable housing, and in particular, co-op housing. Following this, CHF BC and its non-profit housing partners proposed building on six city-owned sites with 99-year lease terms. Proposals for four of those sites inspired the Vancouver Community Land Trust Foundation (Vancouver LT or VCLTF), which was formally established in 2014, to pursue a multi-site project with the City of Vancouver. Several key factors contributed to its success, including political champions within the municipal government, startup capital from Vancity Credit Union, and endorsement from the CHF BC board.

1 <https://council.vancouver.ca/20121002/documents/rr2.pdf>

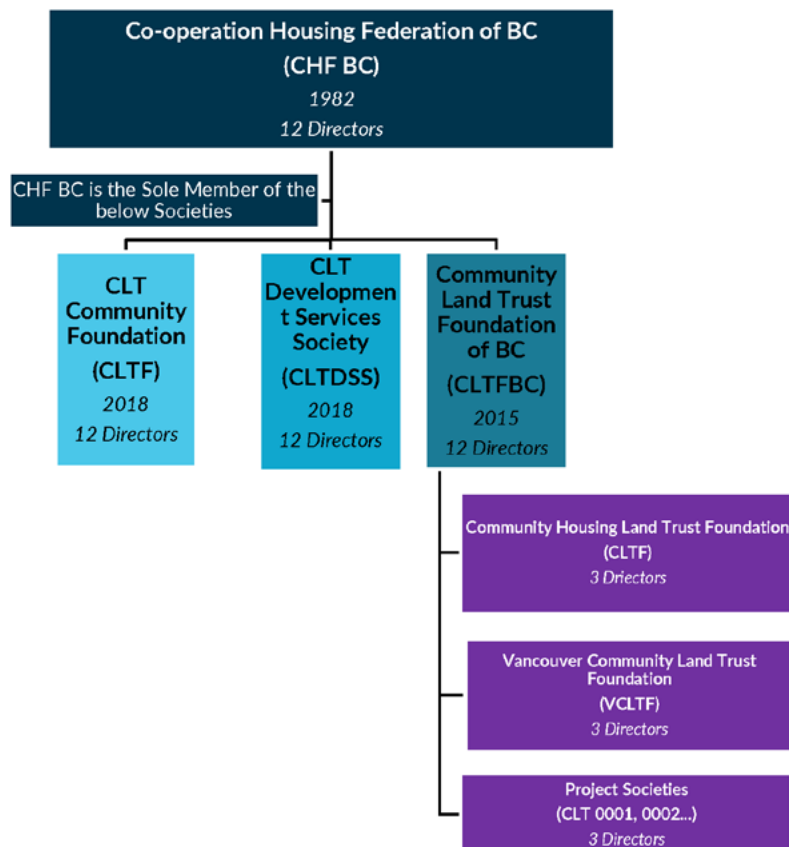
Due to project-specific commitments to the City of Vancouver and non-profit partners, VCLTF became unsuitable for future projects, and the Community Land Trust Foundation of British Columbia (CLTFBC) was established in 2015 as a vehicle to manage future projects. In 2019, CHF BC restructured its organization to address accountability issues, becoming a management CLT, with each project or property site under its umbrella becoming its own CLT society. As a result, the CLTFBC became a separate entity under the CHF BC umbrella, managing a portfolio of 2,000 homes with another 1,000 homes under construction or in the approval process.

Today, CHF BC comprises 271 non-profit housing co-operatives encompassing nearly 16,000 homes, with the average housing co-op being 56 residences. CLTFBC operates 34 of those sites primarily located in Metro Vancouver and the Fraser Valley, with one project in the Okanagan Valley and another underway on Vancouver Island. These housing co-ops provide at-cost housing for their members and are legal associations, incorporated as a co-operative where members control decision-making with their votes. CLTFBC collaborates with these societies to support capacity building, funding, and management strategies to effectively address these needs.



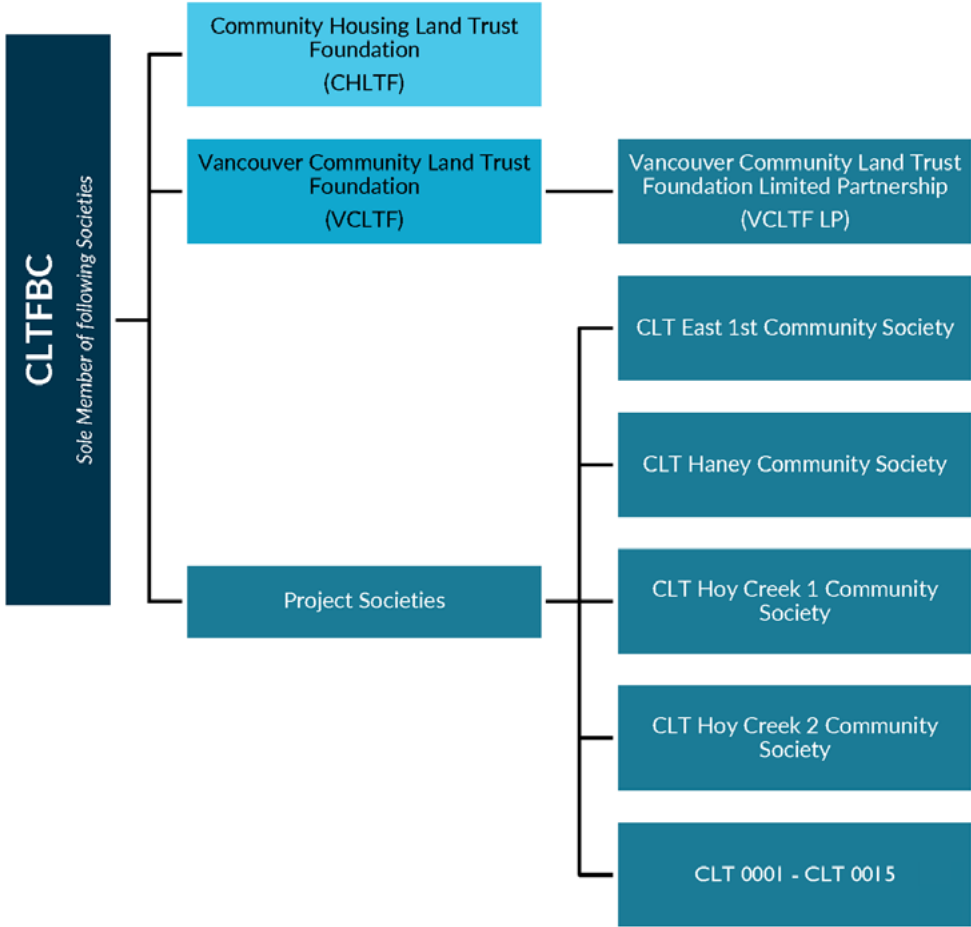
Governance Structure

CHF BC Group



Source: CHF BC

Community Land Trust Foundation of BC (CLTFBC)



Source: CHF BC

Methods

The interviews that informed this case-study are part of a policy series led by the Canadian Network of Community Land Trusts (CNCLT) and Prof. Susannah Bunce (University of Toronto). Ethics approval was received from the University of Toronto (Research Ethics Board Protocol #44863). Interviews were completed in March of 2024 with CHF BC’s Chief Executive Officer, Thom Armstrong, and CLTFBC’s Executive Director, Tiffany Duzita. An analysis of the CLTFBC’s model with a focus on its strengths, weaknesses, opportunities and threats (SWOT) is presented in the case-study analysis overleaf.

Case-Study Analysis

Weaknesses and Threats

This report suggests that all CLTs face three challenges; 1. Identifying revenue streams to build capacity and fulfill their mission, 2. cost pressures and the difficulty in scaling projects, and 3. legal obstacles. While many CLTs possess the capacity to build market housing, achieving deep affordability needed to attain the income mix that has driven co-operative success would be unattainable without external or government support. Exacerbating this, all CLTs, like all non-profit housing providers, face the threat of reputational and financial risks due to high-cost pressures and fiscal mismanagement, worsened by the lack of a skilled construction workforce, which impacts the entire supply chain of building CLTs.

Canadian CLTs mainly function as housing co-ops or non-profit rentals, unlike in the US, where CLTs often provide affordable homeownership models. Because the Canadian legal system generally considers land and buildings as an indivisible entity, the current legal framework poses challenges for the ground lease mechanism used by American CLTs. Since homeownership is not the key function of many CLTs, this legal framework is not necessarily a problem but may be more of an operations limitation.

CLTs, including CLTFBC, in Canada also face difficulties accounting for complex jurisdictional discrepancies between federal financial regulations and provincial land legislation. The Land Act, which establishes land districts and land recording districts at the provincial level, does not easily fit within financial and taxation law, which is managed at the federal level. This raises many questions that are not easily answered by governing bodies and will likely generate various answers based on each specific CLT's organizational model (cf. Bunce & Barndt, 2020).

Specific to the CLTFBC, the complex, top-down governance structure designed to facilitate property management for housing co-ops, can create resistance to this consolidation effort, as there is tension between those supporting the autonomous co-op housing model at the community level and those advocating for a more consolidated asset base at the provincial level; while the large management model implemented by CLTFBC allows for a rapid scaling-up of co-op housing, it can imply a loss of connection to community voices. Learning from grassroots CLTs is crucial for capacity-building efforts such as leadership training and development with residents to distinguish their communities from the private market (King, 2020). This work is increasingly difficult when the CLT functions as the real estate arm of a larger society, like CLTFBC does.

Strengths

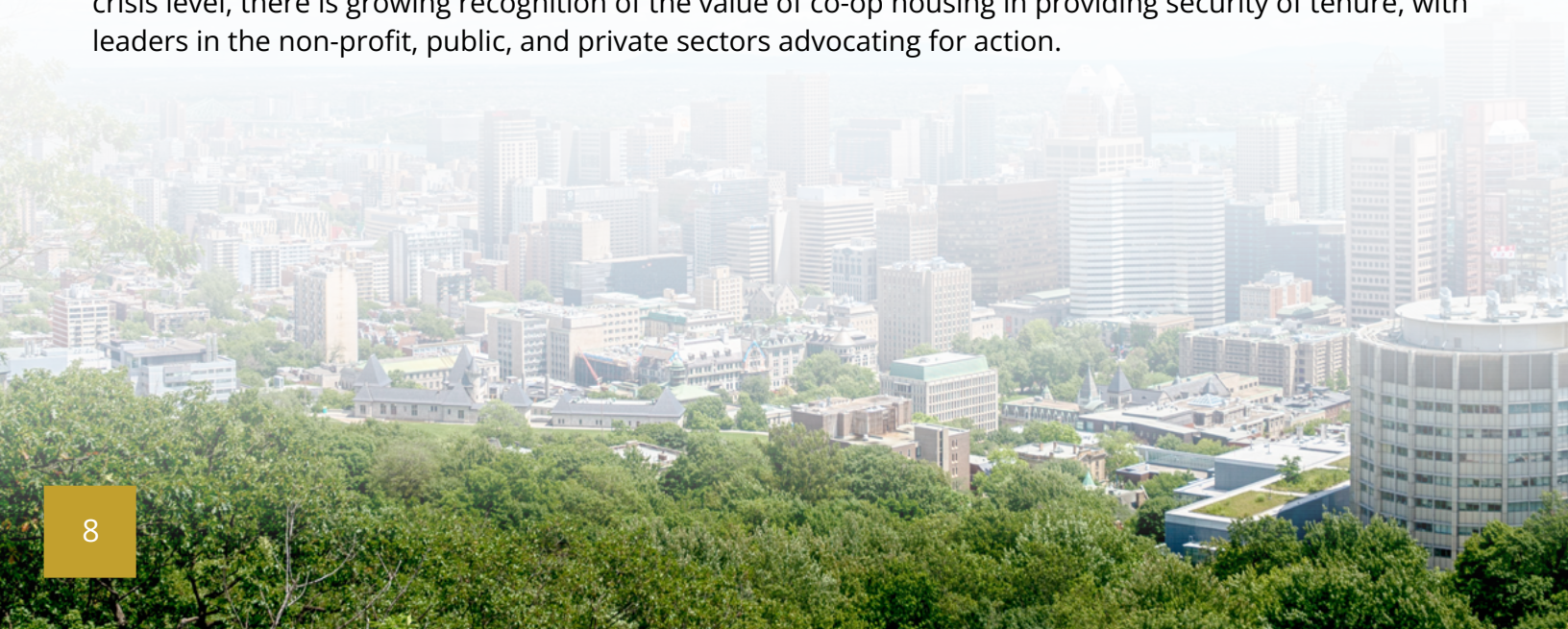
Despite the challenges, the CLTFBC boasts numerous strengths, most notably as an effective instrument for growth, preservation, acquisition, redevelopment, and long-term asset management of affordable housing societies. CLTFBC enhances capacity by working with co-operative and non-profit housing societies to develop, own, and manage housing assets for the long term. In particular, collaborating on development strategies and securing needed funding through the use of public and non-profit land, housing funds, partnership funding, and alternative capital investments has proven effective for co-op housing societies facing challenges such as catastrophic building failure and severe vacancies.

The asset base established through an organization like CLTFBC can be leveraged to facilitate future growth, securing more favourable funding terms compared to individual housing societies or grassroots CLTs leveraging a small portfolio of buildings and/or land. Since legislative mandates do not dictate how CLTs must operate, this CLT model can also be used to build new homes, rescue societies in danger of insolvency, or prevent defaulting on financial commitments. Furthermore, the co-op housing sector in Canada empowers individual co-op members to govern and manage their own communities, enabling CLTs to address weaknesses in the self-governing model. This ensures they can continue to preserve long-term affordable housing for future generations while consolidating the management of the physical real estate assets. Using CLTs as a mechanism to operate housing co-ops like the CLTFBC model, is a remarkable way for co-ops to manage their properties and keep their community spaces free from privatization.

Opportunities

Since 2017, the province of British Columbia has focused on addressing the lack of housing in British Columbia. This unprecedented period of sustained investment offers CLTs, both at the grassroots level and larger provincial models like CLTFBC, many opportunities to expand their impact. With new federal funding announced in 2024 for a variety of affordable housing initiatives, never has there been a more exciting time to shape and expand CLT models. Furthermore, the unique position of CLTFBC as an entity established by the CHF BC means their focus is on the growth and success of cooperative housing.

Leveraging partnerships between the non-profit, public, and private sectors can also benefit affordable housing initiatives, specifically by further leveraging public and non-profit land, housing funds, partnership funding, and alternative capital investments. Moreover, as unaffordability has escalated to a crisis level, there is growing recognition of the value of co-op housing in providing security of tenure, with leaders in the non-profit, public, and private sectors advocating for action.



CLTFBC's Future

In the future, opportunities to develop a well-funded non-market housing sector that addresses the needs of individuals underserved by the market will expand. As community advocates, CLTs in Canada are uniquely positioned to occupy this space as established champions of creating and sustaining community-focused, affordable housing. As one of the largest collections of CLTs in Canada, CLTFBC has emerged as a leader in the sector. Not only does it serve as a model for CLTs across Canada, but it also continues to guide the development and expansion of smaller CLTs and the movement through community-centred consultation and advocacy.

To successfully expand the sector and develop other, similar organizations across the country, the CLTFBC will need to effectively communicate the value in recognizing CLTs as the primary solution for non-market housing opportunities to all levels of government, especially at the federal level. Furthermore, it will need to partner with all levels of government to support its growth agenda. Networking with other CLTs through the Canadian Network of Community Land Trusts can also reinforce best practices and spur momentum in the movement. Finally, conducting research on this type of CLT model is fundamental, not only to showcase its successes but also to identify how weaknesses can be addressed and explore missed opportunities through a critical lens.



Conclusion

The CLTFBC's unique approach to managing housing co-ops has created a sustainable CLT model that engenders growth, supports capacity building, and effectively preserves housing co-op tenure even when properties are faced with financial insecurity.

Unlike traditional, neighbourhood-focused CLTs with high community participation, CLTFBC operates to uplift and maintain several communities under its umbrella. While CLTFBC has successfully led project development for several properties using this model, their leaders recognize that additional efforts are needed to further their impact. By generating investment and new lending for co-ops, the CLTFBC has significantly contributed to preserving and enhancing co-operatives in the province.

Outlining the strengths, weaknesses, opportunities, and threats of the CLTFBC model serves as an informed starting point for other CLTs to adopt a similar, supportive co-op housing model. While reproducing this model is not necessary for smaller CLTs to flourish, CLTFBC's success has inspired the CLT community and spurred government support on a large scale. Through advocacy and campaigns, the CLTFBC and CLT community at large can inform both the public and government bodies of the value of this model while working to scale up similar CLTs. These efforts are indispensable to creating the affordable housing stock we need. As a leader and pioneer in this sector, the CLTFBC is well-positioned to guide large-scale aspiring societies in the creation and management of secure, affordable housing.

References

1. Bunce, S. & Barndt, J. (2020). Origins and Evolution of Urban Community Land Trusts in Canada in: *On Common Ground: International Perspectives on the Community Land Trust* J.E Davis, L. Algoed & M. Hernandez-Torrales (Eds.), Terra Nostra Press, Madison. Pp. 93-114.
2. King, S. (2020). Making a Case for CLTs in All Markets, Even Cold Ones. in: *On Common Ground: International Perspectives on the Community Land Trust* J.E. Davis, L. Algoed & M. Hernandez-Torrales (Eds.). Terra Nostra Press, Madison. Pp.45-62.





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