

**Parkdale  
Neighbourhood  
Land Trust**

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**Neighbourhood  
Land Trust**

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# Scaling the Community-Based CLT

## A Case Study of The Neighbourhood Land Trust



**Full Report  
Version 1  
2024**

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# Acknowledgments

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# Executive Summary

In recent years the The Neighbourhood Land Trust (NLT) embarked on a journey of growth to demonstrate how to scale a sustainable Community Land Trust (CLT) model encompassing land acquisition, development, asset management, community governance and operation of permanently affordable housing. This effort was funded in part by a grant from the Canada Mortgage & Housing Corporation's NHS Demonstrations Initiative Scaling Stream.

This case study endeavors to document and disseminate the invaluable insights gleaned from NLT's scaling journey, aiming to inform the work of other CLTs and stakeholders. While each CLT operates within a unique community context, common challenges and opportunities pervade the sector, accentuating the importance of shared learning and collaboration. By profiling NLT's experiences, this study aims to enrich the collective understanding of effective CLT practices.

NLT has successfully demonstrated an approach to scaling the community-based CLT model by both preserving at-risk rental housing and developing new affordable housing, while enhancing asset management, business, and community governance models. Through diverse approaches to land acquisition and multi-sectoral partnerships, NLT has expanded its impact, acquiring 85 properties with 205 affordable rental units and enhancing capacities in asset management and community governance, positioning itself for further growth.

Key learnings gleaned from NLT's journey offer valuable insights to inform CLT development across various domains, from the preservation of at-risk private rental housing to the establishment of purpose-built non-market rental housing. Collaborations with strategic partners and robust asset management practices are identified as critical drivers of CLT success. Additionally, enhanced community governance structures and

business model enhancements are essential to long-term organizational sustainability amidst the demands of scaling. These insights underscore the continuous learning and improvement essential for CLTs to thrive and create lasting community impact.

## Key learnings by thematic area

### Part 1. Scaling the CLT Through Holistic Land Securement Strategies

#### Preservation of At-Risk Private Rental Housing

CLTs can play a pivotal role in ensuring long-term affordability and stewardship of rental housing stocks. Effective acquisition strategies hinge on a deep understanding of local target rental sub-markets, facilitating successful preservation efforts. New CLTs can boost their internal capacity by collaborating with seasoned affordable housing consultants and working with values-aligned realtors. Securing capital funding prior to embarking on acquisition processes is crucial for achieving favorable outcomes. This underscores the importance of ensuring local governments develop enabling policy and funding programs for acquisitions.

#### Acquisition & Renewal of At-Risk Community Housing Assets

CLTs can play a pivotal role in preserving community housing assets to ensure long-term affordability and stewardship. Collaborations with experienced housing operators and meticulous planning and due diligence periods are essential for successful large portfolio acquisitions, necessitating multi-funder collaboration and legal expertise. Pre-acquisition capital planning is critical, as is the need for multi-funder collaboration.

#### Development of Purpose-Built Non-Market Rental Housing

Acquiring or leasing land from municipalities often

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presents the most significant development opportunities for CLTs. In addition, small-scale intensification of CLT-owned lands can unlock incremental growth.

## **Part 2. Enhancements to Organizational and Governance Practices**

### **Multi-Sectoral Partnerships**

Collaborations with values-aligned strategic partners across diverse sectors including municipalities, lenders, housing partners, builders and environmental organizations are integral to CLT success, fostering enhanced community benefit. Formalizing partnerships through project specific agreements as well as long-term partnership framework agreements ensures longevity and mutual success.

### **Asset Management**

Asset Management is an essential role of CLTs, ensuring the long-term viability of their portfolios. Capital Planning is a core aspect, outlining the necessary investments to maintain buildings in optimal condition over time. Portfolios with older and or scattered buildings necessitate additional staff capacity, supported by critical project management fees. Dedicated capacity is crucial for tenant-centered support during capital projects. Furthermore, accelerating funding for capital replacement reserves is essential to address unforeseen repair needs and sustain property upkeep in the long term.

### **Community Governance**

Recognizing the potential challenges of community governance within a growing portfolio, CLTs should design governance structures with growth in mind, anticipating challenges, and ensuring representation across projects. Reinforcing community-based governance through diverse opportunities for member involvement is essential for fostering inclusivity and

transparency. Additionally, the introduction of Tenant Advisory Committees allows for direct input from tenants on asset management and operational matters, enhancing community engagement. Moreover, introducing Acquisitions & Due-diligence Committees can provide invaluable technical support to a community-based Boards.

### **Business Model Enhancements**

Balancing long-term organizational sustainability with the present day demands of scaling poses significant challenges for CLTs as they navigate startup and growth phases. Establishing the financial infrastructure to support expanded activities is crucial for sustainability. While grant funding can be accessed to fund start-up activities and special projects, CLTs must diversify revenue streams, such as implementing Asset Management and if applicable Property Management Fees. CLTs support development activities by establishing a Revolving Development Fund or Line of Credit for acquisitions and capital projects. Furthermore, bolstering sustainability can be achieved through the establishment of Organizational and Property-Level Operating Reserve Funds, as well as enhancing Capital Replacement Reserves beyond mandated minimums.

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# Introduction

## Project Overview

Founded in 2012, the Parkdale Neighbourhood Land Trust (PNLT) is one of Toronto's first neighbourhood-based Community Land Trusts (CLT).<sup>1</sup> PNLT is a membership-based, community-controlled non-profit organization that acquires, owns and stewards land for community benefits. The Neighbourhood Land Trust (NLT) is the charitable arm of the PNLT, and owns and stewards lands that are leased to charitable partners to manage day-to-day operations and tenant support services for NLT's affordable housing and supportive housing assets, and to support community economic development initiatives.

In 2021, the Neighbourhood Land Trust secured a grant from the Canada Mortgage & Housing Corporation (CMHC) through the Scaling Stream of the NHS Demonstrations Initiative. This grant, designated for activities from 2022 to early 2024, was intended to enable NLT to demonstrate how to scale its community-based CLT model. NLT proposed several pivotal actions as part of the scaling activities, including:

- Preserving at-risk private rental housing through acquisition and renewal;
- Preserving at-risk community housing assets through acquisition and renewal;
- Developing purpose-built non-market rental housing;
- The enhancement of its asset management model;
- The enhancement of its business model; and
- The enhancement of its community governance model.

## Progress Summary

The work to successfully scale the NLT's activities has involved two complementary areas of focus: the NLT's core activities of land securement/ acquisition, and supporting that activity through its organizational and governance practices. Through the implementation of three land acquisition approaches and several multi-sector partnerships, NLT has significantly expanded its impact within the community. Notable achievements during this period include successful land acquisitions and the preservation of affordable housing stock, enabling the growth of its portfolio to 85 properties with 205 affordable rental units. Additionally, NLT has developed new capacities in asset management, community development, and affordable housing development planning, positioning the organization for further growth and success.

## Purpose of the Case Study

This case study documents the insights gleaned from NLT's scaling journey, with the aim of supporting other CLTs and stakeholders in the sector. While each CLT operates within a unique community context, common challenges and opportunities highlight the importance of shared learning and collaboration. By profiling NLT's experiences, this study aims to enrich the collective understanding of effective CLT practices and policies.

<sup>1</sup> A community land trust (CLT) is a community-led, non-profit organization that owns land and puts it to use for community benefit. CLTs are committed to the long-term stewardship and permanent affordability of land, housing and other assets that contribute to a thriving community.

## NLT Background

To understand the scope of NLT's scaling activities, it's helpful to contextualize them within the organization's preceding phases of organizational development.

### Exploration and Initiation Phase 2012-2014

Before incorporating as an independent charitable non-profit, NLT was incubated by the Parkdale Activity-Recreation Centre (PARC), a charity operating in Toronto's West End Parkdale neighbourhood. New CLTs can benefit greatly from the sponsorship or trusteeship of an established community organization, which can provide community legitimacy, trusteeship of grants, and administrative support. From 2012-2014, NLT focused on mobilizing broad community support around the concept of community ownership. In 2014, representatives from 7 local organizations and resident groups joined an interim Board of Directors.

### Organizational Development and Capacity Building Phase 2015-2017

From 2015-2017, NLT carried out its first three-year strategic plan, which focused on organizational capacity building, establishing a community based governance structure and ensuring a robust corporate structure. In this period NLT also developed a deep knowledge of local needs through two key projects: a community-based planning initiative that resulted in the Parkdale Neighbourhood Plan (2016), and a community-based research project on the loss of rooming houses in Parkdale. In 2017, NLT was able to secure its first property, an urban agriculture space at 87 Milky Way.



PNLT Board Member Kalsang Dolma speaks to a crowd of community members during the Jane's Walk event, 'Tibetan Experience in a Gentrifying Parkdale,' 2016.

## Demonstration Phase 2017-2020

During the Demonstration Phase, NLT built on the groundwork laid in the prior phases and mobilized the findings from their rooming house study by proposing the acquisition and preservation of local at-risk rooming houses. Throughout 2018, NLT's initial attempts were unsuccessful due to the absence of government funding programs to support these acquisitions.

In response to significant advocacy by PNLT and its community partners, in 2019 the City of Toronto funded a rooming housing acquisition pilot project that enabled NLT to acquire and renovate an at-risk rooming house containing 15 units. This property was leased to PARC on a 49 year long-term lease and is operated as affordable rental housing with supports. This project served as a pilot for the City of Toronto's Multi-Unit Residential Acquisition (MURA) Program, which was established in 2022 and expanded in 2024.

## Growth Phase 2021-2025

In late 2020, NLT's membership approved a new 5-year Strategic Plan to guide its Growth Phase from 2021 to

2025. The plan charts a path to increase NLT's portfolio to 300+ affordable rental units in order to increase its impact and to achieve long-term organizational sustainability. The work covered in this case study was designed to move NLT towards this goal, as well as to respond to four additional strategic priorities:

- 1. Community ownership** - Increase the land and housing owned by the Land Trust, to support access to affordable housing for equity-deserving seeking residents.
- 2. Stewardship and partnership** - Increase asset management capacity by long-term partnerships that support good management and maintenance of the Land Trust's properties over the long term.
- 3. Community governance, planning and organizing** - Build community power by increasing core membership (those who live or work on community-owned lands) and expanding opportunities for community governance and democratic decisions.
- 4. Movement building** - Contribute to the expansion and advancement of the CLT movement in Canada through collaboration, policy development and knowledge exchange.



Community members celebrate PNLT's first residential acquisition: a 15-unit rooming house at 26 Maynard Avenue, 2019.



Miscellaneous images from early PNLN and NLT events and community engagement activities.

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## Scaling the CLT Through Holistic Land Securement Strategies

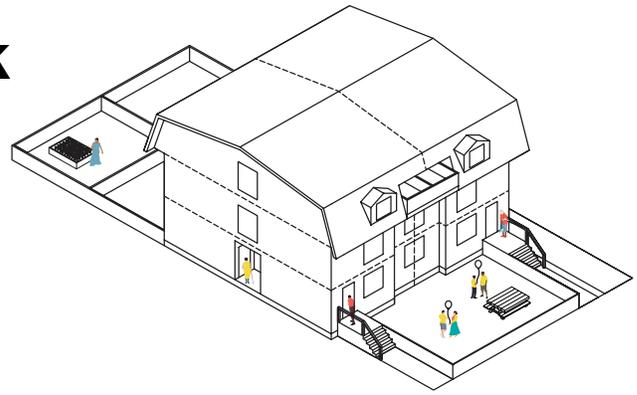
NLT's growth plan adopts a holistic approach to land securement, encompassing the acquisition of at-risk private rental housing, the acquisition and renewal of at-risk community housing assets, and the development of purpose-built affordable housing. This holistic approach was developed to support multiple local housing priorities and emphasizes the imperative of both preservation of existing affordability in the community, and the development of new affordable housing.

Both privately and socially owned affordable housing assets face imminent threats of conversion, redevelopment, and deterioration. Notably, privately-owned rooming houses and other small rental buildings have been identified as a critical form of affordable housing at risk of being lost. There is also a documented need for new affordable housing supply

that not only enhances accessibility and sustainability but also provides family-sized rental units. To respond to these needs, NLT has been exploring new development opportunities, including intensifying its existing properties and building housing on City-owned lands.

In recent years, NLT has achieved significant strides in land securement, notably through the acquisition of legacy social housing assets and at-risk private rental housing units, totalling 205 units of affordable housing. In addition, NLT is currently initiating construction on two small-scale new construction projects and is in the nascent stages of planning 3 potential large-scale projects. These land securement strategies are described below, examining the activities undertaken, outcomes achieved, and learnings gleaned from each.

# 1. Preservation of At-Risk Private Rental Housing



## Activities & Outcomes

### Background & Strategy

NLT's early land securement strategy focused on acquiring and revitalizing at-risk private rental housing in Parkdale. This approach was informed by community research, particularly the *Parkdale Rooming Housing Study* (2017), which highlighted a crisis of rooming house loss. Drawing on NLT's deep understanding of this local housing submarkets and the needs of low-income and vulnerable tenants, the organization proposed a neighbourhood-wide strategy to preserve affordable housing by acquiring at-risk properties and converting them into permanent affordable housing.

Through the *Parkdale Rooming Housing Study*, NLT developed a comprehensive database of properties in this target submarket, enabling the organization to monitor acquisition opportunities. In 2018, NLT attempted over a dozen acquisitions, but these efforts were unsuccessful due primarily to a lack of government funding at the time. However, NLT eventually convinced local Councillor Gord Perks to champion a City-funded rooming house acquisition pilot project, which was to be disbursed through a competitive request for proposals (RFP).

In 2019, through the pilot program, NLT secured \$1,500,000 in acquisition funding from the City of Toronto and \$600,000 in renovation funding from the Province. This funding enabled the organization to acquire a 15-unit building at 26 Maynard Avenue. A six-month renovation was completed with tenants in place, improving common areas, units, the heating system, and building safety. The building was then leased to PARC, which provided affordable housing with supports to both existing and new tenants. The pilot was a great success.

### Acquisition through Impact Investment

Following the successful pilot, NLT aimed to replicate its acquisition model to scale its portfolio and preserve more at-risk rental buildings. However, in 2020, the lack of ongoing government affordable housing funding programs for acquiring existing rental properties forced NLT to advocate for enabling policy while exploring alternative funding sources.

In the absence of government funding, NLT turned to private impact investments that allowed the organization to respond quickly to acquisition opportunities. Partnering with Vancity Community Investment Bank (VCIB), NLT developed an innovative impact investment financing solution called the Preserve and Protect Guarantee Program. Values-aligned institutional investors, including the Atkinson Foundation, Metcalf Foundation, ECHO Foundation, Toronto Foundation, Catherine Donnelly Foundation, Fairmount Foundation, and others, contributed a total of \$2.6 million in guarantees, enabling VCIB to provide NLT an \$8.5 million acquisition loan.

With this financing secured, NLT could act swiftly to acquire properties and had 36 months to repay the loan, ideally through government grants and low-interest financing. NLT identified a 36-unit rental building at 22 Maynard Avenue as a potential acquisition due to its size, affordable rents and high risk of upscaling under new private ownership. In 2021, NLT successfully acquired 22 Maynard Avenue through the Preserve and Protect Guarantee Program.



Instagram post celebrating NLT's acquisition of 26 Maynard Avenue, 2021.

**Enabling Acquisition Policy**

The acquisition of 22 Maynard Avenue through impact investment demonstrated its use case as bridge financing, enabling the quick acquisition of an at-risk property, avoiding evictions and upscaling. However, this was a short-term measure as long-term funding and financing was still required to convert the property to permanently affordable housing. This underscored the strong need for dedicated government funding for acquisitions.

Between 2018 and 2020, NLT completed two research studies focused on identifying enabling policies to address the preservation of affordable housing. In the 2018 report *Saving Room: Community Action and Municipal Policy to Protect Dwelling Room Stock in North American Cities*, policy researcher Emily Paradis highlighted the need for municipal “programs that facilitate the transfer of ownership of private rooming houses to non-profits.” Building on this, NLT’s 2020

report *Fixing the Leaky Bucket: A Comprehensive Policy Framework to Preserve Toronto’s Supply of Deeply Affordable Housing* examined the success of municipal small site acquisition programs in cities like San Francisco and proposed potential guidelines for implementing a similar program in Toronto. These findings were shared with City staff and housing advocates across Toronto.

In 2020, a City of Toronto staff report proposed the creation of the Multi-Unit Residential Acquisition (MURA) Program, which was subsequently approved by Council in 2021. MURA provides City funding and incentives to support the acquisition of private market rental housing by non-profit housing providers, including Indigenous housing providers, co-operatives, and community land trusts. The program’s goal is to secure at-risk private market rental housing as permanently affordable non-profit housing. Designed with insights from NLT’s pilot

project and reports, the MURA Program expedites funding access through a two-stage Request for Proposals process, enabling swift response to market opportunities.

Through the 2022 and 2023 MURA funding rounds, \$46 million was awarded to non-profit organizations for acquiring at-risk affordable rental housing, resulting in the acquisition of buildings totaling 236 units/rooms. In 2024, as part of Mayor Olivia Chow's housing mandate, the City of Toronto increased MURA's budget by \$41 million, with contributions from the federal Housing Accelerator Fund, the provincial Building Faster Fund, and City funds. The City has committed an additional \$59 million in Housing Accelerator funding to MURA over 2025 and 2026, with \$10 million from the Vacant Home Tax allocated to MURA in 2025.

In recognition of NLT's contributions, in 2024 Toronto Mayor Olivia Chow stated:

*“Parkdale’s Neighbourhood Land Trust has shown us all what’s possible when communities come together to save affordable housing, and protect their neighbours from evictions and rent increases. The City of Toronto has followed the Land Trust’s lead in establishing and expanding our housing acquisition fund, and now the federal government has taken notice. I want to congratulate the Land Trust for their trailblazing work - taking a successful model in Parkdale to drive a national conversation and win a national program. I look forward to continuing our shared work of protecting renters and affordable homes.”*



City of Toronto Mayor Olivia Chow discusses increased funding for MURA and other housing programs, 2023.

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## **Permanently Affordable Housing**

In 2022, MURA funding was allocated to 22 Maynard Avenue, allowing NLT to repay its impact investors and convert the property to permanently affordable housing. The City also provided property tax exemptions and rent-gear-to-income (RGI) supplements, ensuring eligible tenants pay deeply affordable rents that match social assistance shelter allowances.

## **Operating Partnership**

NLT has established a long-term operating partnership with the charity St. Felix Centre, entering into a lease agreement. This new collaboration ensures effective property management of the property and that eligible tenants, both existing and future, have access to rental subsidies through the City of Toronto and/or Habitat Services. St. Felix Centre refers tenants to the building through its transitional housing program for women and two 24-hour Respite Sites operated for the City of Toronto.

## **Impact**

NLT recently evaluated the impact of the 22 Maynard Avenue acquisition, and the results are impressive. All 36 units have been preserved as affordable rental housing, with average rents decreasing by 37%, from 81% of average market rent (AMR) in 2021 to 51% of AMR in 2024. This reduction was driven by 21 resident households accessing deeply affordable rents, made possible through rental housing supplements. For households on ODSP, these supplements ensured they could afford essential needs like food and medicine. Over four years, 51 resident households have received affordable housing, with 17 new households, many of whom were previously homeless, gaining access to new housing. These results highlight how acquisition projects like this can provide secure, affordable rental housing that stabilizes existing tenancies while also offering housing to community members experiencing homelessness.

## **Learning from Experience**

The experience of NLT's first acquisition of the rooming house at 26 Maynard, as well as lessons from previous unsuccessful attempts, significantly informed the approach to acquiring 22 Maynard property. Leveraging expertise and tools gained by working with an affordable housing consultant hired for the earlier acquisition, NLT successfully managed the acquisition planning for 22 Maynard internally, utilizing the acquisition pro forma initially created for 26 Maynard as a foundational resource for developing capital and operating budgets.

Furthermore, NLT was able to deepen its collaboration with VCIB, the lender for 26 Maynard, to develop an innovative financing model to enable NLT to acquire 22 Maynard. Additionally, NLT's relationship-building with the City of Toronto played a crucial role in supporting the acquisition of 22 Maynard. Drawing on community-based research and the successful pilot acquisition of 26 Maynard, NLT advocated for a permanent acquisition funding program, culminating in the creation of the City of Toronto's MURA Program in 2021.

## **Scaling the CLT Through a Strategic Acquisition Pipeline**

In recent years, NLT has successfully acquired two formerly private, at-risk rental buildings, preserving 51 units of affordable housing. With a proven acquisition model, robust internal planning capacity, and reliable access to acquisition funding, NLT now plans to execute one to two acquisitions annually, aiming to preserve 100 at-risk units by 2026. To support this goal, NLT maintains strong internal acquisition planning capabilities and works closely with a realtor who manages a database of potential sites, staying in regular contact with local brokers and landlords. This allows NLT to quickly evaluate and secure properties suitable for conversion into permanently affordable housing. NLT's experience shows that with enabling acquisition policies in place, CLTs can effectively scale their efforts by acquiring and preserving at-risk rental buildings.



Community members celebrate NLT's acquisition of a 36-unit small apartment building at 22 Maynard Avenue, 2021.

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## Lessons

### **Government funding for acquisitions is essential to enable CLTs to scale efforts to preserve affordable rental housing.**

NLT's experience underscores the critical role that these policies and programs play in successful acquisitions. Additionally, acquisition programs must be designed to respond swiftly to the fast-paced timelines of property transactions to effectively capitalize on market opportunities. Finally, while impact investments, such as the VCIB Preserve and Protect program, can offer valuable bridge financing for acquisition projects, they should not be relied upon as the primary source of equity and or financing.

### **Securing capital funding before initiating the acquisition process is essential for successful outcomes.**

NLT learned that having equity through capital grants or alternative financing options beforehand is paramount, as the rapid due diligence period leaves little time for securing funding. Failed acquisitions can tarnish a CLT's reputation and waste resources, highlighting the importance of securing funding prior to negotiating a purchase.

### **Developing a strong understanding of the target rental sub-market is a strong enabling factor for CLTs to implement effective acquisition strategies.**

Understanding the target rental sub-market is pivotal for CLTs to implement effective acquisition strategies. NLT's community-based research on Parkdale's rooming houses and small rental buildings facilitated a nuanced understanding of current trends and housing needs, enabling proactive identification of strategic acquisition opportunities. As a result, over the past 4 years NLT has acquired 2 properties with 51 units, and its partners have acquired 6 others, preserving over 200 units of affordable housing.

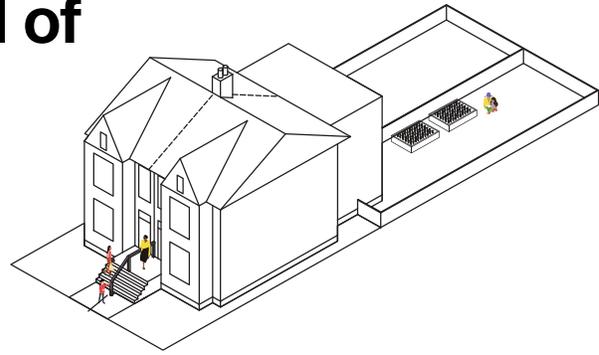
### **New CLTs can enhance internal capacity by collaborating with experienced consultants.**

Drawing from the experience gained during the acquisition of 26 Maynard, NLT managed the acquisition planning for 22 Maynard internally. Early-stage CLTs can benefit from hiring and shadowing external affordable housing development consultants, ensuring knowledge transfer and fostering future project planning capabilities.

### **Collaborating with a values-aligned realtor is instrumental in facilitating successful acquisitions.**

NLT's partnership with a realtor aligned with its values and needs ensured effective negotiation processes with private property owners and a robust due diligence process, critical for securing acquisitions. Realtors' commission-based compensation provides an incentive to successfully complete transactions on a CLT's behalf.

## 2. Acquisition & Renewal of At-Risk Community Housing Assets



### Activities & Outcomes

#### Background

In 2010, the City of Toronto proposed a highly controversial plan to sell off a portion of the Toronto Community Housing Corporation's (TCHC's) scattered homes portfolio to generate revenue to address TCHC's multi-billion dollar repair backlog. Despite considerable public opposition, 158 vacant homes from the portfolio were sold, leaving the fate of the remaining 700+ scattered homes undecided. Following advocacy by tenants, housing advocates, and City Councillors, two separate task forces recommended transferring these homes to a non-profit, co-op, or land trust.

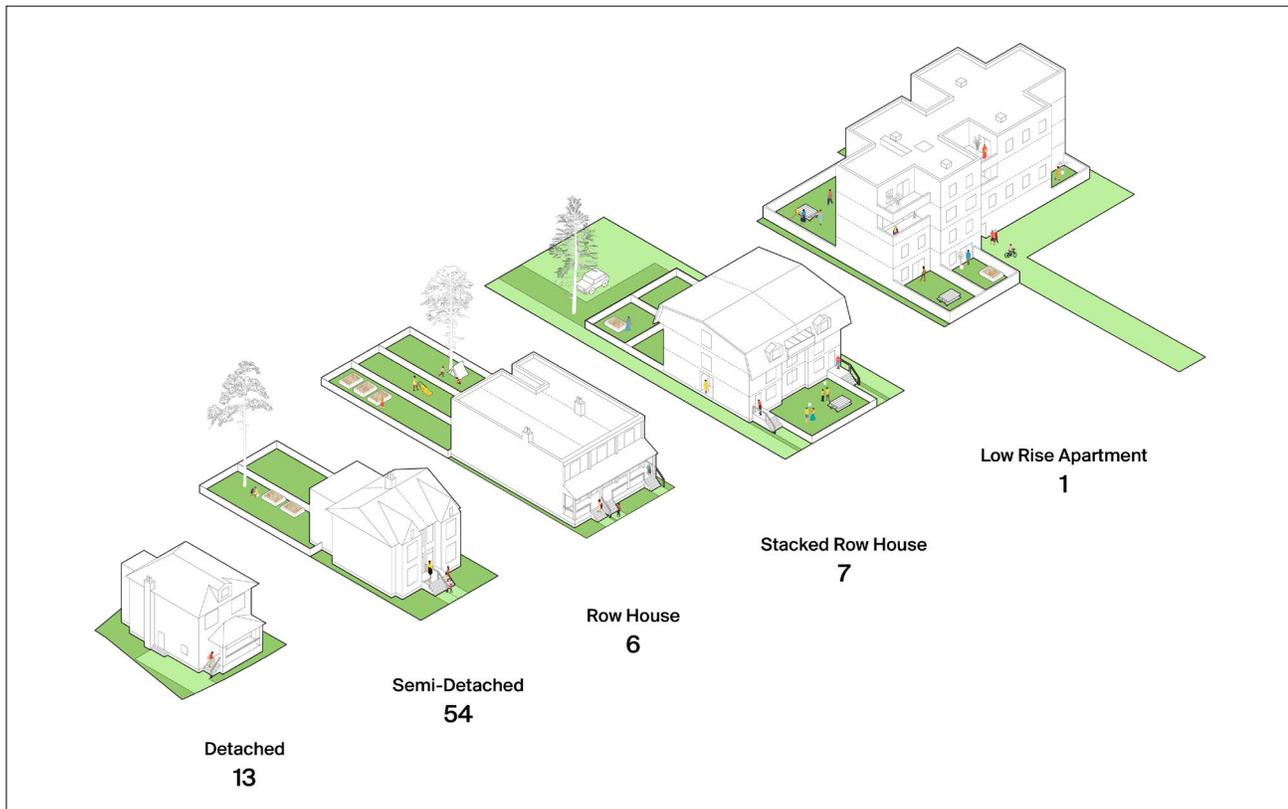
Given the City's recognition of land trusts as values-aligned organizations committed to long-term land stewardship and permanent affordability, NLT was

well-positioned to support the City's goal of transferring properties to organizations capable of better managing and maintaining them as permanently affordable housing. While initially focused on preserving at-risk privately owned low-end-of-market rental housing, NLT recognized the importance of intervening to preserve the long-term affordability of these at-risk community housing assets.

Ultimately, in 2020 the City issued a Request for Proposals (RFP) to select organizations to receive the portfolio in full or in part. In response, NLT partnered with YWCA Toronto, an experienced community housing provider, to manage the properties. NLT successfully bid on a portfolio of 82 properties containing 153 units, taking ownership on April 1st 2022.



NLT & YWCA Toronto celebrate the Scatter Homes funding announcement with former Mayor John Tory and Minister Ahmed Hussen, 2022.



Graphic showing NLT's Scatter Home portfolio by building type.

This was a momentous accomplishment for NLT, YWCA Toronto and tenants. As NLT Board President Ayal Dinner shared “NLT is honoured to be partnering with the YWCA Toronto and the City to improve and steward this important social housing portfolio on behalf of communities across the west end of Toronto. Through our unique community ownership model, the Land Trust will ensure that these homes are preserved and protected as permanently affordable rental housing, while also providing tenants new opportunities to participate in decisions about their housing and community.”

This sentiment was echoed by Tenant Advisory Committee member Anna Marie Hubbard, “We are all very excited to be a part of this transition, and are glad that these units will remain in the Community as they are integrated into the NLT because we are invested in our homes and can see that NLT and YWCA Toronto also feel that this investment is worth preserving.”

### Acquisition Due-Diligence & Capital Planning

Through this City-led process, NLT had a unique opportunity to acquire a large housing portfolio for a nominal below-market cost. In exchange, NLT would be contractually obligated to bring all buildings into a state of good repair within 5 years and to maintain the housing as affordable rental housing for 99 years. As such, prior to moving forward with the acquisition it was imperative that NLT have a clear understanding of the capital repair needs of this portfolio as well as potential funding. To this end, NLT undertook a comprehensive due diligence process beginning in 2021, including inspections of all properties, and resulting in a 5-Year Capital Renewal and Improvement Plan for the portfolio. The asset management activities for this portfolio are described in more detail in the Asset Management section of this report.

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## **Securing Funding for Acquisition, Renewal and Operations**

NLT obtained acquisition financing from its finance partner VCIB, capital planning funding from the City of Toronto, and renovation funding and financing from the City and CMHC. To date, NLT has secured over \$22 million in funding and financing for capital repairs and improvements to the scatter homes portfolio. In addition, NLT and YWCA secured a funding commitment from the City of Toronto for rent-geared-to-income supplements for eligible existing and new tenants in the portfolio, ensuring truly affordable rent levels for the long term.

## **Project Management Capacity**

To support NLT's new asset management responsibilities for the scatter homes portfolio, NLT hired two new permanent staff members, a Property Asset Manager and Community Development Coordinator. Three additional Capital Project Managers have been hired to support the 5-Year Capital Repair and Improvement Program. Funding for the staff positions came from lease revenue as well as from grants from the Metcalf Foundation, City of Toronto, CMHC Demonstrations Initiative, and JP Morgan Chase Foundation.

## **Partnership with Housing Partner YWCA Toronto**

As a large and experienced community housing provider, YWCA Toronto made an ideal partner to operate this predominantly family-sized unit portfolio. Partnering with an experienced organization was a key success factor for NLT's ability to take on this large portfolio, enabling the quick scale up of an operations team in advance of the acquisition and stable ongoing operations.

Before the ownership transfer, NLT collaborated closely with YWCA Toronto to plan operations and establish long-term agreements, including a 26-year lease, Social Housing Agreement, Tenant Access Plan, and Rent Supplement Agreement with the City of Toronto. Both organizations held regular meetings, facilitated staff co-location, and hired necessary personnel to ensure a smooth transition and ongoing operations.

To ensure effective ongoing coordination between the two organizations, regular joint operations and finance meetings are held.

## **Tenants Support during Transition**

Central to the CLT model is the involvement of CLT residents in decisions regarding governance, capital repairs and operations. In assuming responsibility for this portfolio, NLT has prioritized cultivating positive relationships with scatter home tenants.

NLT has undertaken concerted efforts to familiarize new tenant members with their community governance model. Initiatives include circulating information on NLT to all tenant households, hosting information sessions, and engaging in direct discussions with tenants about opportunities for involvement. NLT has also established a Scatter Home Tenant Advisory Committee, providing tenants a platform to advise and collaborate with NLT and partners. In 2023, two Scatter Home tenants were nominated and elected to the PNLN Board of Directors, while five Scatter Home tenants joined volunteer committees of the Board of Directors.

## **Scaling the CLT Through a Acquisition of At-Risk Community Housing Assets**

As outlined, NLT has successfully acquired 82 at-risk community housing assets, totaling 152 units, through a City-led process. NLT now provides stewardship for these assets on behalf of communities across Toronto's west end, ensuring the housing remains well-maintained, effectively managed by a capable operating partner, and continues to be affordable. The success of this initiative was largely dependent on the political will of the City of Toronto and the investment of funding and financing from both the City and federal government. This support enabled critical capital repairs to improve the aging social housing portfolio. NLT's experience demonstrates that CLTs can effectively scale their affordable housing portfolios and enhance their impact by acquiring and stewarding at-risk social housing assets.

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## Lessons

### **CLTs play a vital role in preserving community housing assets to ensure long-term affordability and stewardship.**

Public bodies and existing community housing providers often sell or transfer community housing assets, posing a threat to long-term affordability. CLTs, with their explicit mandates to steward property and ensure affordability, are well-positioned to address this challenge. By bringing at-risk properties into community ownership, CLTs prevent sales to the private market, preserving affordable housing for the community. Serving as expert asset managers, CLTs plan and implement essential building improvements or redevelopment, safeguarding affordable housing for the long term.

### **CLTs can benefit from partnerships with experienced housing operators.**

CLTs seeking to preserve at-risk community housing portfolios can benefit from partnering with experienced housing operators, if they are not prepared to take on operations themselves. This approach leverages the expertise and capacity of existing organizations, enabling a quicker transition to stable operations. The CLT retains important asset management responsibilities, enforce long-term affordability requirements, and facilitate tenant participation in activities including governance.

### **Prolonged planning and due diligence periods are crucial for successful large portfolio acquisitions, requiring multi-funder collaboration and legal expertise.**

While a single building acquisition takes 3-6 months, acquiring a large portfolio can extend to 24-months or more. Negotiating an Agreement of Purchase and Sale could take 6 months, followed by 12 months for due diligence, and another 6 months for closing. Assigning a coordinator, either from the municipality or the CLT, to host regular multi-party meetings is recommended to ensure smooth coordination across stakeholders. City staff coordination was instrumental in the successful completion of the Scatter Home transfer.

### **Pre-acquisition capital planning and funding securement is critical.**

When CLTs consider acquiring the large portfolios of community housing assets, they must take seriously the risk posed by substantial capital repair backlogs and ongoing repair needs. Without implementing necessary repairs, buildings could be closed, breaching obligations with tenants, the community and funders. To mitigate this risk and to meet stewardship obligations, CLTs should undertake building condition assessments and capital planning prior to acquisition, engaging funders to ensure adequate funding for capital repairs prior to acquisition.

### **Multi-funder collaboration is crucial for successful asset transfers of legacy social housing portfolios.**

CLTs will often need funding from multiple sources to support portfolio acquisition and repairs. This requires collaboration between a CLT's legal counsel and all of the funders, whose requirements and obligations must be aligned. NLT's experience with the scatter home portfolio underscores the importance of this coordination. Legal counsel played a key role in negotiating agreements and managing the legal review process. CLTs should engage legal firms with experience in municipal asset transfers and CMHC financing. Regular multi-funder meetings should be organized in the months leading up to closing to ensure smooth coordination.

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# 3. Development of New Purpose-Built Non-Market Rental Housing

## Activities & Outcomes

During its growth phase, NLT has developed new capacity to plan for the development of purpose-built non-market rental housing. NLT has achieved particular success by initiating three projects to construct new units through small-scale intensification of its community-owned lands, potentially yielding a total of 21 new units, with over half being accessible. Additionally, NLT is preparing to bid on a request for proposals (RFP) to construct 171 units of housing on land leased from the City of Toronto. While this project is contingent on winning a competitive bid, it signifies a meaningful effort by the Land Trust to contribute to the supply of affordable rental housing in Parkdale.

### Background

Recognizing the need for accessible, environmentally friendly, and family-sized units in Parkdale's housing stock, NLT's Strategic Plan (2021-2025) also prioritized building capacity for new development of purpose-built affordable rental housing to address these gaps.

With the introduction of new funding opportunities like the CMHC Rapid Housing Initiative (RHI) in 2020, NLT pursued multiple attempts to acquire properties for such developments. Despite making offers on 8 large sites and securing conditional Agreements of Sale on three of those sites, success has remained elusive. Notably, in 2021, NLT obtained a conditional Agreement of Purchase and Sale (APS) for 1488 Queen St West, a former pharmacy site in central Parkdale. Collaborating with SvN Architects & Planners, NLT envisioned a six-story development with 50 units of affordable rental housing tailored to meet the needs of women and gender-diverse individuals experiencing homelessness, to be operated by YWCA Toronto. Regrettably, NLT's

funding application to RHI was unsuccessful, halting the project.

Undeterred, NLT has since made significant strides in exploring two alternative avenues for developing new affordable housing, outlined below.

### Building New Housing through Intensification on NLT's Lands

After encountering challenges in securing funding for land acquisition, NLT shifted its focus to exploring opportunities for housing development on its existing properties. This exploration unveiled several prospects for small-scale intensification projects across the portfolio. NLT is actively pursuing three initial projects, which could yield a total of 21 new affordable housing units, 13 of them designated as accessible. These projects include:

**128 Havelock Street:** NLT plans to convert a single-family home into a 10-unit apartment building, including 3 accessible units, through a combination of retrofitting the existing structure and constructing a sizable addition. LGA Architects has been retained for architectural schematics, and the project has received approval for minor variances from the City of Toronto's Committee of Adjustments. With funding secured from CMHC Seed Funding, City of Toronto Open Doors, and the COCHI New Construction Stream, totaling over \$4,000,000, completion of construction is expected in 2025. Upon completion, YWCA Toronto will operate the property as part of the scatter home portfolio.

**6 Shipman Street:** This project involves demolishing a dilapidated home on a small site to construct a new



Rendering of project to construct 10 units at 128 Havelock Street, created by LGA Architectural Partners

two-unit building, including 1 accessible unit. NLT has secured \$685,000 in funding for the project, slated for completion by the end of 2024. NLT has engaged the builder RHAUZ to utilize prefabrication methods for construction as a pilot project to assess the viability of prefabrication for laneway homes and garden suites across its portfolio.

**22 Maynard Avenue:** NLT plans to retrofit and intensify this 36-unit apartment building by adding a new floor with 9 new accessible units. Design schematics have been developed by LGA Architects, and NLT is seeking municipal approvals from the City of Toronto's Committee of Adjustment. Currently, NLT is preparing applications to the CMHC Co-investment program and other funding sources.

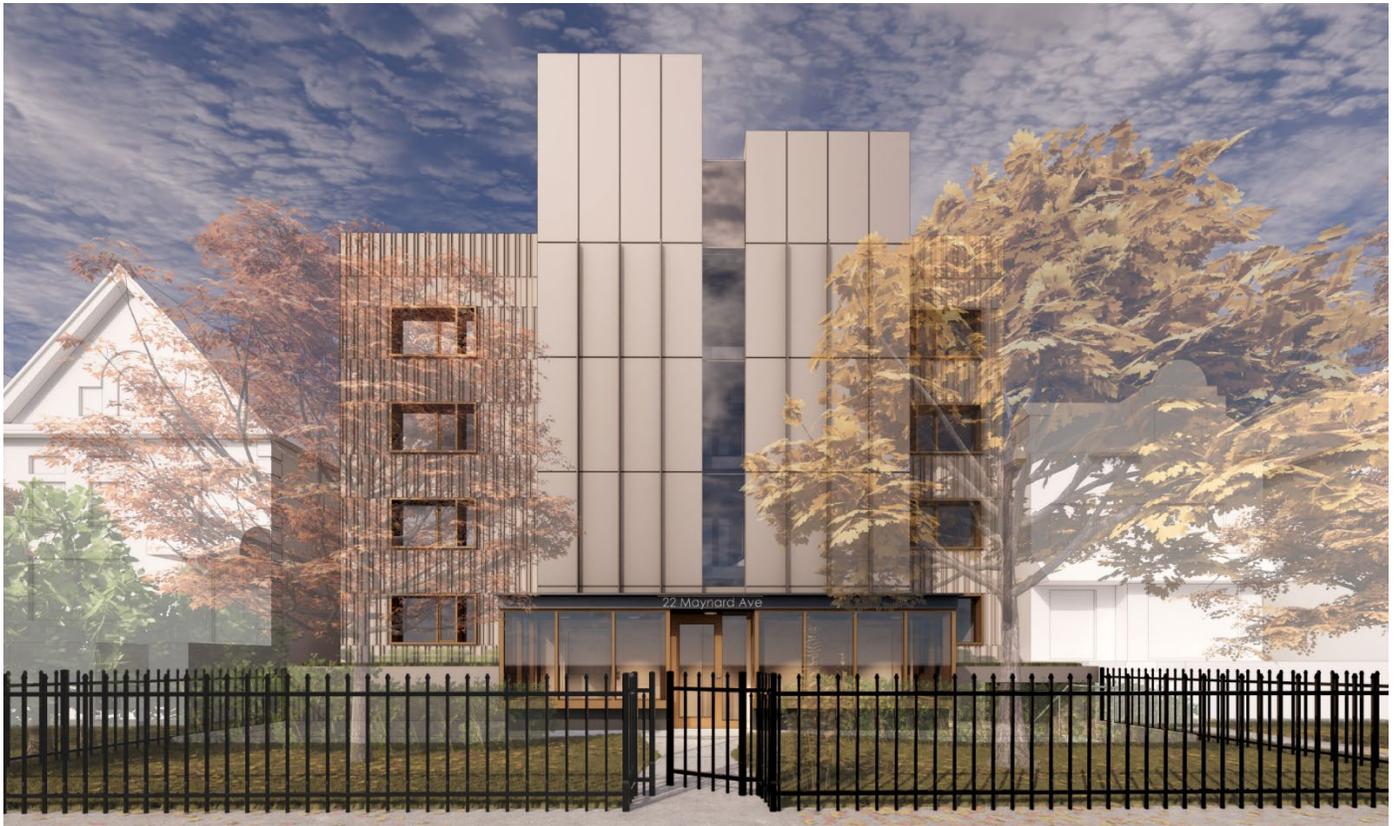
These projects have enabled NLT to develop new internal capacity for planning small-scale development initiatives. While these intensification projects are small, they enable NLT to incrementally increase its housing

portfolio. The smaller scale of these projects also enhances the feasibility of securing funding than for its larger project. Success with NLT's initial intensification projects will pave the way for additional opportunities in the future.

### **Building New Housing on Land Leased From the Municipality**

NLT's Strategic Plan (2021-2025) also identified the opportunity to develop new purpose-built affordable rental housing on public land, with a significant focus on the Parkdale Community Hub. This city-led redevelopment project encompasses six publicly owned properties in the heart of Parkdale. The proposed development includes two rental buildings, featuring a blend of market-rate and affordable housing. The initial phase involves constructing a 16-storey rental building with 171 units, 30%-50% of which will be affordable.

Anticipating a Request for Proposals from the City in 2024 to select a non-profit development partner to



Rendering of the potential intensification project to add 9 new accessible units at 22 Maynard Avenue, created by LGA Architectural Partners

develop, own and manage this first building, NLT’s Board directed staff in late 2022 to undertake preliminary work to position itself to submit a proposal. The Land Trust’s objective is a project that responds meaningfully to priority local housing needs, and prioritizes equity deserving tenants.

Preparations thus far include:

- Conducting a Housing Needs Assessment Report outlining priority local housing needs
- Developing and membership approval of a Housing Program that prioritizes housing for low-income single-parent households, families with seniors, people with disabilities, and social assistance recipients, with 60% of units dedicated to BIPOC residents.
- Selecting a housing operating partner
- Selecting a development consultant and builder
- Crafting a business plan and proforma

If successful, this would be NLT’s first opportunity to build housing on land leased from the municipality, which is a model of CLT development that has seen success elsewhere in Canada (eg: The Community Land Trust in Vancouver and HomeSpace Society in Calgary).

### **Scaling the CLT Through the Development of New Purpose-Built Rental Housing**

As outlined, NLT has successfully identified multiple opportunities to scale its portfolio through the construction of new purpose-built rental housing. Through 3 intensification projects, NLT plans to deliver 21 new affordable housing units. Furthermore, through emergent projects including the Parkdale Hub, if successful in its efforts, NLT could develop hundreds of new rental units. NLT’s experience demonstrates that CLTs can substantially scale their housing portfolios and enhance their impact by through the development of new housing on sites they own as well as those leased from municipalities.

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## Lessons

### **Small scale intensification of CLT-owned lands can enable incremental growth.**

CLTs can incrementally increase their housing stock through projects across their portfolios. Planning intensification and small-scale new development on sites owned by the CLT allows for more flexible long-term plans that can be developed in advance and then mobilized when funding becomes available. Additionally, due to the lower overall investment requirement, it can be easier to secure funding for small projects. Finally, small projects can enable CLTs to build development capacity and establish track records with funders that can be leveraged for larger projects in the future.

### **Leasing land from municipalities can enable large development opportunities.**

With the increasing recognition that municipalities need to take action to address the housing crisis, many are making publicly owned lands available for affordable housing development. While CLTs generally seek to develop housing on lands they own, CLTs across Canada and the US have successfully developed large-scale affordable housing projects on land leased from municipalities. CLTs are ideal partners due to their commitment to perpetual affordability. Accessing land in this way unlocks valuable opportunities, reduces land costs, and is often accompanied by funding and property tax exemptions.

### **Local expertise can enhance CLT responses to City RFPs.**

NLT's extensive local expertise, gained through community-based research projects, close ties with Parkdale-based organizations, and ongoing community engagement, coupled with a good working relationship built with the City, positions it well to respond to City RFPs, particularly for projects in the local community. Prior success can lead to a track record of trust and further opportunities for successful proposals.

**Aligning projects with funding and land availability increases success.** Previous attempts to acquire land for (re)development were unsuccessful, largely because appropriate funding was not available or could not be secured. CLTs should align their capital project planning with funding cycles whenever possible.

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# 02

## Enhancements to Organizational and Governance Practices

The initial success of new acquisitions acts as a springboard for the ongoing growth of a CLT. This growth as well as social impact can be strengthened through strategic partnerships with various stakeholders, including community groups, housing partners, funders, values-aligned businesses, and the municipality. These collaborations enhance the CLT's organizational capacity and ability to provide a broad set of community benefits. Adopting a long-term perspective when nurturing partnerships and investing in capacity building is essential to the sustainability of a CLT.

# 1. Multi-Sectoral Partnerships

NLT's growth has been significantly supported and accelerated through collaborations with strategic partners from various sectors, aiding in achieving housing, social, economic, and environmental goals. Core housing partnerships with operators such as PARC, YWCA Toronto, St. Felix Centre, and The Neighbourhood Group provide operational capacity for NLT's housing portfolio. In addition, NLT has forged strategic alliances with the City of Toronto as a crucial public sector partner, VanCity Community Investment Bank for finance, Building Up for social employment, and Toronto Environmental Alliance for sustainability.

## Operating Partnerships

As an asset management based CLT, NLT partners with charitable housing providers to operate and manage its properties and provide support to tenants. These partnerships are formalized through long-term lease agreements. Partnerships with operators such as PARC, YWCA Toronto and St. Felix Centre have provided the necessary expertise to effectively operate the housing on a day to day basis in a way that is responsive to tenants while NLT ensures that tenants are afforded an opportunity through advisory committees to provide regular feedback and input. This allows NLT to focus its activities on ongoing acquisition and growth of its affordable housing portfolio, and ensure a continual state of good repair through its asset management activities.

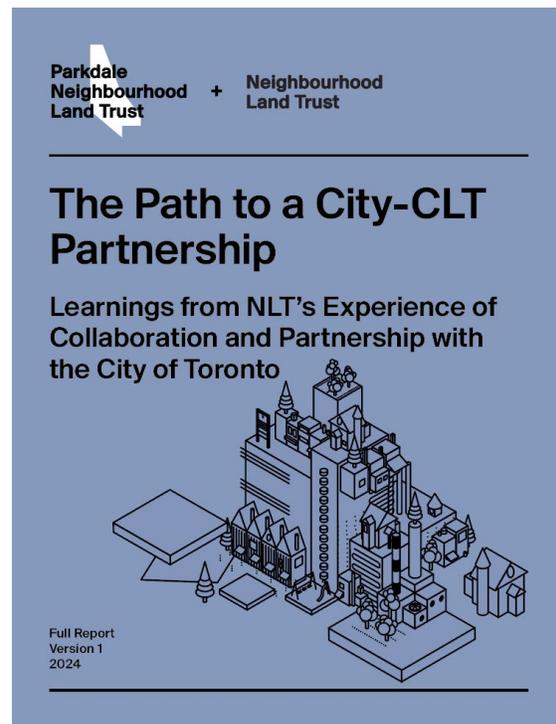


## Partnership with the Municipality

NLT's collaboration with the City of Toronto has been instrumental in realizing affordable housing projects, supported by funding and policy initiatives. NLT has developed formal partnerships with the City on each of its housing projects, with the City contributing critical funding for acquisitions as well as rental housing supplements and property tax exemptions. The City also facilitated the transfer of the scatter homes portfolio to the Land Trust. Moreover, NLT has collaborated with the City on improvements to municipal housing policies, fostering an enabling environment for non-profit housing organizations.



NLT has documented its experience and lessons learned in the report *The Path to a City-CLT Partnership*.



## Community Economic Development Partnerships

Beyond providing affordable housing, NLT is committed to fostering a just, healthy, and inclusive community. Collaborating with the Toronto Environmental Alliance (TEA), NLT developed the *Sustainability and Social Procurement Action Framework (2022)* to achieve interconnected community benefits of local economic development, decent work, sustainability, and climate resilience. This framework guides NLT's procurement processes, emphasizing contracts with suppliers promoting these community benefits.

In 2022, NLT initiated a three-year *Social Employment Partnership* with Building Up (BU). This partnership leverages NLT's capital repair investments to support local workforce development through interior renovation contracts. The initiative provides equity-deserving community members with paid training, fostering pathways to construction careers and addressing employment barriers.

An interim evaluation in January 2024 showcased positive outcomes, including improved housing conditions, substantial training opportunities, and workforce development. Specifically, in the first 18 months of this partnership 15 renovation projects were completed by Building Up, leading to an increased state of good repair for NLT's housing portfolio. In addition,



Building Up crew poses outside an NLT worksite at 27 Madison Avenue in early 2022.

110 weeks and over 4,000 hours of paid training was achieved for 41 trainees who worked on NLT sites; 33 of those trainees have been placed into apprenticeships and/or full time employment after their training with BU.



Organizations can reach out to NLT directly at [info@pnlt.ca](mailto:info@pnlt.ca) to access further details on this partnership and lessons learned.

## Finance Partnership

Many financial institutions are unfamiliar with the CLT model, creating challenges in securing partnerships and financing. In 2018, NLT partnered with Vancity Community Investment Bank (VCIB), which has a focus on supporting social purpose businesses and social outcomes.

Since then, VCIB has collaborated closely with NLT to assess project viability and financing strategies. They've provided funding for all of NLT's affordable housing projects, including 26 Maynard, 22 Maynard, and the scatter home portfolio, significantly enhancing NLT's acquisition opportunities and funding prospects from municipal and federal sources. As described above, VCIB partnered with NLT to create the Preserve and Protect Guarantee Program in 2020. This program, supported by institutional impact investors, enabled NLT to secure an \$8,500,000 acquisition facility, preserving 36 units of affordable housing at 22 Maynard Avenue.



## Enhancing CLT Growth Through Strategic Partnerships

NLT's growth has been significantly bolstered by intentional collaborations with strategic partners across various sectors, enabling the organization to achieve housing, social, economic, and environmental goals. This experience demonstrates that CLTs can expand their capacity and deepen their social impact by forming strategic partnerships with like-minded housing organizations, municipalities, social contractors, and financial partners.

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## Lessons

**Multi-sectoral partnerships enhance community benefits.** Strategic collaborations across sectors including housing providers, finance, labour, construction, and environmental sectors, enable CLTs to achieve broader community benefits and to focus their activities on specific areas in which they have the capacity to achieve the most impact. Building such partnerships requires dedicated effort and a focus on long-term relationships.

**Collaborations and partnership with the municipality are critical to CLT success.** The local municipality or housing service manager often stands as the most impactful partner to a CLT, offering land, funding, rental subsidies, and property tax exemptions. Collaborations with municipalities can also result in enhancements to municipal housing policies, fostering a more conducive environment for CLTs and the community housing sector more broadly.

**Alignment of values and goals is crucial.** Partnerships thrive when organizations share aligned values and strategic objectives. It's essential to assess alignment through robust discussions and formalized agreements. When considering working with a new partner, CLTs can consider a phased partnership development process, commencing with an exploration phase formalized through a Memorandum of Understanding (MOU) which can eventually be superseded by a legally binding project-specific agreement or a long-term partnership framework agreement to guide long term collaboration.

**Formalize partnership frameworks for long-term success.** CLTs often need specific agreements with partners for each project, like leases, loans, and construction contracts, to clarify roles and responsibilities. While vital for project success, these agreements can be rigid and lack provisions for ongoing collaboration. To foster enduring partnerships, CLTs should consider developing long-term partnership framework agreements. These agreements detail shared goals, values, and strategic priorities, promoting effective communication and proactively addressing potential conflicts, thereby laying a strong foundation for sustained collaboration over multiple projects and shared achievement of common objectives.

# 2. Asset Management

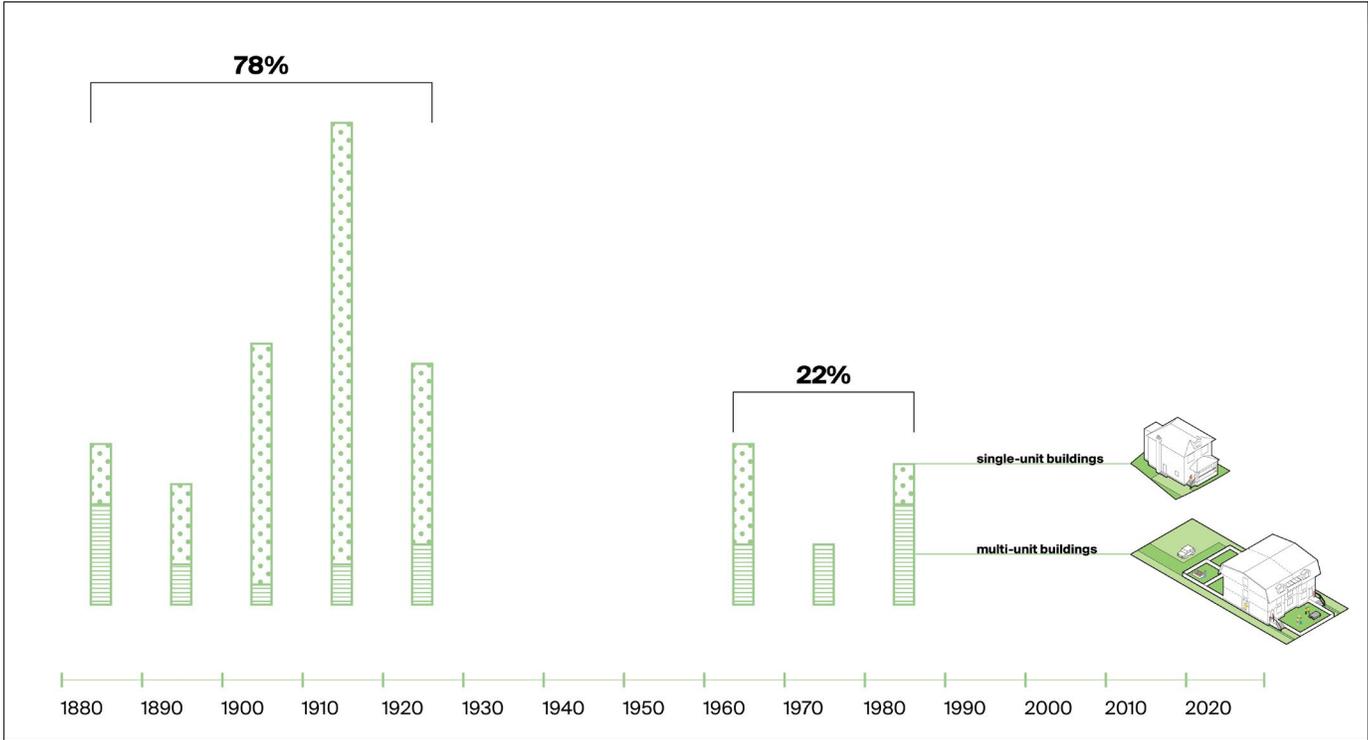
Asset Management stands as a core function of any CLT, focusing on the development and implementation of plans to ensure that all CLT properties are maintained in a State of Good Repair (SOGR) over time. This is critical to fulfilling the CLT’s purpose of providing affordable housing in perpetuity. It entails ongoing planning and execution of capital plans, capital repair projects, as well as the acquisition, management, and investment of revenue, funding, and financing required for building repairs, improvements, and redevelopment.

NLT specifically defines itself as an Asset Management-focused CLT, while its housing partners handle property management and tenant support services. As NLT has expanded its portfolio, its asset management responsibilities have grown significantly. Many of NLT’s recently acquired properties, especially those in the scatter home portfolio, have substantial capital repair backlogs. Distinct capital repair and improvement plans must be crafted and executed for each property,

necessitating significant investment of time and resources.

Simultaneously, there are tangible opportunities to utilize investments in NLT’s portfolio to advance social goals related to accessibility, sustainability, and community economic development. Additionally, given that most of NLT’s properties are tenanted, robust consultation, tenant impact mitigation, and, in some cases, temporary relocation are required. While addressing tenants’ needs through capital repairs can pose challenges, these moments also offer concrete opportunities to enhance tenants’ housing experiences and foster trusting relationships.

To provide effective asset management for its expanding portfolio, NLT has had to swiftly develop new technical capacity and expertise, management systems, policies, protocols, and tenant impact mitigation practices. These activities and insights are detailed below.



Graphic illustrating age of buildings in the Scatter Home portfolio, 2022.

## Activities

### Building Internal Capacity for Asset Management

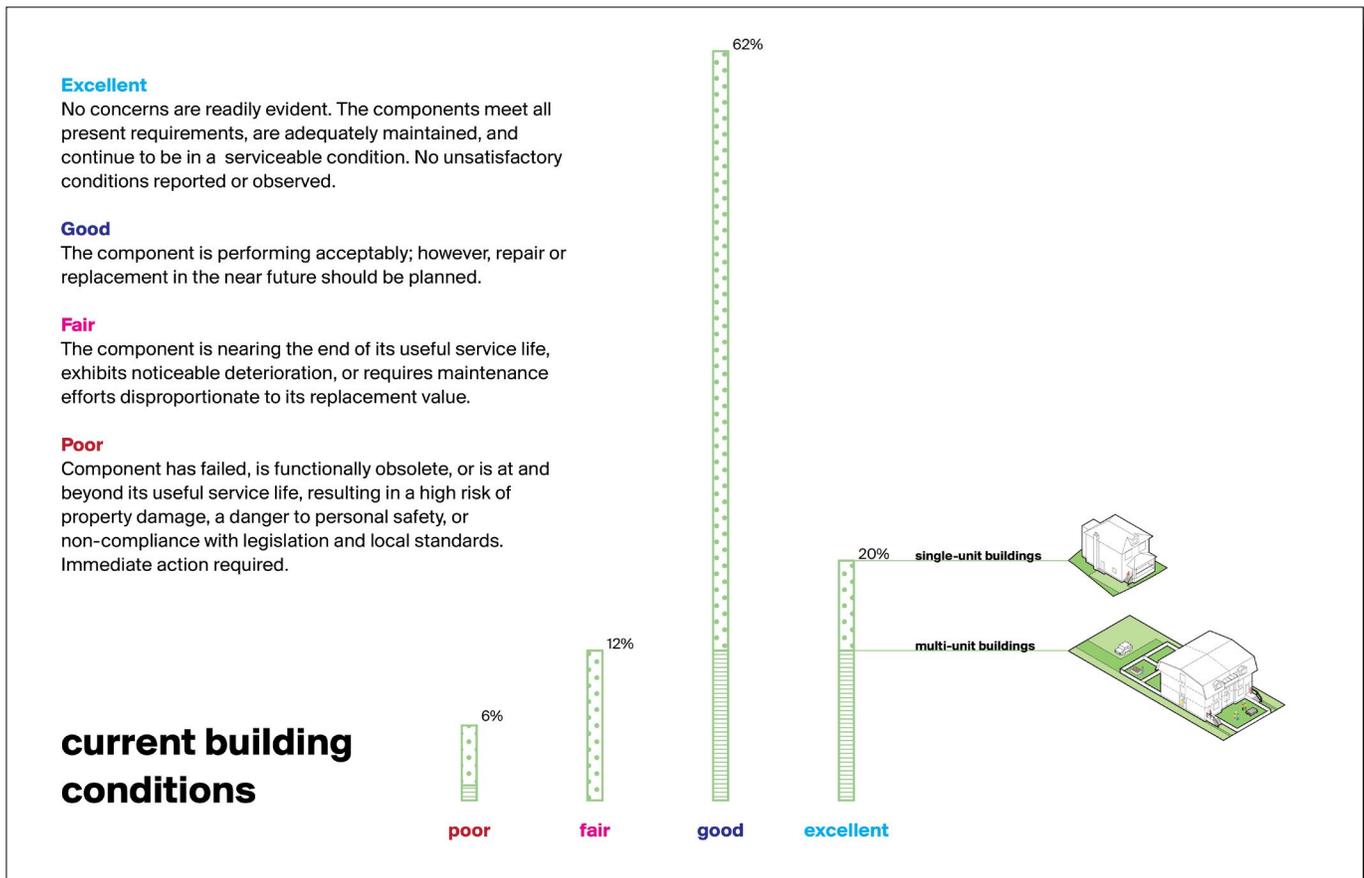
As NLT entered its scaling phase, the organization lacked sufficient in-house asset management expertise and initially relied heavily on consultants. To build capacity, NLT hired an architect with construction management experience as its first Property Asset Manager, who established foundational asset management systems and developed a 5-Year Capital Repair and Improvement Plan for the scatter home portfolio.

However, when implementation began in 2022, managing multiple projects concurrently proved more demanding than anticipated, leading to delays in building improvements and social employment goals. In response, NLT increased staffing by hiring additional Capital Project Managers and bringing in third-party project managers for complex projects.

### Capital Planning

Capital planning serves as a fundamental aspect of asset management by outlining the investments required to maintain buildings in optimal condition over time.

During its growth phase, NLT embarked on a rigorous Capital Planning process for its newly acquired scatter home portfolio. This involved overseeing a team of consultants to conduct thorough inspections of all buildings. The outcome included 82 Building Condition Assessments and Designated Substances Studies, 20 Energy Audits, and a portfolio-wide accessibility review. Insights from these consultants were synthesized into a *5-Year Scatter Home Capital Renewal and Improvement Plan* aimed at bringing all units to a state of good repair while enhancing accessibility and sustainability. In 2022, an estimated investment of \$22 million was projected for plan implementation. Incredibly, NLT has successfully secured the necessary funding and financing commitments from the City and CMHC.



Graphic depicting the condition of properties within the Scatter Home portfolio, based on Building Condition Assessment results, 2022.

The implementation of the Capital Plan requires an annual capital budget and plan outlining the projects intended for completion within that year. Some capital projects take a holistic approach to addressing needs in a single property, while other projects bundle similar work required across multiple properties into a single project. Upon Board approval of the annual plan, staff develop detailed scopes for each project, procure contractors, and mobilize the project. Planning for straightforward interior renovation projects can be handled in-house by staff within 2-4 weeks, whereas more complex projects requiring sub-consultants, schematic design, and permits may take 1 to 6 months. Tenants are actively engaged throughout the capital planning process.

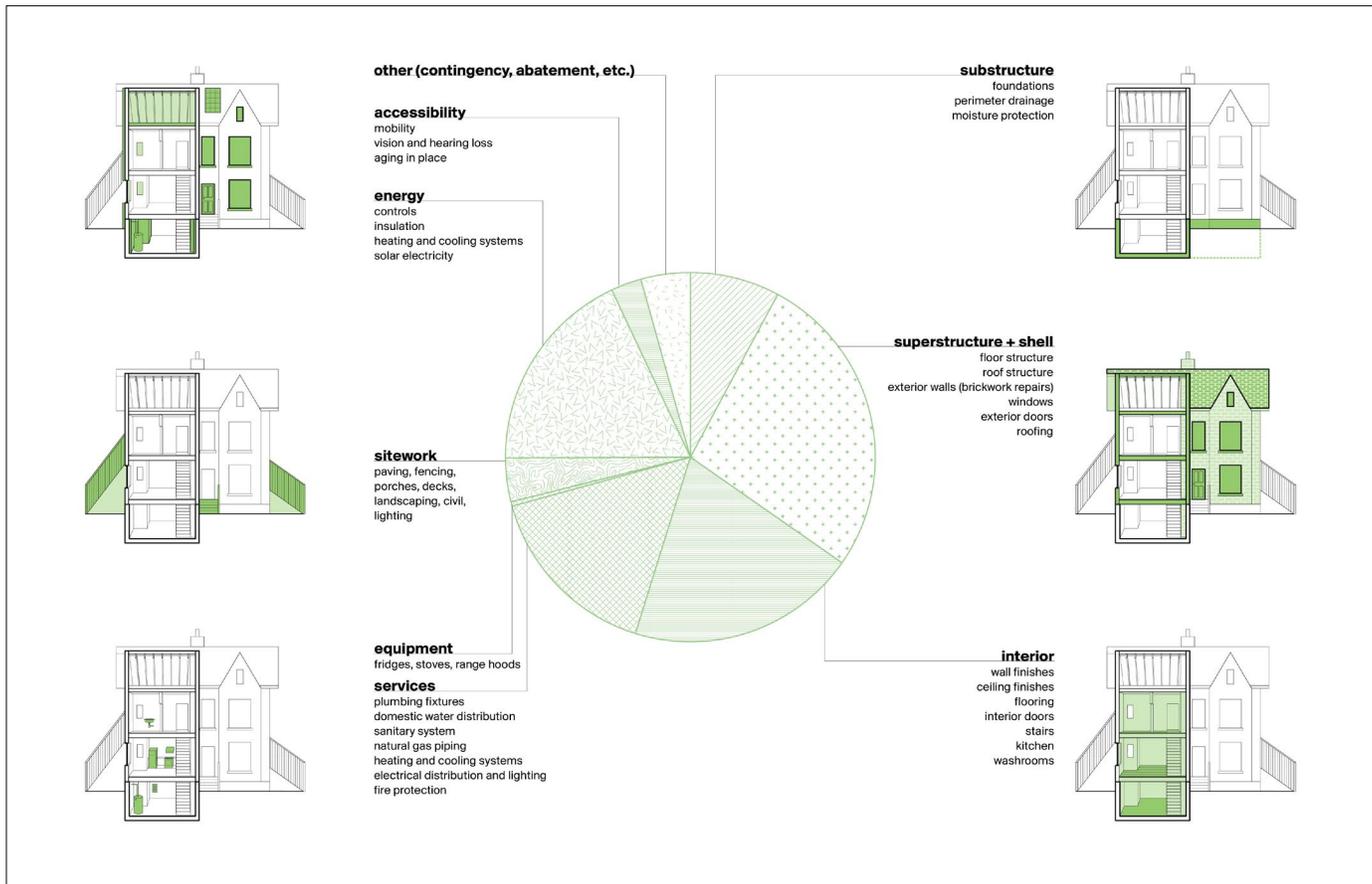
### Planned Capital Repair and Replacement Projects

Providing project management for planned capital repair and replacement projects is a fundamental function of a CLT with a focus on asset management, ensuring that

major building repairs and improvements are executed efficiently.

While a capital plan outlines the necessary investments to maintain buildings, its implementation requires the completion of distinct capital projects. The 5-Year Scatter Home Capital Renewal and Improvement Plan aimed to execute over 100 planned capital projects across the portfolio by 2026. For each Capital Project, staff members are required to complete detailed scopes, coordinate consultants, procure contractors, manage contracts, conduct regular site visits, and oversee construction schedules and budgets from inception to completion.

As of March 2024, 24 planned capital projects with a total cost of \$3,190,978 had been completed. Additionally, 15 projects were underway with contracts signed, and 34 projects were in the scoping and procurement stages.



Graphic illustrating distribution of capital repair needs within the Scatter Home portfolio, based on Building Condition Assessment results, 2022.



Graphic showing differing scales of capital projects in the Scatter Home 5- Year Capital Renewal and Improvement Plan.

## Unplanned Capital Repairs and Replacement

While capital plans focus on anticipated projects, unforeseen issues may arise, necessitating immediate repairs or replacements of building systems. To ensure funding is available for such investments, NLT mandates all operating partners to make monthly contributions to property-specific capital replacement reserves, typically ranging from 4-8% of operating revenue, depending on the property's condition. These reserve funds can be tapped to address unplanned capital projects.

However, when NLT acquired older rental buildings like 22 Maynard, the capital repair and replacement reserves started at zero. Consequently, in the early years of ownership, there was insufficient capital reserve to cover emergency replacement needs, such as failures in the fire alarm system and hot water tanks. To address these critical needs, NLT promptly sought donations from community members and foundations. This experience underscored the urgency of accelerating funding to capital reserves following acquisitions. This can be achieved through an initial contribution to the fund at the time of acquisition and/

or by annually topping up reserve contributions with any operating surplus, a measure NLT has incorporated into leases with operating partners. Such reserve buildup is indispensable for maintaining properties in good repair.

## Developing Asset Management Systems and Tools

NLT has continually refined and enhanced its asset management systems and tools as it undertakes projects and learns from them. A large number of templates and tools were developed to support asset management, including a variety of spreadsheets to track project budgets and progress, property information, tenant relocation requirements; templates for project scopes, contractor quotes and bid evaluation; policies and guidelines for procurement processes, social procurement; and construction standards and specifications, among others. These were developed on an ad-hoc basis as they were required, and have undergone refinements and updates as the portfolio and team have grown. Organizations can reach out to NLT directly at [info@pnlt.ca](mailto:info@pnlt.ca) to access further details and lessons learned.

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A particular challenge has been to efficiently integrate portfolio and property information across the various documents. Initially, NLT managed all capital planning data through excel spreadsheets. Managing and updating data across multiple spreadsheets has proven to be a significant challenge, as the number of properties and volume of projects grow. It has been a particular challenge to establish systems for sharing information on building repairs between NLT and its housing partners. To tackle this challenge, NLT conducted a search for an asset management technology solution that would provide:

1. A live database of capital repair needs across the portfolio,
2. An integrated project management module for individual capital projects, and
3. Integrated invoice tracking and payment capabilities.

After consulting with CLTs and community housing providers and researching software options, NLT was unable to identify a single software solution that met all of these needs. Consequently, NLT has opted to utilize a combination of software tools, including Asset Planner for the capital needs database and SmartSheets for managing individual capital projects.

### Enhancing Procurement Processes

At the onset of its growth phase, NLT revamped its procurement policy and procedures to offer a range of diversified procurement options tailored to project size and complexity, while incorporating pathways to support social procurement objectives. These options include:

- **Minor procurements:** This method allows for efficient small scale purchasing of goods and services under \$20,000 with approval by the ED.
- **Restricted Tender:** This method is preferred for large projects over \$125,000 or multiple smaller projects bundled into a single tender. It requires a rigorous two-stage process where NLT identifies 3-5 suitable vendors expressing interest in bidding for a contract and invites them to submit bids. A Tender Review Committee consisting of a staff rep

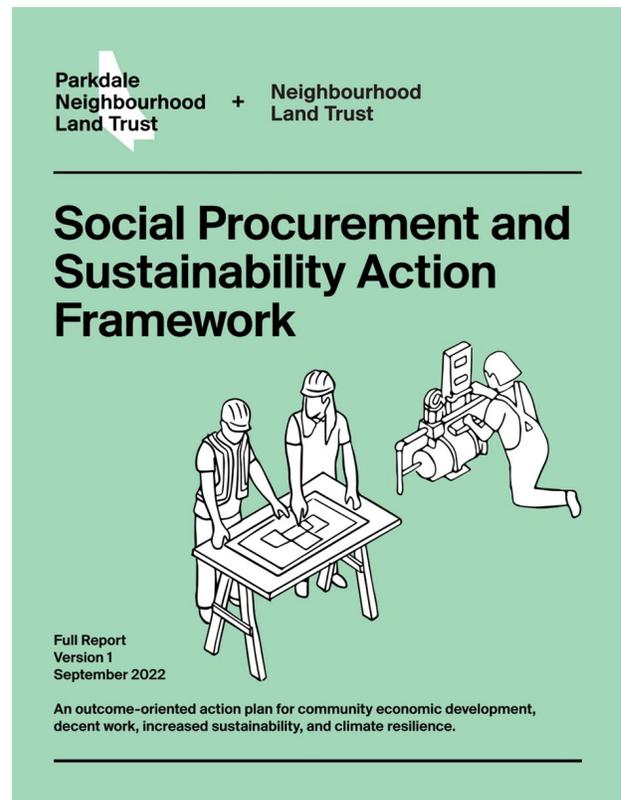
and Board representative reviews bids and selects a vendor.

- **Preferred Vendors:** Utilized for small to medium-scale projects below \$125,000, through this method staff seek estimates or quotes from three pre-assessed and approved suppliers. Staff request, receive and review estimates or quotes and select vendors internally.
- **Framework Agreement:** This method streamlines procurement for recurring work across multiple properties over an extended period. This process follows a similar process as a restricted tender but results in an umbrella agreement setting terms, particularly regarding price, quality, and quantity, for individual contracts awarded at any time during the framework's lifespan.
- **Innovative Partnership:** This method is preferred when no goods, services or works exist in the market to meet NLT's procurement needs, including service offerings that meet NLT's social procurement goals and objectives. Vendors are selected through a partnership development process. Through this approach, NLT may directly award contracts resulting from such partnerships if they meet specified requirements outlined in the Innovative Partnership Agreement.

NLT has developed templates and tools to implement and evaluate procurement undertaken under each of these approaches.

### Unified Design Guidelines for Capital Projects

The NLT collaborated with consultants to develop a comprehensive Design Guide and Construction Standards for Renovations, ensuring consistency across ongoing renovations and repairs of its properties. This initiative aimed to provide a framework for tenant options available for suite upgrades while ensuring that capital improvements align with key considerations outlined by NLT, in consultation with Members of the Board and the Scatter Home Tenant Advisory Committee (SHTAC). These considerations encompass environmental sustainability, accessibility,



quality of space, performance, and affordability. The design guide comprises two sub-documents:

- **“Design Guidelines for Rooms and Spaces”:** This tool is utilized in tenant consultations on renovation scopes, outlining areas where tenant selection is possible and presenting design options for tenants to choose from for their homes.
- **“Guide for Contractors & Consultants”:** This document delineates detailed specifications for products, quality standards, and submittals. These specifications are integrated into project scopes provided to contractors during bidding and into contracts once a vendor is selected. Contractors are held to these requirements, and the specifications serve as a reference when reviewing projects for deficiencies.

Organizations seeking further information about these guidelines and tools can directly contact NLT at [info@pnlt.ca](mailto:info@pnlt.ca).

**Incorporating Sustainable Building Practices**

In 2022, NLT developed the *Sustainability and Social Procurement Action Framework* to achieve interconnected community benefits, including local economic development, decent work, environmentally responsible buildings, and climate resilience. This framework outlines strategies and targets to align building improvements with organizational goals, aiming to contribute to building stronger, healthier, more equitable, climate-friendly, and climate-resilient communities. Additionally, these actions intend to enhance tenant health and well-being by increasing thermal comfort and reducing environmental hazards in their homes.

In response, NLT’s capital planning activities have targeted a 25% - 45% reduction in both energy use and greenhouse gas (CO2) generation, based on 2021 energy audit estimates. NLT is also exploring opportunities to implement deep energy retrofits on specific projects, where feasible.

To support this planning, NLT has undertaken the following activities:

- Conducted 20 energy audits to identify retrofit measures across the portfolio.
- Developed a holistic retrofit approach to building envelope and HVAC improvements alongside state of good repair enhancements, aiming to enhance energy efficiency, lower carbon impact, reduce maintenance and utilities costs, and improve tenant comfort.
- Completed a deep energy retrofit pilot at 31 Noble, resulting in a Net Zero-ready building.
- Scoped deep energy retrofit projects for 12 properties with a total of 59 units, with funding proposals submitted.
- Scoped 12 properties with 59 units for deep energy retrofit through CMHC's Canada Green Affordable Housing program, targeting a 70% energy reduction and 80% GHG reduction.

- Designed all new construction projects as high-performance buildings.

Through this work, NLT has found that implementing deep energy retrofits on small homes and apartment buildings is feasible. While upfront costs are higher, additional funding and incentives available for energy retrofits, as well as long-term operating savings, make these upfront investments viable. Furthermore, when funding for larger deep energy retrofits cannot be secured, incremental building envelope and HVAC improvements can still be impactful. Specifically, the most impactful incremental actions identified include the addition of basement and attic insulation, replacing gas furnaces with heat pump systems, window replacement, air sealing, and envelope upgrades (especially when already replacing siding).



Building Up crew installs exterior insulation and cladding as part of retrofit project at NLT property at 262 Old Weston, 2023.

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## **Consulting Tenants & Planning for Tenant Impact Mitigation**

We acknowledge the potential hardships tenants may face during capital projects that significantly alter their living spaces. NLT is committed to consulting tenants on project scopes and devising impact mitigation measures. Over the past two years, NLT has completed numerous projects with tenants in place and facilitated temporary relocations for 10 households during home improvements.

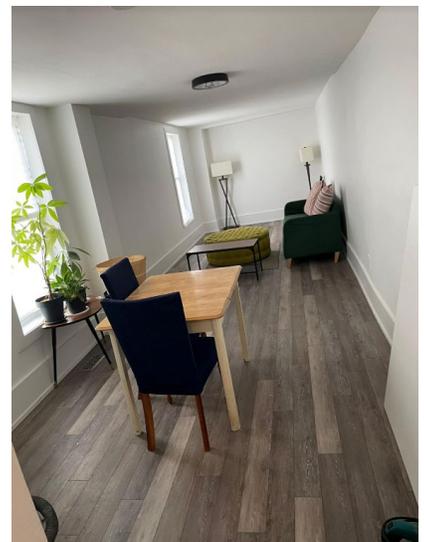
To support these efforts, NLT has:

- Developed a Tenant Impact Mitigation policy outlining considerations and approaches for minimizing disruption.
- Established written legal contracts between tenant households, Operating Partners, and NLT to clarify rights and obligations during temporary relocations.
- Formulated access agreements with neighbors to enable repair activities and foster good relations among all parties.
- Implemented a multi-step relocation planning process, including presenting project scopes to tenants in advance, incorporating feedback, supplying packing materials, and organizing logistics for moving tenants.
- Tenant Impact Mitigation is backed by a robust budget covering moving costs, storage, packing materials, and transportation. To reduce costs, NLT currently holds two units vacant for tenant use during renovations, despite revenue loss.

Tenant consultation and relocation planning is a resource-intensive endeavor requiring careful planning. While encountering doubt or skepticism from impacted tenants and neighbours, NLT's framework of policies, processes, and staffing effectively addresses concerns. However, for extremely vulnerable tenants, additional support from Operating Partners with expertise in housing vulnerable individuals was necessary. This included specialized knowledge, staffing, and policies to ensure their well-being and housing stability.

## **CLT Growth Requires Enhanced Asset Management**

As NLT has expanded its portfolio, it has simultaneously strengthened its in-house asset management capacity. While there is still room for improvement, NLT has successfully developed the policies, processes, plans, and staffing necessary for effective capital planning and management of capital repairs across its portfolio. Additionally, NLT has begun to leverage its investments in capital repairs to advance social goals related to accessibility, sustainability, and community economic development. This experience underscores that community-based CLTs can and must build robust asset management capacity to ensure the long-term stewardship of community-owned assets.



Images show miscellaneous capital repair work in progress and completed within the Scatter Home portfolio, 2023.

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## Lessons

### **Capital planning is a core asset management function of CLTs.**

As organizations primarily established to acquire and steward property for the provision of affordable housing in perpetuity, capital planning is a core asset management function and capacity required of any CLT, outlining the investments required to maintain buildings in optimal condition over time.

### **Scattered portfolios & older buildings require enhanced asset management staff capacity.**

In acquiring and managing the scatter home portfolio, NLT realized that such portfolios demand significant staff time. While growing CLTs should seek to build capacity to manage projects in-house for control and cost-efficiency, in some cases it may be necessary to engage third party project managers or consultants to support complex or multiple concurrent projects. This combined approach can enable CLTs to accelerate progress and build their own capacity while benefiting and learning from the expertise of external consultants.

### **Project management fees are critical to support asset management staffing.**

Undertaking project management internally, if done well, proves to be the most cost-effective approach for capital repairs. CLTs should build their internal capacity and establish project management fees at levels that adequately fund the staff time required to effectively manage capital projects.

### **Utilize asset management software from the beginning.**

There are significant advantages to implementing asset management software or a suite of integrated tools as soon as a CLT acquires property. Baseline Building Condition Assessment (BCA) data can be prepared for seamless upload into software systems to facilitate capital planning for both individual projects and across

the entire portfolio. Relevant building data and reports can be efficiently stored within the software platform. Additionally, as capital repairs are completed, they can be logged, providing live updates and projections on the state of repair of properties or an entire portfolio. At the same time, CLTs should anticipate some initial inefficiencies as the team develops its templates and information tracking systems and determines how it wants to manage its processes and information. There is no one-size-fits-all software solution and each CLT will need to develop its own priorities based on their portfolio and primary activities.

### **Deep energy retrofit of existing rental stock is feasible and attainable.**

With recent advancements in building science and technology, coupled with enabling public policy funding programs, it is now more feasible than ever to implement deep energy retrofits on most small homes and apartment buildings where funding can be secured.

### **A holistic approach to incremental building envelope and HVAC improvements.**

When a good holistic plan is in place, incremental building envelope and HVAC improvements can be an impactful and pragmatic approach to reducing energy and emissions. When funding cannot be secured for a larger deep energy retrofit, CLTs can implement staged and incremental improvements over time, ideally as building systems are replaced and improved. Particularly impactful actions include the addition of basement and attic insulation, replacing gas furnaces with heat pump systems, window replacement, air sealing, and envelope upgrades (especially when already replacing siding).

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**Dedicated staff capacity for tenant-centered support during capital projects.**

Capital projects in tenanted homes can significantly disrupt tenants' lives, often requiring temporary relocation. In such situations, having dedicated and specialized staff capacity is essential for effective tenant impact mitigation and relocation planning. Tenant engagement is a meticulous process that contributes to building trust with tenants and minimizing negative impacts. Engaging tenants throughout the planning process ensures their needs and concerns are heard and addressed, fostering a sense of inclusion and transparency. Implementing a tenant-centered approach requires assigning a staff member dedicated to this role, supported by technical staff with strong interpersonal skills to cultivate robust relationships with tenants during potentially disruptive capital repairs.

**Accelerating funding for capital replacement reserves.**

When a CLT acquires existing residential buildings, the capital repair and replacement reserve often starts at zero. This means it may struggle to address emergency repair needs initially and over time. It is best practice to allocate monthly contributions of 4-8% of operating revenue to the capital reserve in its operating budget. To accelerate funding to the reserve, CLTs should make an initial start-up contribution to the fund as well as topping up reserved contributions annually with any operating surplus. This reserve buildup is essential for maintaining properties in good repair.

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## 3. Business Model Enhancements

Balancing long-term organizational sustainability with scaling quickly are key challenge points faced by Community Land Trusts as they start up and grow. After experiencing fast-paced growth in its portfolio, NLT recently undertook a review of its business model to identify business model enhancements to ensure its sustainability and ability to grow well into the future.

### Context

NLT's 2018 Business Plan positioned the organization for a moderate pace of growth. At the time, the plan envisioned 10 units acquired per year and a very lean staff of one Executive Director supported by contract staff. The housing market in Toronto has changed dramatically since then, and the need for affordable housing has only escalated. Coupled with an increased political will to support affordable housing preservation and development, this has presented strong opportunities for NLT to grow its portfolio more rapidly than initially intended. The disposition of housing stock from Toronto Community Housing Corporation, as well as new enabling policy that supported private acquisition enabled NLT to act quickly to realize its goal of growing a community-owned asset base.

In 2021, NLT developed a Strategic Plan to address both these opportunities and the need for increased growth in response to a rapidly changing housing market, with a goal of reaching 300 units held by the land trust by 2026. This goal requires a sustainable business model to support this growth. In this growth phase, NLT's key challenge has been the need to utilize grants to supplement revenue and support cash flow needs throughout the year.

### Activities

In early 2024, through the support of SHS Consulting, NLT undertook a review of its business model. The resulting *NLT Business Plan Learnings 2024* memo outlines ways to improve NLT's business model based on lessons learned from its own experience to date as well as that of other organizations.

### Current State – Key Learnings

The NLT's focus on acquisitions and asset management rather than property management has reduced revenue generating potential but also streamlines internal activities and staff roles. Core business activities and revenue generating activities are as follows:

**Property Acquisition:** Acquisition of properties is expected to grow and expand to include new development opportunities in the years ahead. It will be key to ensure a fee structure that captures the cost of development activities and generates revenue for the organization.

**Leasing Property:** Annual asset management lease fees are collected by NLT from its operating partners to support organizational expenses and overhead for asset management. These fees will need to be sustainable in the years ahead and account for costs associated with asset management planning (prior to formal capital projects beginning and being funded).

**Capital Project Management:** The NLT leads all aspects of capital project management for small and large size renovations and repairs. Fees are collected for both project management and administration.

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**Consulting Fee for Service:** NLT's senior leads participate in consulting fee-for-service engagements, and this is a small revenue stream but can be a useful partnership and relationship building tool.

**Grant Funded Programs:** NLT's team also leads research, education, and knowledge mobilization which are grant funded and time limited. Grants comprise a significant component of NLT's operating income and there is a desire to move away from this reliance by strengthening the revenue lines indicated above in order to create better predictability and reliability of income streams.

## Future State - Potential Approaches

The approaches below are recommendations identified by SHS Consulting for building the internal infrastructure to support NLT's growth into the future. In particular, these approaches serve to mitigate risk and enable effective monitoring of costs in order for the organization to anticipate challenges and pivot quickly.

NLT has set the foundation for sustainability of each project by creating a Capital Replacement Reserve Fund to fund long term building needs, and an Operating Reserve Fund to mitigate risks to the operating partner with respect to operating expenses and support their ability to pay their lease fee should challenges arise. The creation of two new funds for NLT could support future growth and long term operational sustainability for the organization.

### **Establish a Revolving Development Fund:**

A revolving development fund of \$3-5 million could support anticipated upcoming projects by supporting cash flow for capital project activities (acquisitions, new developments or renovations), NLT staff time when project management fees are intended to materialize later than the cost of work incurred or to fund long term equity contributions into projects. This fund may be capitalized through disposition of a non-core asset, a capital raise campaign or through future project management fees collected. In the interim, a small line

of credit can help to support cash flow purposes while plans to create a Revolving Development Fund are underway.

*This fund can also serve to mitigate interest rate risk by providing NLT with more flexibility on when and how much to draw down on construction or project loans.*

### **Organizational Operating Reserve Fund:**

An operating reserve can support core operating expenses for one year. These expenses would include key staff (Executive Director, Administrator, Asset Manager and Community Development Coordinator) and core operating expenses (technology, office space, insurance etc.). This fund can be capitalized through surplus revenue from projects, where possible, as well as through philanthropic contributions from donors interested in investing in the long-term sustainability of NLT.

*An Operating Reserve Fund can help mitigate challenges that arise from unexpected rising operating costs (for example, costs of insurance, staff benefits, supplies) which are more difficult to predict and do not always increase proportionally to inflation.*

### **Align Budget for Retention of High-Quality Staff:**

Develop budget assumptions that are in line with industry standards for comparable roles in both the nonprofit and private sector. In particular, roles relating to development and capital projects should garner similar wages to that of the private sector in order to attract and retain quality staff. Annual compensation increases should be built into the budget to further ensure staff retention and the desire to grow within the organization.

*Ensuring limited staff turnover increases the effectiveness of project management fees and budgets as staff turnover and downtime can create significant project delays that result in reduced or delayed project management fees.*

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## Lessons

**CLTs can support revenues through a mix of approaches including asset management and property management fees.** NLT's approach as an Asset Management Focused CLT enables the collection of asset management fee revenue to support staff costs and support the organization as a whole. Other CLTs and non-profit affordable housing providers actively manage their own housing portfolios and collect property management fees that both cover costs and provide revenue to the organization as a whole.

**Build capacity through meaningful development and project management Fees:** The ability to both fund staff time and build financial capacity for the organization is a key long-term success factor. Development and project management fees are a proven revenue source to support staffing and the growth of CLTs and other non-profit housing providers.

**Establish revolving development fund or line of credit to manage cash flow for acquisitions and capital projects:** Managing cash flow acquisitions and throughout capital projects whether repairs or new construction is a major challenge for non-profit organizations as the timing of funding and cost occurrence do not always line up. Two promising tactics are the creation of a stand alone development fund to support cash flow and the establishment of revolving lines of credit secured to previously unencumbered assets.

**Build sustainability through organizational and property-level operating reserve funds:** The establishment of operating reserve funds can mitigate challenges such as unexpected increases to operating costs or revenue losses. A target of up to one year of operating expenses is recommended to ensure sufficient reserves on hand. The creation of property by property operating reserve funds is an approach used by both NLT and other CLTs in order to mitigate against operating costs related directly to building operations. This approach is particularly important to manage inflationary pressures on areas that have seen tremendous rises over the past few years such as insurance and utility costs.

**Enhance capital replacement reserves beyond mandated minimums:** Adequately funding capital replacement reserves is an important action for ensuring long term sustainability of CLTs and quality housing stock overall. Many organizations are exceeding the typical minimum funder requirements for capital replacement reserves by allocating a carve out of surplus, where appropriate, to top up reserves.

**Unencumbered assets can support net asset growth:** Having some unencumbered assets to support the organizations in both weathering challenges and to leverage for net new development was a strategy used successfully by well-established groups with significant portfolios to fund predevelopment activities and support new acquisitions.

**It is worth investing in talent attraction/retention:** When scaling up staffing quickly, organizations need to be mindful of the need to right size roles with the right level of seniority, and ensure salary competitiveness with similar roles in the private sector given the complex nature of affordable housing funding agreements and compliance and the need to support relationship building with funders.

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## 4. Community Governance

As a community-based CLT, the NLT employs a governance model aimed at ensuring community control and democratic decision-making. Recognizing the potential challenges of community governance within a growing portfolio, NLT has proactively addressed these with adjustments to its governance structure. The key challenges encountered and NLT's strategies for addressing them are outlined below.

### Context

The Land Trust's community-based governance model ensures effective management of land and housing, guided by and accountable to the community through transparent and democratic processes. This model, adapted from the Classic CLT governance model in the US, features a local membership and tripartite board of directors made of core, community and organizational members. Unique to Parkdale is the utilization of a dual organizational structure, with the non-profit Parkdale Neighbourhood Land Trust (PNLT) and the charitable organization The Neighbourhood Land Trust (NLT) working together to serve the community.

PNLT's open tripartite membership includes Core Members residing or working at Land Trust properties, Community Members within PNLNLT's catchment area, and Organizational Members representing local non-profits serving equity-deserving community members. The PNLNLT's 12-15 person board, elected democratically from and by the membership, is composed of representatives from these groups, ensuring diverse interests are considered in decision-making. Through engagement with its membership of around 1,000 individuals, the PNLNLT leads strategic community-based planning aligned with the organization's purpose, vision, and values. The PNLNLT board also oversees the NLT, which currently owns all assets held by both land trusts.

The NLT has a closed membership consisting of one member, the PNLNLT. Its 3-5 person Board of Directors is elected by the PNLNLT board, prioritizing nominees with long-term engagement and expertise in areas crucial for effective governance and financial oversight. As the owner and asset manager of all properties held by the land trusts, the NLT's Board focuses heavily on fiduciary oversight and leadership. Board committees support both organizations, where staff, Board members, and community members collaborate to support organizational work.

### Activities

#### Adjusting Core Governance Structure to Accommodate Growth

As NLT's portfolio expanded to 85 properties, ensuring fair representation of Core Members across projects became a challenge. Previously, board seats were equally allocated to Core Members, Community Members, and Organizational Members, with no restrictions on how many core members could be elected from one property or project. New by-law amendments in 2022 allowed for core member seats to be allocated to each of NLT's portfolios, with allocations reviewed and adjusted annually to ensure equitable representation across projects. They also allowed for more flexible seat allocations generally, enabling the governance committee to recommend increasing community and core member representation from time to time.

These changes were successfully implemented in 2023, with 2 seats designated for core members from 26 Maynard and/or 22 Maynard, 2 seats for the Scatter Homes, and 1 seat for Milky Way Garden. At the 2023 AGM, these seats were filled by Core member nominees from these projects, marking the first time PNLNLT met its goal of having 1/3 of the Board representatives from the core membership.



Joint meeting of the Board of Directors of the NLT and PNLT, 2024.



Staff, members, and directors pose for a photo after the 2024 Annual General Meeting.

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## **Developing Opportunities for Tenant Engagement**

As NLT's portfolio grows to include multiple projects, each with their own tenants or users, there was a need to establish new ways for core members to engage with NLT and its partners about issues relating to their properties. In 2023, Tenant Advisory Committees (TACs) were established for the Scatter Home portfolio and 22 Maynard to provide a dedicated space for tenants to advise NLT and its housing partners on asset management, operational issues, and strategic decisions. TACs also serve as a forum for tenants to raise and discuss their concerns, focusing on portfolio or building-wide issues rather than individual tenancy matters. Initially set up with volunteer representatives, NLT intends to transition to a process where tenants nominate and elect TAC representatives. The TACs have advised on NLT's Capital Projects Tenant Impact Policy, Capital Projects Design Specifications Guide, and more, ensuring tenant input into capital repair planning and implementation. In response to learnings and tenant concerns, the Scatter Homes TAC proposed improvements in 2024, including regularly consulting tenants on operational issues, allocating 50% of meeting agenda items to tenant-raised issues, and setting a consistent monthly meeting schedule. Further learning and ongoing adjustments to the TAC model can ensure that it fulfils its goal as a space for meaningful collaboration between tenants, the Land Trust, and its housing partners.

Providing various engagement opportunities not only ensures NLT's work is informed by its members; it also prepares members for active governance roles. TAC participation has led some tenants to join a PNLT committee and even the Board. In 2023, two Scatter Home TAC members joined the PNLT Board as Core Member representatives.

### **Establishing Technical Committees to Advise the Board**

The significant scaling undertaken by NLT has necessitated numerous decisions related to acquisition opportunities. While many of these decisions require ratification by the elected board, it would have been impractical to thoroughly review all acquisition-related

documents during board meetings. Inundating community members on PNLT and NLT's boards with technical documents could diminish their engagement.

To ensure that board members' time and expertise are utilized effectively, NLT broadened the mandate of the Acquisitions Committee to form the Acquisitions and Due Diligence Committee. This committee, comprising community members with relevant technical expertise in real estate, legal matters, housing management, and finance, was tasked with reviewing technical reports, documents, and staff reports. It provided an opportunity for community experts to provide thoroughly considered advice to the Board on key decisions throughout the acquisition process.

### **Ongoing Community Engagement and Research**

Maintaining accountability to the community and actively involving community leaders requires ongoing engagement in local housing issues. NLT's work has consistently been informed by community engagement and community-based research. While much of this occurred during the Capacity Building and Demonstration Phases, expanding the housing portfolio demands ongoing engagement and research to align projects with current community needs. Community-based research fosters collaborative relationships with local leaders and housing experts who in-turn support the work of the land trust.

During the Growth Phase, NLT completed The Parkdale Tower Rental Housing Study (2022) to preserve rental tower affordability. Engaging a diverse team, including staff, tenants and community organizers, the study surveyed 211 tenants and conducted 5 thematic focus groups. It identified key findings and proposed solutions, informing the planning of three potential affordable housing projects. The research also empowered tenant leaders, some of whom have joined PNLT's committees or Board, enhancing community-led governance. This underscores the importance of robust community engagement for effective governance.

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## Lessons

### **Design governance structures with growth in mind and ensuring representation across projects.**

NLT's experience demonstrates that by-laws should be written in a way that anticipates growth. It can be challenging to ensure the board remains fairly representative as CLTs expand and incorporate projects of varying sizes into their portfolios. The flexible solution developed by NLT's governance committee can serve as a starting point for other community-based CLTs, although unique community contexts should also be taken into consideration.

### **Reinforce community-based governance through diverse opportunities for member involvement.**

NLT recognizes the importance of diverse engagement methods to involve community members at various levels of the organization's work. By offering low-barrier engagement activities such as representative roles on tenant advisory committees, and governance-focused opportunities on the Board and its committees, NLT ensures that members contribute to crucial aspects of the Land Trust's work and governance. This approach facilitates gradual leadership development while accommodating members with diverse capacities, interests, and availability, promoting a more inclusive and democratic participation framework that supports community-based governance and decision-making.

### **Introduce tenant advisory committees.**

CLTs can establish Tenant Advisory Committees within projects or portfolios, providing a dedicated space for tenants to advise and collaborate with the CLT and its partners on asset management, operational matters, and strategic decisions.

### **Introduce acquisitions & due diligence committee to support board governance.**

It's unrealistic to expect that a community-based board will always possess comprehensive technical expertise across all aspects of property acquisition, development, and asset management. Therefore, delegating detailed decision reviews not only to staff but also to specialized committees is essential, as demonstrated by NLT's Acquisition & Due Diligence Committee. This can improve governance decisions, as well as ensure that Board members' time is well spent and respected.

# Conclusion



Community Land Trust Summit hosted by the Canadian Network of Community Land Trusts, 2023.

In just three years, The Neighbourhood Land Trust (NLT) has successfully demonstrated a scalable approach to community-based CLTs. By implementing three distinct land acquisition strategies, NLT has expanded its portfolio to 85 properties, encompassing 205 affordable rental units. This growth has been fueled by strategic partnerships with like-minded housing organizations, municipalities, social contractors, and financial partners. Additionally, NLT has invested in strengthening its capacities in asset management, community development, and affordable housing planning, positioning the organization for continued growth and success.

As the Community Land Trust movement evolves and expands, the experiences and achievements of the NLT offer valuable insights for CLTs across Canada. NLT's journey exemplifies the transformative potential of the CLT model in addressing housing challenges and fostering sustainable, equitable communities.

By preserving at-risk rental housing, developing new affordable units, and enhancing asset management and governance practices, NLT has showcased the multifaceted impact of CLTs in creating lasting community benefits.

While NLT has made significant strides, it is important to recognize that the journey toward organizational sustainability is ongoing and not without challenges. The organization has encountered obstacles and learned from its mistakes, underscoring the importance of humility and continuous improvement. As CLTs navigate the complexities of growth and sustainability, they can draw on NLT's experiences to inform their strategies and enhance their impact. By embracing innovation, fostering partnerships, and prioritizing community needs, CLTs can continue to be powerful agents of change in creating a more just and equitable world.



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