

# CAPTURE THE UNEARNED INCREMENT TO SECURE AFFORDABLE HOUSING WITHIN COMMUNITY LAND TRUSTS!

PARKDALE is a downtown Toronto neighborhood that still contains large numbers of affordable homes for low-income residents, a majority of whom are Black, Indigenous and or people of colour. Currently, both mid rise apartments and rooming houses are under threat from corporate landlords and REAL ESTATE INVESTMENT TRUSTS (REITs), who financialize housing, increasing rents and forcing out existing tenants.

The UNEARNED INCREMENT is the value embedded in real estate not created by a private owner, but by

Indigenous people, local cultures, tenants, neighborhood and community organizations, publicly funded infrastructure and non-human biotic and abiotic ecologies. In order to capture the unearned increment, the City of Toronto must create a hypothecated tax dedicated to producing a reliable and dedicated revenue stream to build, renovate, and maintain a growing stock of affordable housing held in community land trusts.

In response to this ongoing crisis, the PARKDALE NEIGHBOURHOOD LAND TRUST (PNLT) has purchased rooming

houses and low-rise apartment buildings, taking land out of the competitive housing market.

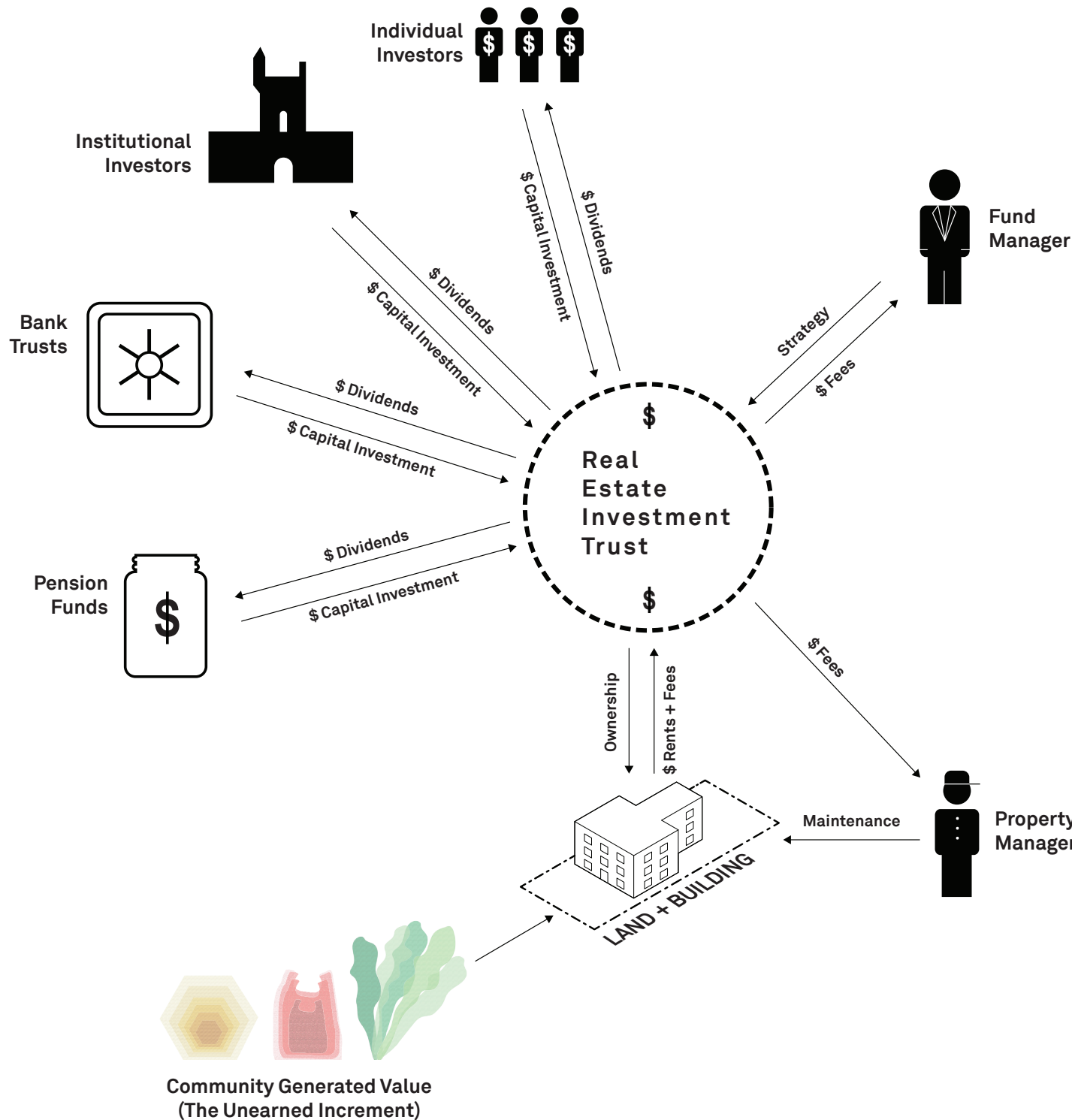
A GENTRIFICATION TAX will provide funding for PNLNT to add mid-rise apartment buildings to its trust, taking this valuable building stock off the market and out of the reach of REITs. Architectural investments will then be made in these buildings to create long term housing that is sustainable, accessible, generous and collective.

At grade, dense new landscape and community facilities will create

generous public spaces, activating the public realm and connecting it to adjacent parks and greenspaces. Select additions and renovations to existing buildings will create new public and private amenity space, additional family-sized units, and improved accessible units, while minimizing disruption to existing tenants and ensuring they can remain in their homes. The aggregation of formerly private rental properties into a network of Land Trust properties will render new civic forms in Toronto neighborhoods.

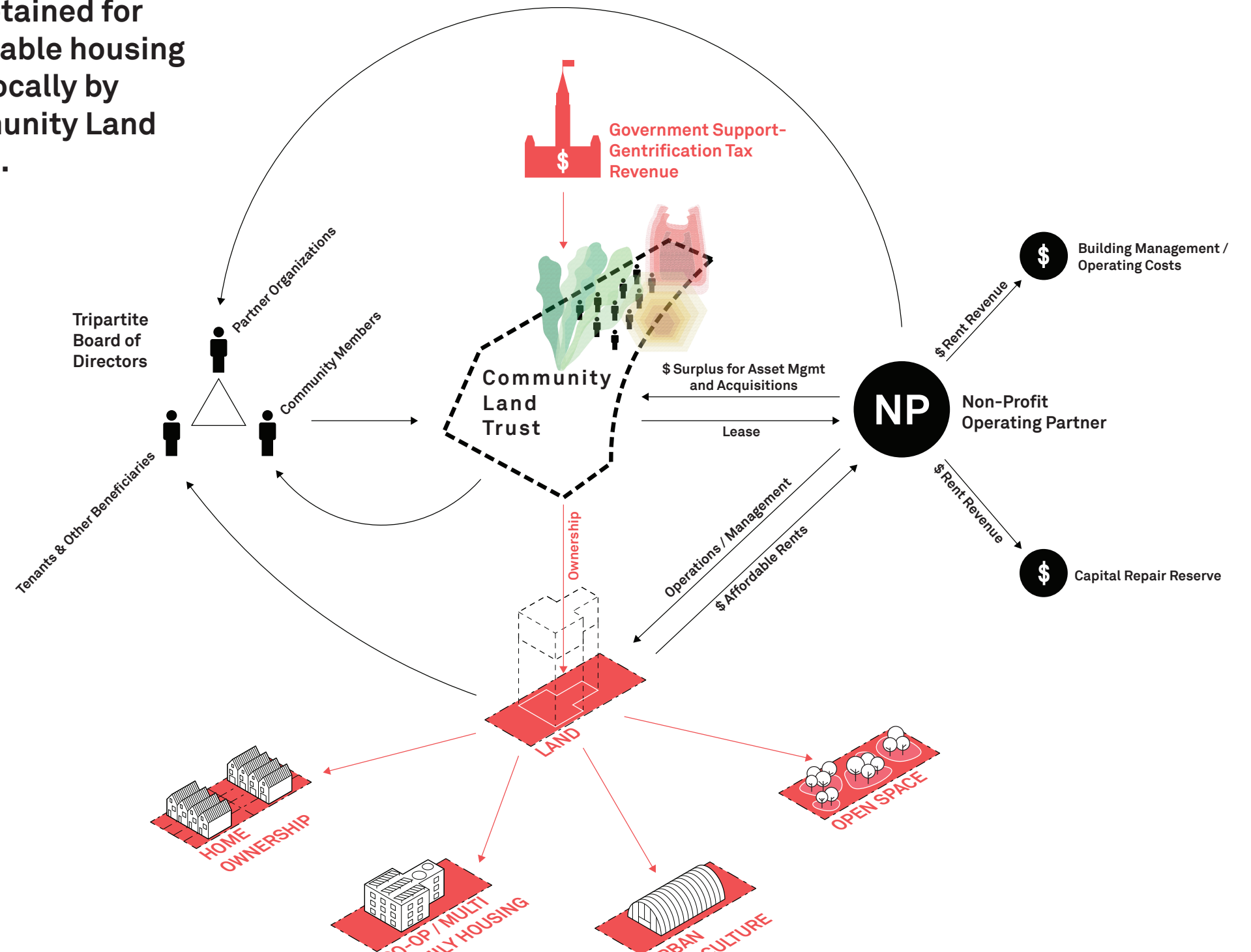
## HOW DOES A R.E.I.T. OPERATE?

Local culture, mutual aid, non-profits, etc. are monetized, extracted from the community, and returned to investors as profit.

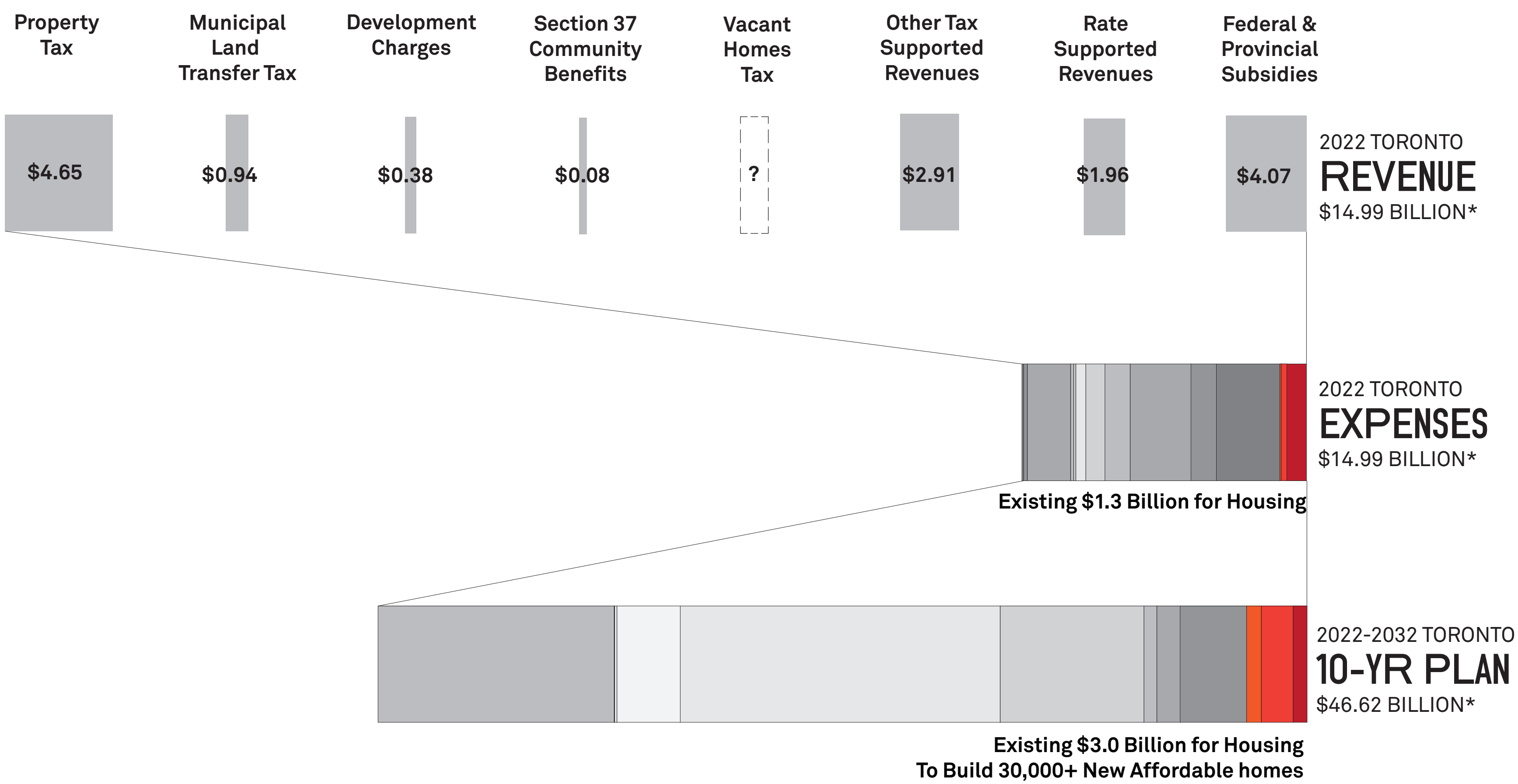


## HOW DOES A LAND TRUST OPERATE?

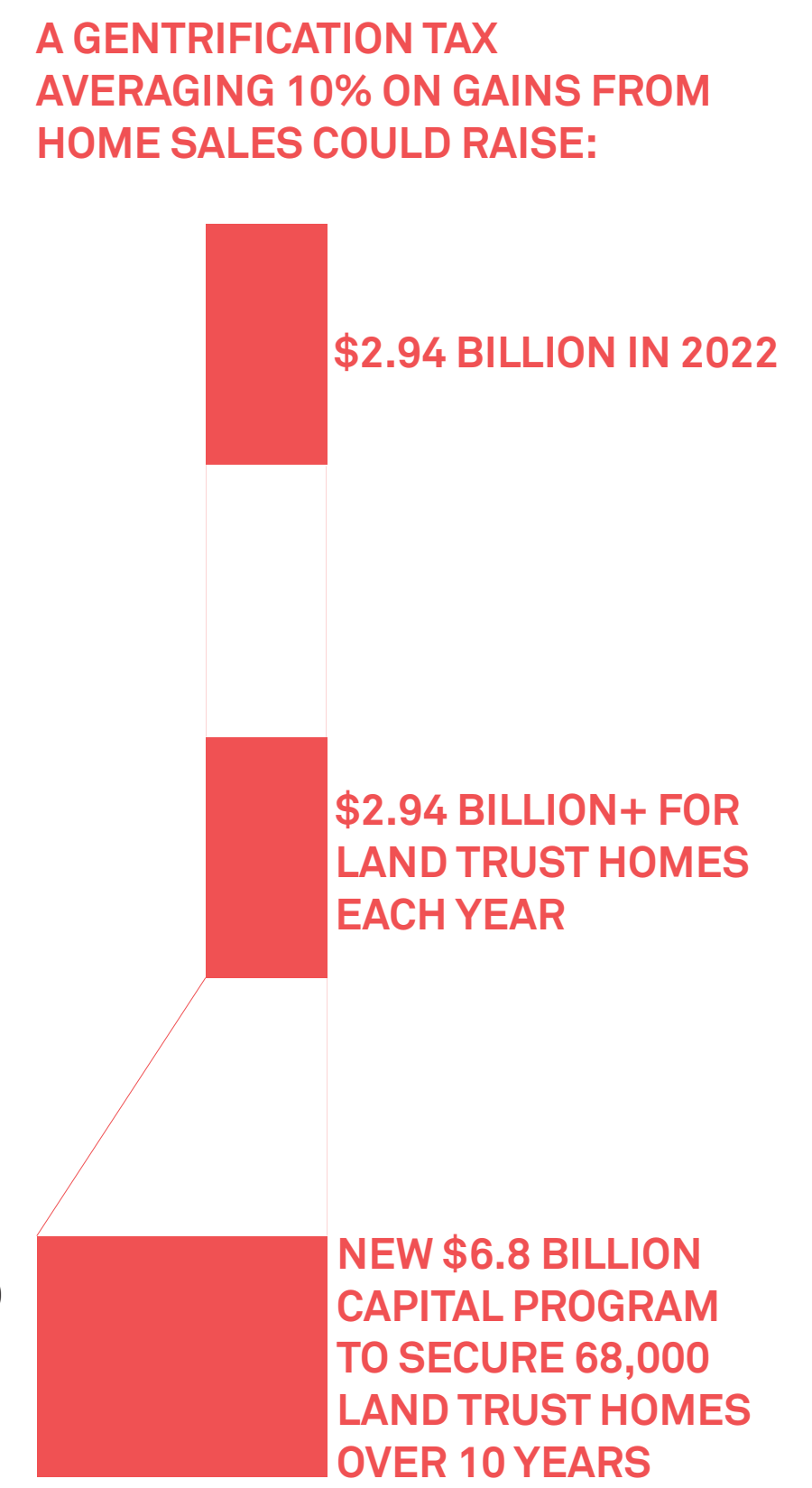
Value is captured and retained for affordable housing held locally by Community Land Trusts.



## HOW CAN WE CAPTURE THE UNEARNED INCREMENT TO FUND LAND TRUST HOMES?



## TAX GENTRIFICATION!

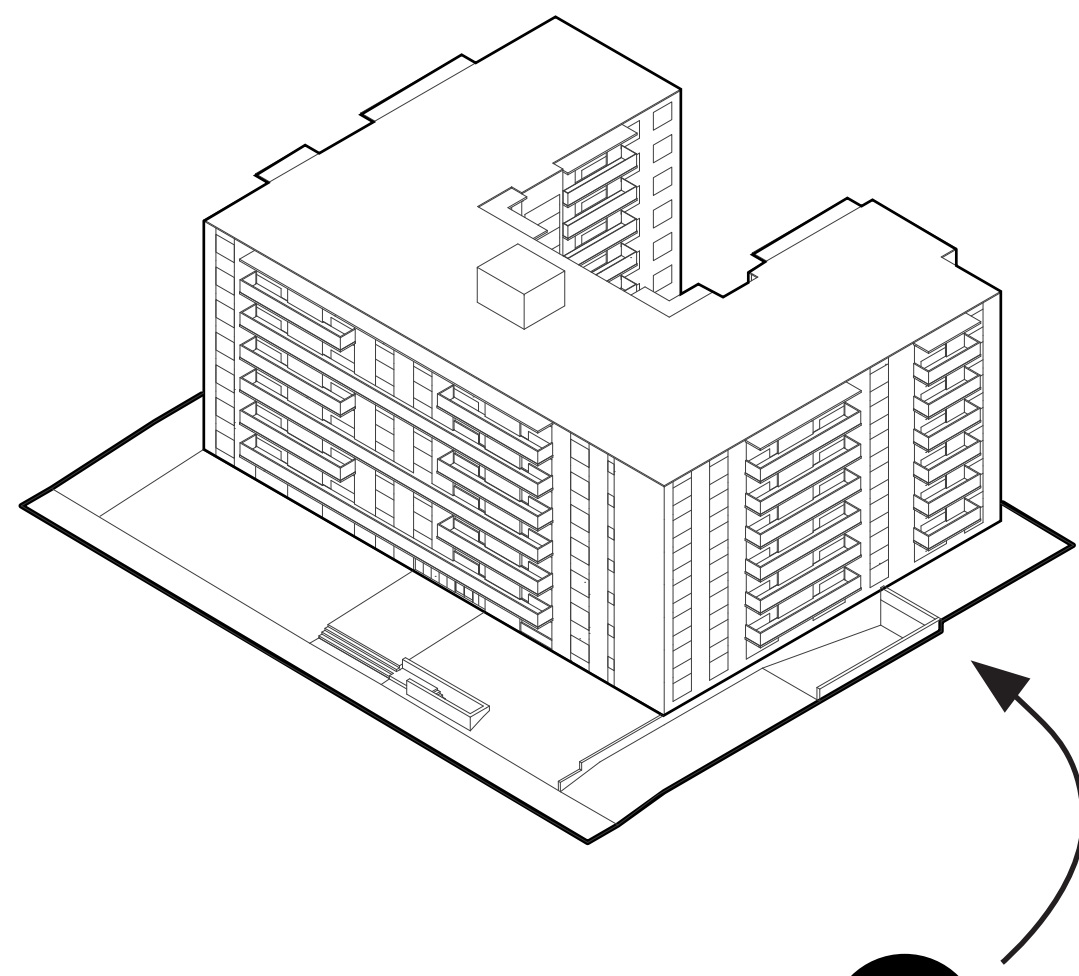


\*Revenue sources, expenses (operating budget) and 10-yr plan (2022-2031 capital budget) data are from the 2022 City of Toronto Budget Summary

## HOW COULD A NEW FUNDING STREAM PRODUCE AFFORDABLE HOUSING IN PARKDALE?

### CASE STUDY: 109 JAMESON AS A R.E.I.T.

- UNAFFORDABLE** - Tools such as Above-Guideline Rent Increases (AGIs) allow private landlords in Parkdale to aggressively increase rents. 52% of Parkdale renters living in towers report that their housing is unaffordable, with rents amounting to at least 30% of household income.
- UNSTABLE** - Vacancy decontrol and other policies that incentivize rental unit turn over have resulted in a Parkdale eviction rate 33% higher than the City of Toronto average.
- UNSUITABLE** - 75% of rental stock in Parkdale are bachelor or 1-bdrm units, reducing the percentage of larger 3-bdrm units to far below city average. At 109 Jameson, the current unit mix consists of 34% bachelor, 50% 1-bdrm, and 16% 2-bdrm units, with no fully accessible suites.
- COMMODIFIED** - 71% of Parkdale's private tower apartments are owned by large financial firms or corporate landlords, structured to extract value and provide profit to investors.



- Superficial Upgrades
- Neglect of Maintenance Needs
- Aggressive Rent Increases

Parkdale statistics sourced from PNLNT + NLT Parkdale Tower Rental Housing Study, 2022.

### CASE STUDY: 109 JAMESON AS A LAND TRUST

- AFFORDABLE** - Acquired by a CLT, all units at 109 Jameson are kept affordable for low- and middle-income households. Furthermore, acquiring existing residential buildings for affordable housing is more expedient and far less costly than building new.
- STABLE** - Housing becomes secure and remains affordable for new and existing tenants. As units become available, those with the greatest housing need can be prioritized.
- SUITABLE** - With the proposed modifications to 109 Jameson, 20 family-size (2 and 3 bdrm) suites are added, transforming the unit mix to 30% bachelor, 38% 1-bdrm, 21% 2-bdrm, and 11% 3-bdrm units. Furthermore, 20% of units are made fully accessible.
- DE-COMMODIFIED** - As a CLT, 109 Jameson is removed from the housing market, becoming permanently affordable and stable housing rather than a financial asset generating profit for investors.

