



# HOUSING IS ON THE LINE

*How public transit can help  
tackle Canada's housing crisis.*

# Acknowledgments

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Cover illustration by Daniel Downey

# Summary of Recommendations



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## 1: ACTIVATE LAND

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- Easier land acquisition for transit-oriented development
  - Prevent speculation in Transit Oriented Development (TOD) areas
  - Prioritize intensification in existing transit-accessible areas
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## 2: EVOLVE THE MANDATE OF TRANSIT AUTHORITIES

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- Regenerate transit lands
  - Build housing on park-and-ride lots
  - Encourage overbuild at transit stations
  - Development of a Housing and Transportation Affordability Index
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## 3: ENSURE INCLUSIVITY

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- Prioritize rentals and non-market housing in transit-accessible areas
  - Address transit-oriented displacement
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## 4: STREAMLINE APPROVAL PROCESSES

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- Prioritize TOD applications
  - Proactive rezoning
  - Reform appeal mechanisms
  - Maintain development cost charges for transit
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## 5: MAXIMIZE INVESTMENTS

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- Encourage regional collaboration
  - Use performance-based allocation
  - Explore location-efficient mortgages
  - Address concerns about transit operating costs
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# Executive Summary

Transportation and housing are two of the largest cost drivers facing Canadian families. The current economic climate, compounded with a notable housing supply problem, has resulted in an affordability crisis in Canada, particularly in the wake of the pandemic. Further exacerbating the issue is Canada's ongoing need to attract and retain talent. Specifically, Canada's immigration goals and economic aspirations cannot be met without changes to development patterns supporting successful settlement and labour mobility. Finally, reducing greenhouse gas emissions, particularly in the transportation sector, continues to be a pivotal factor in tackling the ongoing climate crisis.

At the same time, the federal government recently signaled its interest in tying funding for public transit to housing supply outcomes. This move, presumably, is part of a broader effort to address Canada's housing crisis, in which home ownership costs and average rents across the country have risen much faster than household incomes.

Generally, planning for housing and planning for transit have not been conducted in an integrated way. This is changing in some cities and regions, but the overwhelming trend since the Second World War is that many Canadians move away from core neighbourhoods with frequent transit service in search of more affordable housing, ending up far away from places of employment and other amenities, and in neighbourhoods with limited transit service. More recently, transit agencies are still struggling to recover from the pandemic; many rapid transit lines that have received significant government investment run with too few riders. An efficient way to address this mismatch would be to build more homes near transit, so that more Canadians can access affordable, low-carbon transportation, and society can receive better returns on needed transit infrastructure investments.

This report delivers 17 recommendations to all orders of government, as well as transit agencies, on how to better integrate public transit and housing supply. These recommendations were developed through a national multi-sectoral engagement process with municipal planners, transit officials, housing providers, developers, provincial government staff, and other key stakeholders from across Canada.



The recommendations include:

- **Activating land** by making it easier for municipalities to acquire land around transit stations, addressing speculation near transit stations, and prioritizing intensification in existing transit-accessible areas;
- **Evolving the mandate of transit authorities** to proactively encourage the development of housing on transit property, including at park-and-ride lots and directly on top of transit stations through overbuild, as well as take on a stronger role in promoting the integration of transit and housing within their respective municipalities;
- **Ensuring inclusivity** by incentivizing developers to prioritize purpose-built rentals and non-market housing in transit-accessible areas, as well as addressing transit-oriented displacement;
- **Streamlining approval processes** to get transit-oriented developments built faster, including through prioritizing Transit Oriented Development (TOD) applications, proactive rezoning, and reforming appeal mechanisms; and
- **Maximizing investments** by encouraging intermunicipal collaboration, using performance-based allocation, exploring location-efficient mortgages, and addressing concerns about transit operating costs related to transit expansion.

Taken together, implementing these recommendations will create more sustainable, inclusive, and prosperous communities where families can afford to live near transit and easily access jobs and other services. Increased housing supply and higher transit ridership are key outcomes, but these recommendations are also designed to deliver on affordability, equity, and climate mitigation.

Public transit has connected our cities for generations. The recommendations in this report go one step further – demonstrating that transit can also play a central role in shaping our cities to be responsive to pressing challenges, both today and for the future.





1.0

## SETTING THE STAGE



# 1.0 Setting the Stage



Housing and transportation are the two largest household costs for Canadians.<sup>1</sup> According to Statistics Canada, nearly three quarters of Canadians say that rising prices are impacting their ability to afford basic expenses such as housing, transportation, and food.<sup>2</sup> The current economic climate, compounded with a notable housing supply problem, has resulted in an affordability crisis in Canada, particularly in the wake of the pandemic.

At the same time that we face an affordability crisis, we also face a climate crisis. Transportation accounts for 25% of Canada's greenhouse gas emissions, while buildings, including housing, account for 12%.<sup>3</sup>

Consequently, tackling housing prices without addressing the cost of transportation, or building transit without a plan for location-efficient housing, is not good enough.

Instead of focusing on only one of these challenges or limiting the affordability crisis to a problem of housing supply, we propose taking a broader approach to affordability, whereby we create more affordable and high-quality livelihoods for more Canadians. That is to say, we should examine policy solutions that consider both transportation and housing together.

**The solution to the housing, affordability, and climate crises is to connect our growing population to affordable, efficient homes near high-quality, frequent public transit.**

It is in this context that the Canadian Urban Transit Association (CUTA) has undertaken a study of how Canada can build more transit-oriented affordable housing, and our policy recommendations outline specific actions for all orders of government to take in order to leverage public transit to tackle Canada's housing crisis.

1 [Statistics Canada \(2021a\)](#)

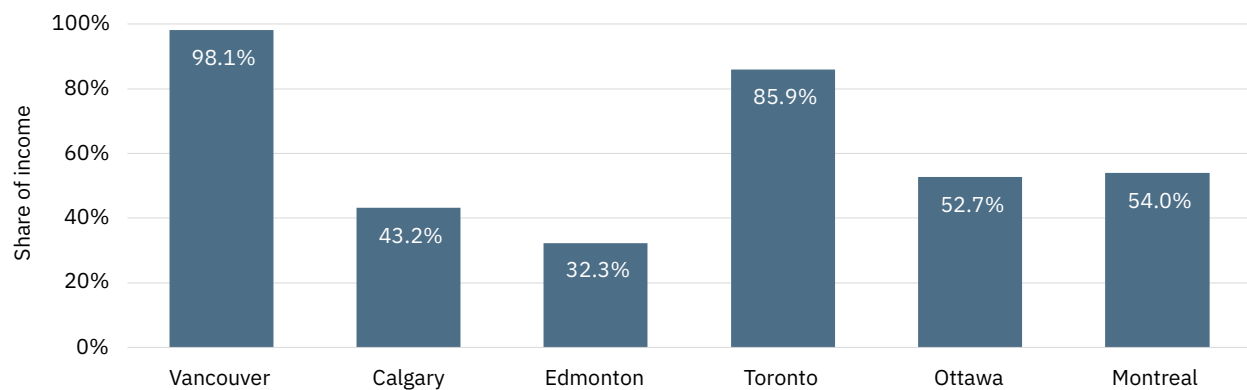
2 [Statistics Canada \(2022a\)](#)

3 [Environment and Climate Change Canada \(2022\)](#)

# Canada's housing crisis: How did we get here?

Housing has always been a crisis issue for Canadians who are unhoused or precariously housed, but in recent years it has impacted middle-class Canadians as housing costs rise much faster than incomes. For instance, in Ontario, between 2011 and 2021 average house prices rose 180% while average incomes only rose 38% during the same time period.<sup>4</sup>

In early 2003, Canadian households earning the median income needed to spend 38.8% of their income to afford to buy a home, but as of 2022, this figure has nearly doubled to 62.8%.<sup>5</sup> Furthermore, this figure varies by region, and among Canada's six largest cities, Vancouver and Toronto have the most unaffordable homes, as shown in Figure 1.1.



**Figure 1.1:** Share of income that a household earning the median income would need to spend to cover the costs of home ownership (fall quarter, 2022) (Source: Royal Bank of Canada, 2023)

Given the high cost of home ownership — in Vancouver, a household earning the median income would need to spend over 98% of their income on housing to afford an average home — many Canadians have turned to the rental market.

However, Canada's rental market is also struggling with affordability challenges. Since 2021, growth in demand for rental units has outstripped growth in the supply of rental units across the country, including in Canada's six largest cities. The result has been an increase in average asking rents and a significant drop in vacancy rates, which has disproportionately impacted people of lower incomes.<sup>6</sup> A lack of affordability in the rental market means that renters are much more likely than homeowners to be spending over 30% of their income on housing, as shown in Figure 1.2.<sup>7</sup> Renters (across all income brackets, but especially low-income renters) are more likely than homeowners to take public transit, which means transit ridership can be impacted by changes in the rental market.<sup>8</sup>

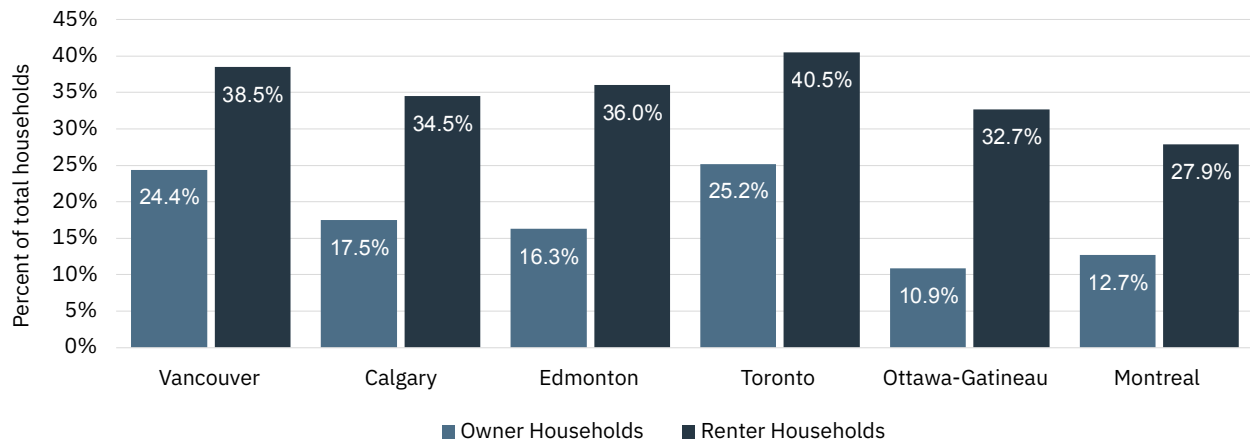
4 [Ontario Housing Affordability Task Force \(2022\)](#)

5 [Royal Bank of Canada \(2023\)](#)

6 [Canada Mortgage and Housing Corporation \(2023a\)](#)

7 [Statistics Canada \(2021b\)](#)

8 [Metro Vancouver \(2015\)](#)



**Figure 1.2:** Percent of households spending 30% or more of income on shelter (Source: Statistics Canada, 2021)

Housing unaffordability poses a serious challenge for transit agencies because if people cannot afford to live near transit, then transit agencies will struggle to attract ridership.

In response to affordability challenges, many Canadians are increasingly choosing to move further and further away from employment centres in search of more affordable housing (a phenomenon known as ‘drive until you qualify’<sup>9</sup>). This also has serious implications for transit agencies because significant population growth is happening in peripheral regions that are more expensive to serve with public transit. In other words, transit agencies face pressure to increase bus service in these outlying regions even as rail transit lines in the urban core have excess capacity.

### THE ISSUE OF SUPPLY

A key factor that is contributing towards housing unaffordability is a lack of supply. In 2022, the Canada Mortgage and Housing Corporation (CMHC) estimated that 6 million new housing units will be required by 2030 in order to restore housing affordability to 2003/2004 levels — however, Canada is on track to produce only 2.5 million units, which is 3.5 million short of what is needed.<sup>10</sup> This supply shortage increases to 4 million units if current levels of immigration continue beyond 2025.<sup>11</sup>

**Although all orders of government may face challenges in delivering this amount of additional housing supply, there are also significant opportunities to utilize transit accessible land to help meet these targets.**

The lack of housing supply is driven by several key factors, ranging from federal housing policies to provincial and municipal planning regulations.

At the federal level, the impacts of housing policies enacted half a century ago are still playing out today. In the 1970s, the federal government decided to wind down tax incentives for purpose-built rental construction, which led developers to stop pursuing rental projects — consequently, rents have risen much more rapidly than incomes as more and more Canadians compete for a limited and aging stock of rental housing.<sup>12</sup>

<sup>9</sup> Winkelman et al. (2019)

<sup>10</sup> Canada Mortgage and Housing Corporation (2022)

<sup>11</sup> Canada Mortgage and Housing Corporation (2023b)

<sup>12</sup> Metro Vancouver (2019)

In 2017, the federal government announced the National Housing Strategy (NHS) and significant funding for various housing programs administered through CMHC. Some of the programs list transit access as a scoring criterion to encourage more housing in transit accessible areas. However, in 2022 the National Housing Council found that housing programs were on track to produce less than 20% of the housing units that the NHS is aiming for, in part because most of the funding consists of loans that need to be repaid.<sup>13</sup> Additionally, as of 2023, Canada is losing more affordable units than what the NHS is producing, so Canada's shortage of affordable housing is only growing.<sup>14</sup>

Other reports, including the *Report of the Ontario Housing Affordability Task Force* and the *Final Report of the Canada-BC Expert Panel on the Future of Housing Supply and Affordability*, have documented that key barriers to supply at the provincial and municipal levels include restrictive land use policies, inefficient planning regulations, and insufficient construction capacity.<sup>15, 16</sup> Both private and nonprofit developers attest that the high cost of land and lengthy approvals processes in large cities are key impediments to constructing new housing. The high cost of land is in part due to restrictive zoning policies; in both Vancouver and Toronto, over 50% of land is zoned only for single-detached houses.<sup>17, 18</sup> In addition to making land more expensive, this kind of low-density residential zoning also has the effect of encouraging car dependency and making it more challenging to run cost effective frequent transit service. While planning regulations are typically seen as a municipal responsibility, it's also important to not overlook the role that provinces play in setting the planning frameworks and legislation in which municipalities operate.

## A WORD ON THE FINANCIALIZATION OF HOUSING

One fundamental challenge is that Canada's housing system is not designed with affordability in mind. Rather, for many Canadians, their home is also an investment – it holds most of their personal wealth and is often leveraged to fund their retirement. In fact, measures to significantly increase housing supply and improve affordability are often opposed by homeowners who want to see their property values continue to increase rather than stabilize.<sup>19</sup>

Similarly, many local governments are financially incentivized to keep supply low so that land values remain high, which allows them to generate greater revenue from new developments.<sup>20</sup> While increasing housing supply will not, by itself, fix deeper structural inequities with the housing system, it remains an important first step towards more sustainable solutions that benefit all Canadians.

## THE CHALLENGES AND OPPORTUNITIES ARE GREATEST IN CANADA'S POPULATION CENTRES

Notably, Canada's most severe housing supply shortages are in major cities. This includes not only Vancouver and Toronto, but also cities such as Calgary, Ottawa, and Halifax. These cities are also the same jurisdictions that receive the most transit funding, which means that insufficient housing in urban areas is a missed opportunity to get more value out of transit investments.

**However, public investment in new rapid transit systems and bus systems creates a significant opportunity to generate additional ridership, fare revenue, and economic activity – so long as additional housing supply allows more Canadians to live near transit.**

13 [National Housing Council \(2022\)](#)

14 [National Housing Council \(2023\)](#)

15 [Ontario Housing Affordability Task Force \(2022\)](#)

16 [Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability \(2021\)](#)

17 [Ontario Housing Affordability Task Force \(2022\)](#)

18 [The Keesmaat Group & Leading Mobility Consulting \(2021\)](#)

19 [The Keesmaat Group & Leading Mobility Consulting \(2021\)](#)

20 [Canada-British Columbia Expert Panel on the Future of Housing Supply and Affordability \(2021\)](#)

At the same time, Canada's population is growing. In 2023, Canada's population reached 40 million residents, with immigration being the main source of this growth.<sup>21</sup> Further, most immigrants are projected to settle in one of Canada's largest cities — Toronto, Montreal, and Vancouver — though many also settle in mid-sized cities.<sup>22</sup> Canada is expected to continue welcoming large numbers of immigrants, and this immigration is critical to Canada's economic growth and prosperity.<sup>23</sup> Both long-time Canadians as well as those who are just starting their journey here in Canada will expect the same opportunities as previous generations when it comes to access to housing, particularly in urban areas with jobs and other opportunities. Supporting infrastructure, including public transit, must also keep pace with population growth.

## HOUSING AND TRANSIT PLANNING: TOGETHER?

Currently, there is a mismatch between planning for housing and planning for transit. In Canada, these two are typically planned separately. The main problem with this approach is that it often results in new housing developments with little to no transit services, and/or new transit projects that do not come with additional residential density needed to increase ridership and maximize the investment in transit.

One reason this mismatch exists is that when transit agencies acquire land to build new stations, they are usually only allowed to acquire the land required for construction and system operations. There is a need for proactive planning for land banking and land assembly, which, if pursued, can result in transit agencies and municipalities having an opportunity to buy land when it is relatively affordable. Land values can increase significantly after new stations open because proximity to high frequency transit is a desirable amenity. Broadening land acquisition capability at the time of station construction would allow for land assembly for future use at more affordable rates.

Another reason why this mismatch exists is that after new transit stations open, municipalities often do not upzone surrounding land for greater residential density, and provinces do not compel them to upzone. Sometimes this is intentional, as municipalities want to negotiate fees, concessions, or amenities from developers who apply to upzone. However, the result is that additional transit-adjacent housing supply is delayed by several years, and the transit agency misses an opportunity to generate additional ridership.

Ultimately, the lack of coordination between transit planning and land use planning can generate significant adverse outcomes, including:

- **Gentrification and displacement near transit stations**

High land acquisition costs near transit stations encourages developers to focus on relatively expensive housing (highest and best use), which results in lower-income people who depend on transit the most being priced out of these areas. Displacement not only pushes people away from transit services that they depend on, but it can also be very disruptive to other aspects of their lives as well. A few municipalities have already begun acknowledging the issue of transit-oriented displacement by enacting policies to protect tenants.

- **Longer commutes and increased transit operating costs**

When lower-income populations are displaced away from transit stations, transit agencies are forced to spend more operational dollars to increase bus service to peripheral regions to shuttle transit-dependent populations to and from major transit stations and rapid transit systems. This means longer commutes for riders, and this arrangement is also very financially inefficient for transit agencies. While the expansion of rural, regional, and long-distance transit has its benefits, more efficient utilization of urban rapid transit can be a way to save time and money for everyone.

- **Lost opportunities to generate additional transit ridership and revenue**

Given ongoing challenges with operating costs, any additional revenue to help pay for operating costs is important, especially in cases of new rapid transit infrastructure that may be more expensive to operate compared to the conventional bus services that they replace. New housing stock needs to be added near new transit stations so that transit agencies do not lose an opportunity to generate additional revenue to pay for those operating costs.

21 [Statistics Canada \(2023\)](#)

22 [Statistics Canada \(2022b\)](#)

23 [Immigration, Refugees and Citizenship Canada \(2022\)](#)

## TRANSIT-ORIENTED DEVELOPMENT: TOGETHER IS BETTER

On the flip side, when housing and transit are planned in parallel, there are many opportunities to generate additional transit ridership, deliver greater housing supply, and make significant progress on policy goals related to affordability, equity, climate mitigation, and more.

Proximity to rapid transit is generally considered a desirable amenity, hence its positive impact on land values.<sup>24</sup> In other words, there is significant demand for housing near transit given the benefits and conveniences that public transit provides. There is also significant research showing how transit-oriented development can lead to more vibrant, walkable neighbourhoods where jobs, retail, and recreation are easily accessible, and where residents enjoy greater health and environmental outcomes.<sup>25, 26</sup>

### What is Transit-Oriented Development?



Transit-oriented development (TOD) refers to “integrated urban places designed to bring people, activities, buildings, and public space together, with easy walking and cycling connection between them and near high quality transit service to the rest of the city.”<sup>27</sup> Typically, these developments will have medium-to-high residential density, a mix of land uses, comfortable public spaces, and access to high-quality transit.<sup>28</sup> Planners often pursue TOD in order to limit urban sprawl, shift people from driving to using more sustainable modes of transport, and/or simply to create high-quality neighbourhoods. Areas that are within 800 metres (or a 10-minute walk) of a rapid transit station and/or high frequency transit corridor can be considered ideal for TOD.

More transit-oriented development has significant potential to reduce transportation costs, increase transit ridership, improve housing supply, and reduce greenhouse gas emissions. At the centre of every TOD is transit, which further illustrates how public transit has the potential to play a very central role in addressing many of the key challenges that Canadians face.

24 [Metro Vancouver \(2019\)](#)

25 [Twaddell \(2009\)](#)

26 [van Lierop et al. \(2017\)](#)

27 [Institute for Transportation & Development Policy \(2017\)](#)

28 [Ewing & Bartholomew \(2013\)](#)

## SOME TOD CONSIDERATIONS

At the same time, transit agencies (and all orders of government) need to consider ways to ensure transit-oriented development can be affordable to all Canadians. Many people move away from transit because any transportation savings from living near rapid transit would be insufficient to cover the higher housing costs that come with these more premium locations.<sup>29</sup> However, providing affordable units within transit-oriented developments could be especially beneficial for low- and moderate-income populations —



including many frontline essential workers, such as bus operators and other transit staff.

Ultimately, planners and policymakers need to realize that public transit does not exist in a vacuum. Rather, transit is part of a wider ecosystem, where it acts as a key connector that brings people from their homes to jobs and other opportunities. Given the central role that transit plays in connecting cities, transit also has significant potential to shape cities for the better, whether through TOD at individual sites or shaping development at a more regional scale.

Transit systems are a valuable public asset, and all orders of government should consider how to fully leverage this asset to deliver on housing supply, as well as other policy outcomes.

29 [Makarewicz et al. \(2020\)](#)

# So what’s the problem? Role clarity, coordination, and predictable funding

The severity of the housing crisis and the many inefficiencies with integrating housing and transit are the result of political and policy challenges that span all three orders of government. To achieve desired housing supply outcomes and maximize public investment in transit, all levels of government need to work together to address political and policy roadblocks at their respective level of government.

**Table 1:** Roles and Relationship Between Each Level of Government in Relation to Public Transit and Housing

FEDERAL	PROVINCIAL	MUNICIPAL
<p>The federal government administers housing funding programs through the Canada Mortgage and Housing Corporation (CMHC). They provide grants and preferential lending to lower levels of government, as well as individual developers.</p> <p>The federal government is typically a large contributor to the capital costs of new transit infrastructure through programs such as the Investing in Canada Infrastructure Program (ICIP) and the upcoming Permanent Transit Fund (PTF).</p> <p>The federal government wants to demonstrate efficient spending, particularly in maximizing investment outcomes in both transit infrastructure and housing.</p> <p>The federal government also wields significant influence over housing through tax policies.</p>	<p>Provinces have the authority to create and regulate local governments, including establishing the planning frameworks and legislation within which municipalities carry out land use planning. Similarly, provinces also create and regulate regional transit authorities that cross municipal boundaries.</p> <p>Provinces are also a large contributor to the capital costs of new transit infrastructure. Bilateral funding agreements with the federal government often tie provincial governments to both transit and housing.</p>	<p>Municipalities are responsible for land use planning, including zoning and development approvals. Municipalities are also often responsible for providing and funding day to day transit operations.</p> <p>Despite being on the frontlines of providing housing and transit, municipalities have the least financial resources and revenue tools out of all three levels of government, and rely heavily on property taxes, development charges, levies, and user fees (e.g., transit fares).</p> <p>In this context, it is worth noting municipalities determine rates for development cost charges.</p> <p>At the same time, municipalities require funding certainty to properly plan and budget for transit capital investments.</p>



While there are a variety of political and policy challenges, this section will touch on two key issues: the need for government leadership on housing and transit funding that is not always predictable.

Firstly, Canada has a severe shortage of housing partly because no level of government is formally responsible for taking leadership on this file. Instead, responsibilities are split: the federal government regulates mortgages and financial institutions, provincial governments set regulations on various matters from building codes to rental protections, and municipal governments govern land use and development.

Since no level of government is obligated to take a leadership role on ensuring sufficient housing supply, many Canadians have not been able to find housing that meets their needs and budget. For instance, when the federal government decided to fully stop funding new social housing in 1993,<sup>30</sup> some provinces took greater responsibility in this sector, while others did not. The result was a significant increase in homelessness, which forced provinces and municipalities to increase health and emergency services expenditures.<sup>31</sup>

A similar issue exists with transit. Municipalities are tasked with providing it, but only the provincial and federal governments have sufficient revenue tools to pay for it (there are a few examples of provincially-created transit authorities that operate across municipal boundaries, such as TransLink in Metro Vancouver or Metrolinx in the Greater Toronto and Hamilton Area, but similar to municipalities, their powers are derived from provincial legislation). Canada's low residential density relative to some other countries means that transit agencies require sizable public subsidies to top up their fare revenue for day to day operations – yet agencies often do not have stable funding and support from higher orders of government.<sup>32</sup> All G7 countries except Canada have dedicated and predictable funding for transit; in Canada, transit projects are instead often politicized, with funding allocated on a case-by-case basis.<sup>33</sup>

The federal government's proposed Permanent Transit Fund is well-positioned to address this problem. If the fund is designed properly, it could provide certainty and stability to transit agencies that are planning and budgeting for long-term transit projects. Furthermore, if housing supply conditions are integrated into the Permanent Transit Fund, it could push provinces and municipalities to take greater action on housing.

30 [Maclennan et al. \(2019, p. 27\)](#)

31 [Canadian Observatory on Homelessness \(2016\)](#)

32 [Henstra & Towns \(2018\)](#)

33 [Hjartarson et al. \(2011\)](#)

# The New Permanent Transit Fund

In 2022, the federal government announced a \$750 million fund for transit operating costs to help municipalities still struggling to recover from the Covid-19 pandemic as a continuation of the Safe Restart Agreement. However, this funding came with the condition that provincial and territorial governments had to build more housing.<sup>34</sup> This policy signaled the federal government's intention to tie transit funding to housing outcomes, and it also acted as a first step towards a significant policy shift where other federal sources of transit funding, such as the upcoming Permanent Transit Fund, may also be tied much more closely to housing outcomes. This is a proposition that could have significant implications for both housing and public transit across Canada.

## What is the Permanent Transit Fund?



In 2021, the federal government announced the Permanent Transit Fund, which commits \$3 billion of transit capital funding per year starting in 2026-2027.<sup>35</sup> It replaces the current Investing in Canada Infrastructure Program (ICIP) as the primary federal program to fund transit capital projects.

The federal government is at a critical juncture. Tying the Permanent Transit Fund or other federal transit funding programs to housing outcomes has significant potential to address many of Canada's pressing problems with housing, affordability, and climate change.

If implemented, this policy could stimulate housing supply near high quality transit services across the country while also delivering much-needed funds for major transit investments and long-term ridership growth. Provinces and municipalities could be incentivized to significantly increase housing stock, and in exchange the federal government could maximize transit investments to achieve a multitude of policy outcomes beyond transit.

<sup>34</sup> Department of Finance Canada (2022, p. 38)

<sup>35</sup> Infrastructure Canada (2021)

# Affordability, housing, and climate crises: The solution in all cases is better public transit

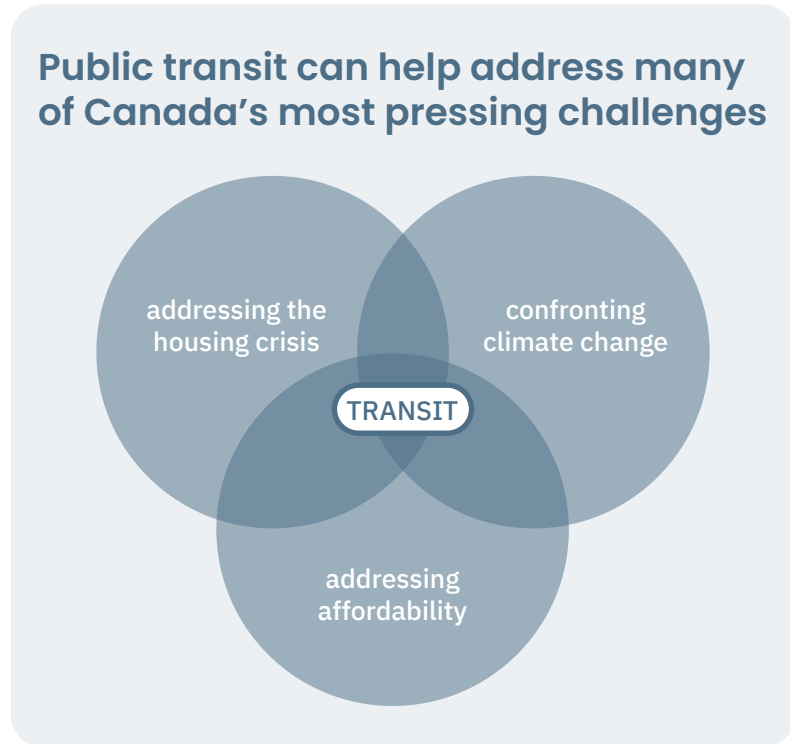
The federal government wants to increase housing supply and maximize desired outcomes associated with public spending; provinces and municipalities hope to secure greater funding for both housing and transit. There is an opportunity to achieve all of these goals through public transit.

For many Canadians, this is an opportunity for help with their two largest expenditures – housing and transportation. There is an opportunity to help unhoused, underhoused, and housing insecure Canadians

get the homes that they need, and an opportunity to ensure that new and existing housing is properly serviced with affordable, high-quality transit that delivers economic, environmental, and equity benefits.

## **PUBLIC TRANSIT CAN BE PART OF THE SOLUTION FOR MULTIPLE CHALLENGES FACING CANADA.**

Transit is an affordable transportation option that will help reduce the cost of living for Canadian households that are financially struggling. It is also a sustainable transportation option that is key to reducing Canada’s greenhouse gas emissions. Finally, this report outlines how public transit can act as a catalyst to spur housing development and address Canada’s housing crisis.







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2.0

**PROCESS**

## 2.0 Process

The policy recommendations presented in this paper are rooted in four working principles:

- **Build ridership** to offset operating costs, maximize capital investment and support greenhouse gas reductions.
- Apply a **location-efficiency** lens to planning for housing and transit.
- **Timely and unique** considerations.
- Informed by a **national multi-sectoral engagement** process.

With these principles in mind, the project team drafted a set of recommendations that were rooted in our experience as political leaders and policy experts in land use planning, housing, and public transit.

To test and refine the proposals, we hosted seven in-person engagements across the country in Victoria, Vancouver, Calgary, Edmonton, Toronto, Ottawa and Montreal (and several more online with representatives in Saskatchewan and Nova Scotia) to collect perspectives from government, industry and stakeholders. The engagement participant organization list is provided below. An advisory committee of representatives from municipal planning departments, transit agencies, development community and academia was also formed to gather feedback and insights on the policy proposals throughout the project. The policy recommendations were also reviewed with staff from both Infrastructure Canada and the Canada Mortgage and Housing Corporation.

### MUNICIPALITIES & TRANSIT AGENCIES

Autorité régionale de transport métropolitain*	City of Toronto*	Region of Durham
City of Airdrie*	City of Vancouver	Réseau de transport de Longueuil
City of Brampton	City of Winnipeg*	Société de transport de Laval
City of Burnaby	Communauté métropolitaine de Montréal*	Société de transport de Montréal*
City of Calgary*	County of Annapolis	Strathcona County
City of Edmonton*	County of Kings	Toronto Transit Commission*
City of Hamilton	District of North Vancouver	Town of Wolfville
City of Langley	EXO	Town of Yarmouth
City of Ottawa*	Halifax Regional Municipality*	TransLink*
City of Regina*	Lunenburg County Wheels	Ville de Laval
City of Saskatoon*	Metrolinx*	Ville de Montréal*
City of St. Albert*	Metro Vancouver*	
City of Surrey*	Niagara Region Transit*	

## FEDERAL GOVERNMENT

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Canada Lands Corporation  
Canada Mortgage and Housing Corporation  
Infrastructure Canada  
National Capital Commission

## PROVINCIAL GOVERNMENTS

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British Columbia Ministry of Municipal Affairs	Ontario Ministry of Transportation
British Columbia Ministry of Transportation and Infrastructure*	Infrastructure Ontario
Province of Nova Scotia	Province of Saskatchewan
	Saskatchewan Housing Corporation

## DEVELOPERS

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Bild Calgary	Manulife	Strand
Bosa Properties	Metis Housing of Alberta	Triovest
Calgary Housing Company*	Mustard Seed	UDI Edmonton
Clayton Developments	PCI Developments	UDI Pacific Region*
CreateTO	Polygon	Wesgroup
Horizon Housing	QuadReal	
Inwell	RioCan	

## STAKEHOLDERS

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Association Du Transport Urbain Du Québec	Civicaction	Grow Together YEG
Attivo Designs*	Civicworks	Halifax Chamber of Commerce
B&A Studios	Civida	Idea Edmonton
Better Bus Youth Regina	David Suzuki Foundation	Naiop
Bus Riders of Saskatoon	Ecology Action Centre	Nova Scotia Health Authority
Calgary Metropolitan Region Board	Environmental Defence	Quantum Place
Canadian Bankers Association	Federation of Canadian Municipalities*	Regina Energy Transition
Community Transportation Network	Fraser Health Authority	Toronto Region Board of Trade
	Greater Vancouver Board of Trade	Trinity Place Foundation of Alberta
		Trajectoire Québec

## POST-SECONDARY INSTITUTIONS

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Dalhousie University	University of Alberta*	University of Saskatchewan
Toronto Metropolitan University	University of British Columbia	

\*Denotes organizations that participated in the project's Advisory Board.

The final set of policy recommendations presented in this paper reflect the culmination of feedback from all the engagement sessions and comments received from the project's Advisory Board.

While many of the participants recognized that not all the policy recommendations applied evenly to all regions of the country, there was support across our broad stakeholder group for this suite of recommendations.







3.0

**POLICY  
RECOMMENDATIONS**

## 3.0 Policy Recommendations



In this section, we provide policy recommendations to transit agencies, all three orders of government, and other partners regarding the integration of housing and public transit.

Canada faces significant challenges with the ongoing housing crisis, concerns about affordability, and climate change. However, better integration of transit and housing is an opportunity to address these challenges by increasing housing supply, reducing housing and transportation costs for Canadian households, and promoting more sustainable modes of transport. These recommendations are designed to ensure that cities across Canada can achieve these outcomes.

Recommendations are grouped under five themes:

1. Activate land
2. Evolve the mandate of transit authorities
3. Ensure inclusivity
4. Streamline approval processes
5. Maximize investments

Each of the five themes has two to four recommendations, for a total of 17 recommendations in this report.



## Theme 1: Activate land

Planning for housing and public transit together has benefits for both: people get access to reliable and affordable transportation while transit systems have access to a larger customer base. However, a lack of incentives for co-location and inefficient land use (misalignment between where transit is located and where housing is being built) in many cities means that many Canadians struggle to access fast and affordable transportation, while at the same time, many transit agencies experience limited ridership and revenue growth.

### What We Heard

#### CURRENT CHALLENGES

1. **Land is typically one of the most expensive components of major transit projects.** Areas that are targeted for transit investment often have high land values because these are areas with high residential density and/or commercial activity — yet the cost of land often acts as a barrier to constructing transit where it is needed the most.
2. **Speculation can drive up the cost of land near transit.** When new rapid transit projects are announced, sometimes land speculation occurs because of an expected increase in land value that will come with closer proximity to rapid transit stations. This makes it even more costly to build transit, housing, and supporting infrastructure. Furthermore, some landowners do not quickly develop the land that they buy, which means transit agencies lose potential riders that would have used the new transit infrastructure had there been more housing available nearby.
3. **New construction continues to happen in greenfield areas with limited transit service.** Even though at times land adjacent to existing transit infrastructure is underutilized or even empty, new housing continues to be developed in areas not located near transit. This encourages greater car dependency and hinders transit agencies' efforts to increase ridership. It is also difficult and less efficient for transit agencies to continue expanding service to low-density, outlying communities.
4. **There is a lack of proactively planned and zoned density to support housing development around transit stations.** When areas around transit stations are not zoned for higher density housing development, that limits the potential amount of housing supply and encourages more greenfield development.

## CURRENT OPPORTUNITIES

5. **Underutilized land could enable more housing near rapid transit.** In many places, the main problem is not a shortage of land, but rather, land that is underutilized. There are many readily available opportunities for greater density and infill development near transit stations that can be utilized to deliver more transit-oriented housing.
6. **Land near transit is particularly well-suited for more housing.** These areas already have reliable transportation options and other supporting infrastructure, such as roads and sewers. There are many opportunities to leverage existing supporting infrastructure and maximize existing transit investments.
7. **Developers are eager to build more homes in transit-accessible areas.** Many developers are interested in being part of the solution by building more homes near transit. Governments should find ways to work with private sector developers and other housing providers and incentivize them to deliver greater housing supply in TOD areas.

## Recommendations

### ▶ 1A. PROVINCIAL GOVERNMENTS SHOULD MAKE IT EASIER TO ACQUIRE TOD LANDS.

Provincial governments should **change planning and/or expropriation legislation** to allow municipalities and/or relevant entities such as transit authorities to **assemble parcels of land for TOD early in their planning process within designated TOD areas** – before the project is made public and land speculation drives up the cost.

More specifically, provincial governments should follow the lead of the Government of British Columbia and allow transit authorities to purchase land around transit stations for housing or community amenities (rather than only being allowed to purchase land for transportation projects).

#### Example

In 2022, the B.C. government amended the B.C. Transportation Act to allow the B.C. Transportation Financing Authority to purchase land around transit stations to build housing or community amenities. Previously, they were only allowed to purchase land for transportation projects.<sup>36</sup>

#### Example

In Quebec, the provincial government is currently considering legislation to reform expropriation laws to allow municipalities to acquire land more efficiently and at lower cost, including for transit projects.<sup>37</sup>

<sup>36</sup> [Government of British Columbia \(2023\)](#)

<sup>37</sup> [Assemblée nationale du Québec \(2023\)](#)

### Rationale and Potential Outcomes

Currently, public announcements of new transit projects at times encourages development speculation, where investors buy property around future transit stations. This drives up the cost of land in these areas, and by the time these transit projects become operational, housing costs will often have increased significantly.

This poses a financial barrier to people who are struggling to afford housing. It also encourages developers to build expensive, market-rate housing near transit (in order to recoup the money spent on acquiring land), and non-profit developers who would ordinarily provide more affordable options have limited ability to compete for land with market developers.

Transit authorities need the power to acquire land beyond what is needed for construction and system operations. This would allow proactive work to assemble parcels of land near future stations for TOD at much more affordable rates.

### ▶ **1B. PROVINCES AND MUNICIPALITIES SHOULD PREVENT SPECULATION IN TOD AREAS BY MAKING IT EASIER TO PURCHASE UNDEVELOPED LAND IN TOD AREAS.**

Provinces should grant municipalities additional tools to acquire undeveloped land in TOD areas (within 800 metres of transit stations and higher order transit corridors). Specifically, municipalities should be given the power to **exercise an option to purchase land that remains undeveloped for a certain period of time.**

The conditions under which this option to purchase can be exercised by the municipality should be clearly spelled out to provide clarity and certainty to landowners and developers.

Municipalities should use this tool to **minimize speculation of TOD land**, and where applicable, re-sell land to developers with proven track records at completing TOD developments.

### Example

In British Columbia, the City of Coquitlam reserves the right (registered on the land title) to, at any time, buy back land that it had sold to developers at 90% of the original purchase price in the event that the developer does not receive a building permit within 24 months of the City registering their option to purchase, or does not start construction within 60 days of receiving a building permit. The intent of this tool is to incentivize active development and discourage speculation.

### Rationale and Potential Outcomes

Land speculation in TOD areas is a serious challenge that needs to be addressed for two key reasons. First, speculation drives up the cost of land, which in turn drives up the cost of transit projects (i.e., acquiring land for transit stations, bus exchanges, layovers, etc.) and housing developments. Secondly, when speculators hold onto empty land instead of building housing, then nearby transit stations will have fewer riders and transit agencies end up with a missed opportunity to generate more fare revenue.

A tool that gives municipalities the power to encourage active development and discourage speculation can help prevent land costs from being overly inflated through speculation, and thus lower land acquisition costs for both transit projects and housing developments. This tool could also empower municipalities to target specific areas for faster development — for instance, within defined TOD areas.

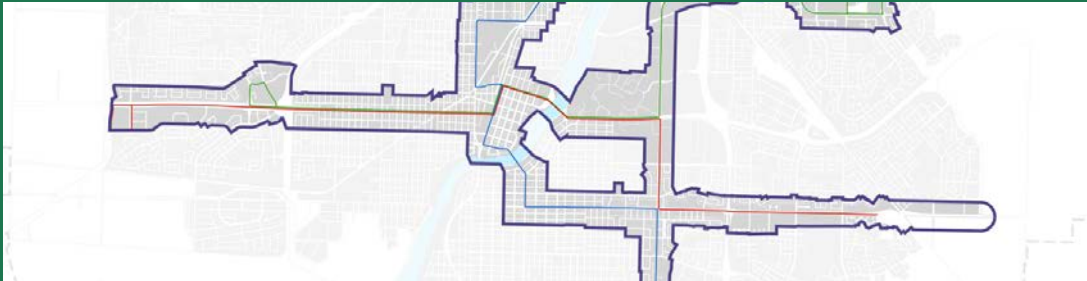
Without this tool, municipalities face the prospect of acquiring land at market value, which can often be significantly more costly as speculators buy and hold land near proposed new transit stations with the intent of extracting higher profits when they eventually sell.

### IC. PRIORITIZE MORE HOUSING AND SUPPORTIVE INFRASTRUCTURE (TO FACILITATE DENSIFICATION OF BUILT-UP AREAS) ON HIGHER ORDER TRANSIT CORRIDORS AND NEAR TRANSIT STATIONS.

Municipalities, regional governments/planning authorities as well as provincial and federal governments should prioritize **increasing housing supply and supportive infrastructure in transit-accessible areas** (supportive infrastructure to facilitate densification may include roads, sewers, schools, parks, etc.) over greenfield expansion.

Municipalities (or regions/provincial governments, as needed) should **set a buffer of 800 metres along higher order transit corridors and/or around key transit stations** to identify target areas for more housing and supportive infrastructure. Municipalities should also consider prioritizing and streamlining the processing of development applications in these identified TOD areas.

#### Example



In 2020, the City of Saskatoon set a target of having 50% of new housing be infill development, which includes putting 15% of all new housing within a designated Corridor Growth Area that is delineated along the city’s planned Bus Rapid Transit network. There are also designated “Transit Villages” at key BRT stops; these sites are target areas for higher densities and greater mixed use than would be possible elsewhere in the Corridor Growth Area.<sup>38</sup>

#### Rationale and Potential Outcomes

Greenfield development has adverse environmental impacts, such as reduced agricultural land and reduced resiliency against extreme weather events, as well as the financial cost of building new roads, utilities, and other supporting infrastructure. At the same time, land around existing transit stations is often underutilized; one metric that shows this is relatively low ridership on rail transit lines that have been built to accommodate higher capacities.

Rather than building new housing at the periphery of urban areas with limited transit service (this would encourage car dependency, which is less affordable for Canadians and contributes significantly more to greenhouse gas emissions), municipalities and regions should prioritize intensifying land use around existing transit stations when applicable.

<sup>38</sup> [City of Saskatoon \(2020\)](#)



## Theme 2: Evolve the mandate of transit authorities to include increasing the supply and affordability of housing

Canada's housing crisis is undermining the strategic priorities of many transit agencies, simply because people increasingly cannot afford to live near high frequency transit. Transit authorities have historically been reluctant to play a large role in aspects of city planning outside of the provision of public transit services, and/or have not always had the tools to do so. Transit agencies that start playing a larger role in deciding what is developed near transit stations will be much better positioned to ensure the longer-term success of their transit system through higher ridership.

### What We Heard

#### CURRENT CHALLENGES

1. **Transit agencies play a limited role in planning for the housing and supportive infrastructure that will increase ridership.** When people who rely on transit cannot live near transit, that means fewer fare-paying riders. Similarly, when people move away from city centres in search of cheaper housing, transit agencies must spend more on bus service in peripheral regions to bring those people to job centres. In other words, housing affordability has direct financial repercussions for transit agencies, yet transit agencies currently play a limited role in addressing this issue.
2. **Transit systems need to build and maintain ridership to justify their operations.** Transit operations in Canada are heavily subsidized, primarily through municipal property taxes. However, ever since the Covid-19 pandemic, subsidizing these systems has become even more difficult for municipalities and transit authorities. Currently, there are no long term provincial or federal programs to support transit operations and transit authorities (or municipalities) must fund the systems on their own. Transit operations remain one of the greatest expenses of most major Canadian cities.
3. **Transit agencies encounter barriers to utilizing space above transit stations.** When new transit stations are built, the airspace above the stations is often not developed. This is a missed opportunity to help recoup the cost of acquiring that land, as well as a missed opportunity to create housing on public land.



## CURRENT OPPORTUNITIES

1. **More transit-adjacent housing can generate long-term ridership.** When more people live near transit, then transit agencies will have more potential customers to attract. Developing more transit-adjacent housing can be a good opportunity to generate long-term ridership for transit agencies.
2. **Transit agencies own a lot of underdeveloped land.** Many large transit agencies own a significant amount of underdeveloped land, ranging from park-and-ride lots to the airspace above transit stations. These are excellent opportunities to develop housing, especially since there are no land acquisition costs.
3. **Land development and leasing can provide an additional revenue stream.** There is potential revenue that transit agencies can generate through land development and leasing. This additional revenue could be beneficial for agencies that are looking for ways to offset transit capital costs and pay for operating expenses.
4. **Transit expertise is highly relevant to discussions around affordability and housing.** Despite the significant impact that transit projects have on urban development, transit agencies typically have limited input on housing decisions. There is an untapped opportunity for transit authorities to better illustrate how public transit can play a bigger role in shaping our cities to be more sustainable, affordable, and liveable.

## Recommendations

### ▶ 2A. HAVE TRANSIT AGENCIES TAKE A PROACTIVE APPROACH TO DEVELOPING HOUSING AT KEY TRANSIT SITES SUCH AS TRANSIT STATIONS AND PARK AND RIDE LOTS.

Transit authorities should **broaden their mandates** by seeking opportunities (or partnering on opportunities) to develop housing at existing transit stations and park-and-ride lots. Where applicable, the province or municipality should make the decision to broaden the mandates of transit agencies within their jurisdiction.

Transit agencies should **develop a real estate strategy in partnership with the local municipality and/or regional authority** for all transit-owned sites to explore and understand opportunities for development, including the possibility of building housing through partnering with developers. Alternatively, this function could be provided by the municipality on behalf of the transit agency, or by private developers and housing providers through partnership agreements.

## Example

In September 2023, the Government of Ontario signalled to municipalities that they should lean into opportunities to plan transit and housing together by allowing municipalities to fund the design and construction of GO stations and recover the costs of this expense by levying a Station Contribution Fee on development around the station. Municipalities will require Provincial approval to levy the Fee, and the Province will use this application to push municipalities to reduce costs to developers such as reduced development charges or reduced parking requirements.<sup>39</sup>

## Example

Since 2020, Infrastructure Ontario has led Ontario's Transit-Oriented Communities Program, whose stated goals include offsetting the cost of transit capital projects by building more housing and community amenities near future subway stations. Some of the projects so far include mixed-use developments at the future Corktown and Queen-Spadina Stations on the new Ontario Line.<sup>41</sup>

## Example



In 2022, TransLink (Metro Vancouver's regional transportation authority) launched its new Real Estate Development Program, whose stated goals include generating additional revenue to fund new transit projects and building more housing near transit. One of the program's first developments is a 30-storey mixed-use development at the site of the future Arbutus Street Millennium Line Station.<sup>40</sup>

### Rationale and Potential Outcomes

The amount and availability of housing near a transit station has a direct impact on the ridership and revenue at that station. Transit agencies that take a proactive approach to ensuring that this housing is built will be better positioned to ensure higher ridership and revenue in the long term. A real estate strategy would also be an opportunity for transit agencies to generate additional revenue.

More fundamentally, this recommendation is about broadening the mandates of transit agencies. Instead of transit agencies focusing solely on building and operating transit systems, transit agencies should look towards how transit itself can help shape the city that it serves.

<sup>39</sup> [Government of Ontario \(2023\)](#)

<sup>40</sup> [TransLink \(2023\)](#)

<sup>41</sup> [Ontario Ministry of Infrastructure \(2022\)](#)

## 2B. TRANSITION TRANSIT OPERATORS OUT OF THE PARKING LOT BUSINESS.

Transit agencies should move away from being providers of parking. For any currently operational parking lots, parking should be considered a temporary use.

Instead, municipalities should encourage TOD by **upzoning all parking lots for TOD** and **eliminating parking minimums** in TOD-designated areas (e.g., up to 800 metres from a transit station or high frequency bus corridor). Parking should only be provided if it is a park-and-ride lot at the end of a transit line or at a station with regional transit significance, and a park and ride fee to manage demand should be charged.

### Example

Land use around the Oakville GO Station in Oakville, Ontario is currently dominated by parking lots. However, the Town of Oakville and Metrolinx have plans to transform this car-oriented area into a dense, mixed-use community. There will be a significant increase in housing supply, and where possible parking will be moved to indoor or underground structures to free up more transit-accessible land for development.<sup>42</sup>

### Rationale and Potential Outcomes

The main purpose of transit agencies is to provide public transit services, not to provide parking. Nevertheless, many transit agencies in Canada dedicate significant resources towards parking — for example, GO Transit (the regional transit operator in the Greater Toronto and Hamilton Area) is the largest provider of free parking in North America, with 73,000 parking stalls at GO transit stations.<sup>43</sup> As a result of this approach, transit authorities are, in fact, subsidizing the use of personal vehicles driven to transit, while simultaneously limiting the amount of land available for housing in areas with high quality frequent transit. The provision of park and ride lots is also typically connected to the surrounding low-density land uses in the station catchment area and lower frequency feeder bus service. Transit authorities and/or municipalities must not build transit systems that necessitate or prioritize the use of a personal vehicle to access transit.

While park-and-rides can play a useful role in encouraging car users to take transit by intercepting car trips, especially at the end of a transit line, we need to be more creative and look beyond parking lots to attract people. For instance, the large amount of land currently dedicated to parking lots represents a significant opportunity to develop TOD on public land. This is a chance to increase housing supply while also ensuring a more reliable customer base for transit agencies.

<sup>42</sup> [Town of Oakville \(2023\)](#)

<sup>43</sup> [Metrolinx \(2022\)](#)

## 2C. ENCOURAGE OVERBUILD AT TRANSIT STATIONS.

In addition to building housing around transit stations, transit agencies should also consider building housing on top of transit stations.

Municipalities and transit authorities should **plan for housing on all transit system land, including directly above transit stations** such as rapid transit stops and bus loops. This can be performed by building housing above transit stations or by selling or transferring the development rights to the airspace to a developer or other housing provider.

Federal and provincial governments should **require consideration for this opportunity for housing with new transit projects and explore opportunities at existing stations, especially ones with an upcoming state of good repair renewal projects.**

### Example

There are many existing examples of overbuild. For instance, a private developer has built market housing in the airspace above King Edward Station on the Canada Line in Vancouver.<sup>44</sup> In Montreal, the municipal housing agency has built subsidized housing for seniors directly above the existing bus loop of Rosemont Station on Line 2-Orange.<sup>45</sup>

### Example

PCI Developments is currently constructing a 39-storey mixed development consisting of retail, office, grocery and secured rental residential homes integrated into the new South Granville Station on Vancouver's Broadway Subway project.<sup>46</sup>

### Example

Infrastructure Ontario has envisioned overbuild at several of the new subway stations being constructed for the Ontario Line in Toronto. Proposed developments include two 26-storey mixed-use towers directly on top of King-Bathurst Station<sup>47</sup> and two mixed-use towers (one 15 storeys, the other 17) directly on top of Queen-Spadina Station.<sup>48</sup> In both of these examples, the ground floor heritage building is preserved while housing is built on top and the subway station is built underneath, thus maximizing use of vertical space to deliver both transit and housing.

44 [W. T. Leung Architects \(2017\)](#)

45 [Office municipal d'habitation de Montréal \(2022\)](#)

46 [PCI Developments \(2022\)](#)

47 [Infrastructure Ontario \(2021a\)](#)

48 [Infrastructure Ontario \(2021b\)](#)

### Rationale and Potential Outcomes

Land is often acquired at considerable cost for new transit infrastructure, yet the airspace above is typically underutilized. Building housing above transit stations is a unique opportunity to provide non-market or non-profit housing, because there are no land acquisition costs. Alternatively, developing market housing above transit stations can also be a way for transit authorities to recoup costs on new transit investments. Either way, utilizing the airspace above transit stations is much more financially prudent than simply buying it and leaving it empty.

One challenge is that overbuild can be complex. For instance, it may require planning during project design to ensure that the building foundation can support both the station and the housing above, which will need to be provided by a third-party developer. There is also the challenge of managing risk between the transit agency, the entity responsible for constructing the transit project, and the developer or housing provider that is constructing the housing simultaneously. Finally, where applicable, provincial or municipal governments need to give transit authorities authority to take a lead on overbuild initiatives.

### 2D. PROMOTE THE DEVELOPMENT OF A “HOUSING AND TRANSPORTATION AFFORDABILITY INDEX,” MIRRORING THE INDEX IN THE U.S.

The Canadian Urban Transit Association, in partnership with Infrastructure Canada, could directly or indirectly support the **development and implementation of a “Housing and Transportation Affordability Index,”** thus reinforcing CUTA members’ interest in creating solutions that address the affordability crisis in Canada, as well as contributing transit expertise to the national discussion on housing in an ongoing way.

#### Example

The Center for Neighborhood Technology, a US-based non-profit, publishes the Housing and Transportation Affordability Index. This index maps affordability based on both housing costs as well as transportation costs to provide a more comprehensive understanding of affordability, compared to only looking at housing costs.<sup>49</sup>

### Rationale and Potential Outcomes

CUTA, specifically, has an opportunity to take on a leadership role with this index, which would emphasize to other stakeholders and to all orders of government that housing and transportation are closely connected. Such an index could show how cheaper housing does not necessarily mean greater affordability if such housing is located far from job centres and thus carries greater transportation costs.

The availability of reliable and consistent data that tracks both housing and transportation affordability, in a consistent way, could support an increasingly productive public dialogue about the solutions to Canada’s affordability challenges

49 [Center for Neighborhood Technology \(2022\)](#)



## Theme 3: Ensure inclusivity

Building significantly more housing is essential to addressing Canada's housing affordability crisis, but supply alone cannot help those who face the highest financial barriers and have the greatest housing needs. This includes renters, low-income households, and marginalized populations — many of whom are often also the same groups that rely on public transit the most.

### What We Heard

#### CURRENT CHALLENGES

1. **People cannot afford to live near transit.** The availability of high-quality frequent transit often puts upward pressure on rents and home prices of nearby properties. This often has the adverse effect of displacing or excluding the people who depend on transit the most.
2. **Vulnerable populations are suffering the most.** Housing unaffordability disproportionately impacts marginalized populations such as refugees, Indigenous people, people with disabilities, and other vulnerable groups. Across Canada, affordable housing is in such short supply that many people experiencing homelessness have even turned towards transit stations to find a warm place to shelter and sleep. This is unsustainable and points to an urgent need for more deeply affordable non-market housing units.
3. **Renters are often displaced during upzoning and redevelopment.** Policies and incentives that encourage developers to create more housing supply can often have the adverse effect of displacing renters when older, more affordable buildings are torn down to make way for newer, denser developments. Similar displacement can also occur when new transit infrastructure is built.
4. **Rising rents push away existing businesses.** This is especially true for small businesses, including many ethnic businesses and those that serve lower-income populations. Inclusivity is important for not only marginalized populations, but also the businesses that serve them.

## CURRENT OPPORTUNITIES

1. **Immigrants and newcomers are potential new transit customers.** As Canada's population grows, so does the pool of potential transit customers. Transit agencies have a unique opportunity to encourage transit usage among newcomers, especially before they have a chance to consider car ownership or become car dependent.
2. **Transit provides an affordable and practical transportation option for newcomers.** New Canadians benefit from high quality accessible transit because car ownership may not be attainable, especially as they get settled. Public transit is a safe and reliable option for new Canadians to get around and learn about their new home.
3. **People with lower incomes tend to be reliable transit riders.** Although some people may switch from driving to transit to save money, there are also many people for whom there is no choice but to take transit.
4. **Transit has a unique opportunity to help build cities that are more inclusive and equitable.** As nonprofit and government housing providers work towards housing solutions for those with the greatest housing need, transit has an opportunity to show how it can also be part of the solution in creating more inclusive and equitable cities.

## Recommendations

### 3A. ENSURE NEW HOUSING SUPPLY NEAR TRANSIT SERVES ALL CANADIANS.

In September 2023, the federal government removed GST on purpose-built rental construction to incentivize developers to build more rentals.<sup>50</sup> Provincial governments should follow the federal government's lead and **remove provincial sales taxes on purpose-built rental construction**. Furthermore, the federal and provincial governments should also encourage affordability with a **GST/HST tax rebate for non-market housing units within designated TOD areas**.

The federal and provincial governments should also refine existing CMHC and provincial housing programs that provide grants and preferential lending to **prioritize purpose-built rental and non-market housing projects in TOD areas**, including on transit owned lands. These housing programs should also be aligned with transit funding.

### Example

From 1997 to 2023, the AccèsLogis Québec program has been the main source of funding for non-profit housing providers in Quebec, and the program has created over 30,000 social and affordable housing units across the province. AccèsLogis is part of a larger suite of programs that have helped ensure housing in Quebec is more affordable than many other parts of Canada, and it is an example of what is possible when higher levels of government are willing to invest in housing.<sup>51</sup>

<sup>50</sup> Department of Finance Canada (2023)

<sup>51</sup> Pomeroy et al. (2019)

### Rationale and Potential Outcomes

Land suitable for TOD is expensive due to the proximity to high-quality transit, which is a desirable amenity. For instance, in Metro Vancouver there is a price premium of around 5% for residential space with good access to transit (for commercial space, this figure is 10%).<sup>52</sup> This increases the cost of development in TOD areas, and additional costs incurred by developers flows through to the purchasers of the units.

Developers need to be financially incentivized to provide more affordable housing in TOD areas, and in particular, purpose-built rental housing. A GST/HST tax rebate for purpose-built rental would mirror similar tax policies that had encouraged rental construction prior to the 1970s.

In addition to incentivizing market developers, the federal and provincial governments should also help non-profit housing providers by refining existing programs to encourage non-profit housing specifically in TOD areas. This would ensure that low-income and vulnerable households that rely the most on non-profit housing can also retain access to affordable transportation options, and by extension, jobs and other opportunities.

### 3B. SAFEGUARD AGAINST 'TRANSIT-ORIENTED DISPLACEMENT'

Municipalities should prevent renters and businesses that depend on transit from being pushed out of neighbourhoods during upzoning and redevelopment by **mandating the provision of replacement units** and implementing **tenant relocation requirements** during redevelopment. Provincial governments could support municipalities by giving them additional tools to help ensure that redevelopments remain accessible to renters, such as through rental only zoning.

Additionally, municipalities should apply an equity lens to their redevelopment processes to ensure vulnerable Canadians are not disproportionately negatively affected.

#### Example



In 2018, the Government of British Columbia allowed municipalities to implement rental-only zoning.<sup>53</sup> Some municipalities, including Burnaby and New Westminster, have subsequently zoned parts of their residential areas exclusively for rentals. In Burnaby, developers are required to replace rental units on a 1 to 1 basis or ensure that 20% of units are below-market rentals, and in exchange Burnaby offers density offsets to developers.<sup>54</sup> Additionally, Burnaby also requires that developers offer tenants being displaced by development assistance finding interim accommodation, moving expenses, rent top-ups, and the right to return to a newly constructed unit at the same rent.<sup>55</sup>

<sup>52</sup> [The Keesmaat Group & Leading Mobility Consulting \(2021\)](#)

<sup>53</sup> [British Columbia Ministry of Municipal Affairs and Housing \(2018\)](#)

<sup>54</sup> [City of Burnaby \(n.d.\)](#)

<sup>55</sup> [City of Burnaby \(2022\)](#)



### **Rationale and Potential Outcomes**

This recommendation is designed to safeguard against transit-oriented displacement, which is when new developments near transit stations result in rising rents that push out lower-income residents and the businesses that serve them. Such displacement can be highly disruptive to lower-income people, not only because they are forced to move, but also because their new home will be located farther away from major transit stations, and thus farther away from jobs and other opportunities. Such displacement is also costly for transit agencies that are forced to ramp up service to peripheral regions with transit dependent populations.

Since development approvals are handled at the municipal level, municipalities are uniquely positioned to prevent such displacement by protecting existing affordable housing near transit stations. This does not mean preventing development near transit. Rather, municipalities should find ways to protect the rights and livelihoods of existing tenants, including mandating that developers pay for relocation, while also encouraging redevelopment to increase overall housing supply.



## Theme 4: Streamline approval processes

Long municipal approval processes increase uncertainty and costs for developers (and ultimately buyers/renters), with the result being that it takes a significant amount of time to build new housing. This has consequences for transit agencies because when developments are delayed, municipalities lose out on potential property tax revenue, which hinders their ability to fund transit. Furthermore, when new transit lines open before nearby developments finish, transit ridership will experience limited growth.

### What We Heard

#### CURRENT CHALLENGES

1. **Long approval processes increase the cost of developing housing.** The length and complexity of approval processes increases costs for developers, and these additional costs are often passed on to future tenants and purchasers, ultimately increasing the cost of the housing. These processes can be even more challenging for non-profit developers.
2. **Rezoning takes too long and creates delays to developing TOD.** When rezoning applications in TOD areas are stalled, that delays housing developments and results in fewer homes being built near transit. New transit stations that open in these areas may then struggle to meet ridership targets.
3. **Appeal mechanisms and NIMBYism create uncertainty and increase costs.** Uncertainty increases costs because it creates a risk that a development may never happen at all. Investors are less willing to fund risky projects particularly within infill areas, and those that do will often charge higher interest rates. Developers might even build to a standard that will meet the test appeal, instead of a higher bar (density or other desirable features) set by municipal councils.

#### CURRENT OPPORTUNITIES

1. **Coordinated rezoning can generate cost savings for new rapid transit projects.** If municipalities intentionally and proactively rezone TOD areas after land has been acquired for rapid transit projects, then there is an opportunity for significant cost savings for transit authorities and municipalities.
2. **Development cost charges support municipal services, including transit, for growing communities.** Some provinces have considered eliminating development cost charges to help reduce development costs. However, they should keep in mind that DCCs are a key way to help pay for transit capital costs contributing to growth.

## Recommendations

### ▶ 4A. STREAMLINE PROCESSES; DELEGATE TO STAFF WHEREVER POSSIBLE.

Where possible, municipalities should look at where **delegated authority to planning staff** can ensure TOD development approvals are shepherded in an accelerated and timely manner.

Municipalities should **accelerate the timeline for reviewing development applications within defined TOD areas**, particularly those with rental and below market housing components. To do so, municipalities could proactively define and rezone TOD areas and form specific staff teams with dedicated capacity to shepherd prioritized TOD and affordable housing projects.

Provinces should **require municipalities to designate TOD areas**.

### Example

In 2023, Halifax Regional Municipality applied for funding from the federal Housing Accelerator Fund to streamline approval processes. Proposed initiatives include establishing a dedicated team to improve efficiency with permit approvals, prioritizing permit applications for affordable and multiunit developments, and expediting permit approvals for developments along major transit corridors.<sup>56</sup>

### Rationale and Potential Outcomes

Private sector developers and public policy experts agree: streamlining approvals processes creates certainty for industry and the public, and ultimately reduces the soft costs associated with housing supply. Additionally, applications that centre on achieving policy objectives such as building affordable housing at transit stations should get front of the line service from municipal planning departments.

### ▶ 4B. IDENTIFY MAJOR TOD AREAS AND PROACTIVELY REZONE THEM AFTER LAND HAS BEEN ACQUIRED FOR MAJOR TRANSIT PROJECTS.

After land has been acquired for a rapid transit project, **municipalities should designate a TOD area and proactively rezone land** to speed up the approvals process, ensure greater housing supply outcomes, and get transit-oriented housing built faster. When TOD land is rezoned, governments should **require minimum density targets to support growth in transit ridership**.

This function can also be carried out by the province, particularly for large transit projects that cross municipal boundaries. In these cases, the province should contribute to Community Amenity Contributions to the municipality, since municipalities would miss out on rezoning fees that they typically rely on to fund utility servicing and public amenities.

<sup>56</sup> Halifax Regional Council (2023)

## Example

In Ontario, the provincial government has required that large municipalities identify and create Major Transit Station Areas (MTSAs) and Protected Major Transit Station Areas (PMTSAs). Municipalities are required to update their Official Plans to include MTSAs and PMTSAs, and no amendments (including minor variances) are permitted for the latter without approval from the Minister of Municipal Affairs and Housing. Provincial legislation has also established minimum density targets for these areas, with different targets depending on the type of transit station and service.<sup>57</sup>

### Rationale and Potential Outcomes

A 2022 report by the Canadian Home Builders Association found that, in recent years, the average processing time for a major rezoning application at the City of Vancouver is 12.7 months; at the City of Toronto, the average processing time is 30.3 months.<sup>58</sup> Lengthy processing times increase the cost of development. There is also uncertainty, as applications to rezone may not necessarily be approved as submitted or at all. Proactive rezoning would reduce that uncertainty and negate the need for developers to apply to rezone. It would also encourage more housing in TOD areas in a more timely fashion, which has direct benefits for transit agencies in the form of higher ridership.

Additionally, if proactive rezoning is coordinated to occur after land acquisition for rapid transit projects, then that is an opportunity for significant cost savings compared to acquiring land for transit after it has already increased in value from a prior rezoning.

## 4C. PROVINCES SHOULD REVIEW AND REFORM APPEAL MECHANISMS THAT UNHELPFULLY ENCOURAGE NIMBYISM.

Provinces should **strengthen the threshold for appeals** so that stronger reasoning is needed to justify outside intervention in a municipality's decision. For example, applicants could be required to demonstrate a procedural error, and should not be able to appeal a decision simply because they did not agree with it. In particular, provinces should explore limiting the right to appeal decisions of municipal councils on below-market housing projects within TOD areas.

Provinces should also consider **declaring TODs provincial interests** so that appeals are not allowed.

### Rationale and Potential Outcomes

Appeals to already approved rezoning applications can undermine policy objectives, since appeal processes often favour the costs of doing nothing (keeping the status quo) over the costs of doing something (proceeding with rezoning). In fact, these mechanisms are often undemocratic, since an unelected appeals board can overturn decisions voted by municipal councils. Appeals can also disproportionately impact vulnerable populations if they are targeted at rental and non-market housing projects.

Additionally, developers are incentivized to design their applications to ensure their investments are protected from appeals processes — rather than designing their applications to align with Council-approved policies on increased density, TOD, etc. This further undermines policy objectives to create more housing and more TOD.

<sup>57</sup> [City of Toronto \(2022\)](#)

<sup>58</sup> [Canadian Home Builders' Association \(2022, p. 47\)](#)

#### 4D. MAINTAIN DEVELOPMENT COST CHARGES FOR TRANSIT CAPITAL.

Municipalities depend on development cost charges to pay for infrastructure related to delivering essential services essential for urban growth, including public transit. As such, municipal governments (or, where applicable, regional or provincial governments) should **maintain development cost charges** to ensure sufficient funding for public transit and other essential services and infrastructure.

##### Example



In Greater Montreal, local municipalities are required to levy a transportation tax on development within one kilometre of stations on the new Réseau express métropolitain (REM) light rail line (there are some exemptions, including for non-profit developers).<sup>59</sup> This tax of about \$10 per square foot is levied on behalf of the regional transportation authority, the Autorité régionale de transport métropolitain (ARTM), and will go towards covering the ARTM's \$512 million contribution to the capital costs of constructing the REM.<sup>60</sup>

Depending on the jurisdiction, development cost charges help to provide the municipal funding share for rapid transit projects and/or the purchase of transit fleets and facilities in new communities. Any elimination of development cost charges should only be considered for non-profit housing.

##### Rationale and Potential Outcomes

Streamlining approvals processes is essential to getting more housing built faster, but municipalities cannot fall behind on the essential services which support new housing developments. While eliminating development cost charges can seem like an easy way to reduce development costs, it would reduce municipal revenues, hinder their ability to deliver transit service and undermine a wide range of policy objectives.

For instance, transit fleet purchases are largely funded by development charges: as cities grow, they need funding to buy more transit vehicles and ensure that service keeps up. Eliminating development charges would create funding challenges for municipalities at precisely the time that more funding is needed to ensure adequate municipal services for new housing developments. Maintaining development cost charges for transit capital would help ensure that transit systems can keep up with the growing communities that they serve regardless of size.

<sup>59</sup> [BOMA Quebec \(2018\)](#)

<sup>60</sup> [Siemiatycki et al. \(2023\)](#)



## Theme 5: Maximize investments

Governments want to see results from the money that they are putting towards housing and transit. Therefore, it is in the best interests of transit agencies and all orders of government to ensure that public dollars are maximized, and that Canadians are getting the best possible value out of new transit investments.

### What We Heard

#### CURRENT CHALLENGES

1. **Municipalities are being encouraged to compete, not collaborate.** Competition for finite funding necessarily creates winners and losers when it comes to municipal/transit projects. This is an inefficient way of distributing funding because of a lack of coordination in planning.
2. **Canadians are struggling to make ends meet.** Amidst the housing crisis and high inflation, many Canadians are struggling financially. This limits the ability of municipal governments to raise property taxes (which are not tied to economic growth and can therefore disproportionately hurt groups like seniors) to fund housing programs and public transit.
3. **Transit agencies are struggling to keep up with growing communities.** As developers and government partners continue to work to build more housing, transit agencies need to figure out how to expand transit services. However, many are struggling to pay for existing services and for the additional operational costs associated with additional service, particularly in the post-pandemic era when transit operating budgets are still impaired from ridership and revenue loss.

#### CURRENT OPPORTUNITIES

1. **Governments can achieve more policy objectives with the same investment.** There are many opportunities to maximize investments so that they achieve additional policy objectives, such as by encouraging regional collaboration or incentivizing transit projects that are designed to achieve multiple outcomes such as those in housing, economic development, climate action, and equity.
2. **Housing and transportation are opportunities to make life more affordable.** Housing and transportation are the two largest expenses for the average Canadian household. More action on housing supply and public transit can bring down costs and deliver financial relief to many Canadians.

## Recommendations

### 5A. PRIORITIZE TRANSIT INVESTMENT WHERE MUNICIPALITIES DEMONSTRATE A WILLINGNESS TO WORK TOGETHER.

In tying an increase in housing supply to investment in transit capital, the federal government should **consider how to incentivize a regional approach**. There should be flexibility in how a region is defined, with weight given to what is considered an economically relevant region. Existing regional networks should be considered as a starting point.

An incentive for taking a regional approach could, for instance, include **increasing the federal government's funding share by a minimum of 5%**, with consideration for provincial matching, to reduce or eliminate the municipal/regional share for transit capital. Alternatively, the federal government could look to **fund packages of coordinated investments** instead of one-off projects.

#### Example



Transport 2050 is TransLink's 30-year plan for transportation in the Metro Vancouver region, and it calls for over \$20 billion of new transit investments across the region, including rapid transit to the North Shore, SkyTrain extension to UBC, and several new bus rapid transit services. This regional plan recognizes that many people cross jurisdictional boundaries to reach jobs and other opportunities. Funding for Transport 2050 as a whole would therefore benefit the entire region, as opposed to only funding specific projects in certain municipalities.<sup>61</sup>

#### Rationale and Potential Outcomes

The main objective of this recommendation is to encourage collaboration between municipalities so that transit investments can benefit a greater number of people and future car-dependency is reduced (making life more affordable for Canadians and reducing the carbon footprint of the region). This recommendation is also designed to better integrate land use and transportation planning at a regional level to encourage more housing near transit.

Public investment in new infrastructure can fail to fully achieve policy outcomes if there is no coordination on how to maximize those public investments. Failure to collaborate also risks creating situations where certain municipalities receive funding for new transit projects while others do not, which results in uneven investment and development within regions.

61 [TransLink \(2022\)](#)

## 5B. BOTH THE FEDERAL AND PROVINCIAL GOVERNMENTS SHOULD INCLUDE PERFORMANCE-BASED ALLOCATION FOR TRANSIT PROJECTS.

When allocating funding for transit projects, the federal and provincial governments should prioritize or give preference to transit projects that include some combination of the following benefits:

- Building ridership
- Stimulating housing developments or other economic activity
- Integrating with active transportation networks
- Using a location-efficiency lens, aiming to create complete communities
- Incentivizing non-profit housing providers to build at transit stations and higher order transit corridors

The federal and provincial governments could also consider incentivizing such projects by increasing their funding share on these projects and/or by aligning funding programs for housing. This will also allow municipalities and regions to reduce their capital contribution.

### Example



Supportive Policies Agreements (SPAs) being used in British Columbia are a good example of how different parties can be incentivized to collaborate on projects that cross jurisdictional boundaries. SPAs provide certainty by committing involved parties to work towards land use and transportation objectives, and they are helpful in meeting multiple outcomes (e.g., building more housing near transit, growing ridership, encouraging modal shift) in a coordinated way.

For example, TransLink has signed SPAs with the City of Surrey, City of Langley, and Township of Langley for the Surrey-Langley SkyTrain project with the goal to ensure that housing (including affordable housing) is built near future SkyTrain stations. Formal agreements can help encourage more integrated land use and transportation planning, and thus maximize public investment in new rapid transit projects.



### Rationale and Potential Outcomes

Federal and provincial governments can achieve more policy outcomes with the same amount of investment if they incentivize municipalities and transit agencies to create transit projects which have many benefits and perform well against multiple performance metrics, including benefits and metrics beyond transit. In particular, performance-based allocation can be a useful tool to motivate municipalities to approve more housing near transit.

To implement this kind of approach, it may be necessary to provide longer timeframes for municipalities and transit agencies to demonstrate that these types of outcomes have been achieved. Government should also give consideration to allowing municipalities and transit agencies the opportunity to select only some of the outcomes, and not necessarily all of the outcomes (i.e., select from a ‘menu’ of options). This kind of approach creates flexibility that is necessary when making national policy.

Note that if governments are to take a performance-based approach, it is critical that they follow through on this commitment. There is a high level of cynicism in terms of this kind of approach as it is sometimes viewed as cover for what are otherwise considered to be political decisions about where funding will be allocated. For this approach to truly benefit Canadians, governments must be transparent about their intentions in their funding decisions.

### 5C. EXPLORE WAYS TO BUILD-IN AFFORDABILITY FOR CANADIANS TO SHIFT BETWEEN THEIR BIGGEST DEBT DRIVERS: FROM HOUSING TO TRANSPORTATION COST DRIVERS.

CMHC and other relevant federal regulators could explore “**location-efficient**” mortgage offerings that would support walkable and transit-oriented developments to help buyers with higher land costs of preferred locations.

This can potentially be done by shifting debt service ratios traditionally tethered to presumed car financing over to secured home financing. This approach could support demand for housing located in a TOD area or a frequent transit corridor, with existing or imminent higher order transit. CMHC should also consider how car ownership should impact eligibility for a location-efficient mortgage.

### Rationale and Potential Outcomes

Currently, many households looking for an affordable home end up locating far away from job centres. This encourages car dependency, since peripheral regions have less reliable transit service, and it also increases households’ transportation expenditures, since people must spend more money on gas to reach jobs and other opportunities. In 2015, the *Metro Vancouver Housing and Transportation Cost Burden Study* found that people trying to save on housing costs often move to locationally inefficient places. Researchers found that for these households, transportation costs were higher than the overall combined transportation and housing costs for households located in more expensive, higher density, transit rich areas, within the same region.

Creating a new mortgage offering could make it easier for prospective homebuyers to afford homes that are located near frequent transit because their second-largest cost-driver (one or more personal vehicles) would not be needed.

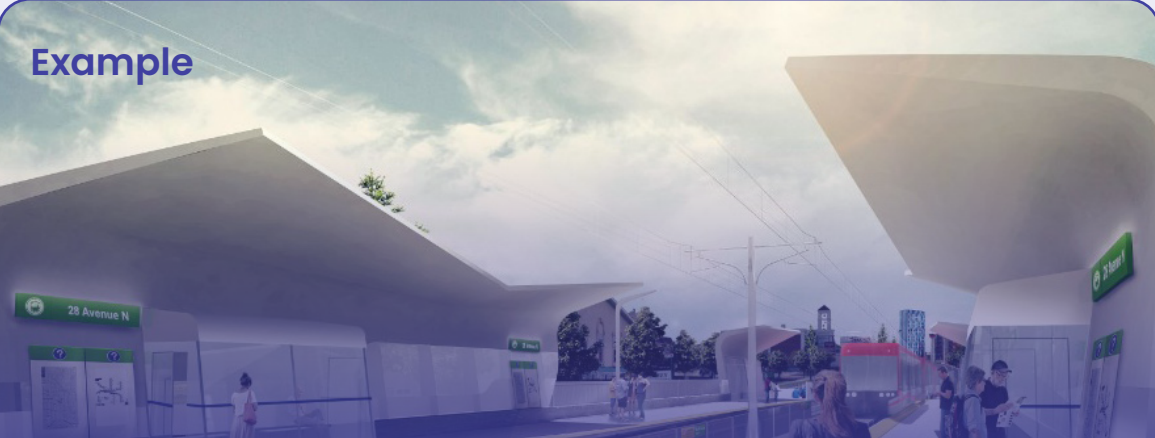
On the other hand, it is important to note that for this type of mortgage offering to create affordability, an increase in housing supply in TOD areas is also required. Without an increase in supply in some (already very dense) neighbourhoods, this type of mortgage offering could serve to drive higher demand for housing in these already over-saturated areas, thus driving up the cost of housing (which is often already over-inflated).

## 5D. FEDERAL AND PROVINCIAL GOVERNMENTS SHOULD FUND THE OPERATING COSTS FOR NEW TRANSIT CAPITAL PROJECTS UNTIL RIDERSHIP MATURES.

To maximize investments in transit capital, the federal and provincial governments should **fund operating costs for new transit capital projects** until ridership matures.

The operationalization of new transit capital projects comes with significant operating costs, and transit agencies are limited in their ability to pay for these costs through farebox revenue because new rapid transit projects take years to have their ridership mature. At the same time, transit agencies across Canada continue to struggle with recovering from drops in ridership and revenue during the Covid-19 pandemic.

**Example**



Phase 1 of Calgary's Green Line LRT is estimated to be \$38 million in annual operating costs, compared to the approximately \$7 million in annual operating costs for the existing bus services on the same rapid transit corridor. However, it will take years for Calgary to generate additional funding through farebox revenue to cover the operational cost differential, because the city needs time to create more homes near transit and build up ridership.

Similar examples can be found with the upcoming operating costs for the Surrey-Langley SkyTrain extension in Metro Vancouver, the Valley Line LRT in Edmonton, the Eglinton Crosstown LRT in Toronto, and the Line 5 -Blue Metro extension in Montreal.

### Rationale and Potential Outcomes

Ridership on new rapid transit projects (rail-based, like the referenced Calgary Green Line LRT, or bus-based, such as planned Bus Rapid Transit services in Saskatoon and Halifax) can take years to mature, in part because new housing cannot be built overnight when new transit stations open. In other words, growth in transit ridership depends on the growth of the surrounding community. However, it is essential that transit services on new rapid transit projects are properly funded during this transition period; otherwise, transit agencies are forced to run limited service, which contributes to limited ridership. Support for operating costs is required to ensure the capital investment in new transit projects is successful and leads to better service and increased ridership.

Many policy objectives related to TOD, affordability, access, and equity are directly linked to the ability of transit agencies to operate high levels of transit service. Failing to provide adequate transit service after significant capital investment in new transit infrastructure would compromise the ability of those public investments to deliver on these desired policy outcomes.



4.0

**IMPLEMENTATION**

# 4.0 Implementation by Level of Government



The following table summarizes the responsibilities of each level of government in the advancement of recommendations from each theme.

**Table 3:** Responsibilities of each level of government

	THEME 1: ACTIVATE LAND	THEME 2: EVOLVE TRANSIT AUTHORITIES	THEME 3: ENSURE INCLUSIVITY
FEDERAL	Use federal funding programs to prioritize building more housing and supportive infrastructure in transit-accessible areas (Recommendation 1C)	Require consideration for overbuild at transit stations (Recommendation 2C) Develop a Transit and Housing Affordability Index (Recommendation 2D)	Implement a GST/HST tax rebate for purpose-built rentals and non-market housing within TOD areas (Recommendation 3A)
PROVINCIAL	Change legislation to permit land banking and parceling within 800 metres of a transit station or higher-order transit corridor (Recommendation 1A) Pass enabling legislation for municipalities to have additional tools to address speculation (Recommendation 1B)	Require consideration for overbuild at transit stations (Recommendation 2C)	Implement a PST tax rebate for purpose-built rentals and non-market housing within TOD areas (Recommendation 3A) Pass enabling legislation to provide municipalities with additional tools (such as rental only zoning) to address displacement (Recommendation 3B)
MUNICIPAL	Set a buffer of 800 metres around key transit stations or along higher-order transit corridors to identify target areas for more housing and supporting infrastructure (Recommendation 1C)	Develop a real estate strategy focused on key transit sites (Recommendation 2A) Upzone parking lots for TOD and eliminate parking minimums within TOD areas (Recommendation 2B)	Implement tenant protection and relocation policies in TOD areas, including requiring the provision of replacement units (Recommendation 3B)

**THEME 4:  
STREAMLINE PROCESSES**

**THEME 5:  
MAXIMIZE INVESTMENTS**

FEDERAL

Support municipalities by funding dedicated planning staff teams to accelerate the approval of TOD development applications (Recommendation 4A)

Increase funding share to incentivize regional collaborations (Recommendation 5A)  
Undertake performance-based allocation for transit projects (Recommendation 5B)  
Explore location-efficient mortgages (Recommendation 5C)  
Fund operating costs for new transit capital projects (Recommendation 5D)

PROVINCIAL

Pass legislation to require municipalities to designate TOD areas (Recommendation 4A)  
Reform appeals processes and consider declaring TODs provincial interests (Recommendation 4C)  
Maintain development cost charges for transit capital (Recommendation 4D)

Fund operating costs for new transit capital projects (Recommendation 5D)

MUNICIPAL

Streamline approval processes (Recommendation 4A)  
Proactively rezone land in TOD areas, including implementing minimum density targets (Recommendation 4B)  
Maintain development cost charges for transit capital (Recommendation 4D)

N/A



5.0

**CONCLUSION**



## 5.0 Conclusion



This report delivers 17 recommendations across five themes, including activating land, evolving the mandate of transit authorities, ensuring inclusivity, streamlining processes, and maximizing investments.

Altogether, these recommendations demonstrate how public transit can be part of the solution to Canada's most pressing challenges by stimulating and supporting increased housing supply, as well as improving affordability and reducing greenhouse gas emissions. These recommendations also outline specific actions that transit agencies and all orders of government can take in order to help ensure that our growing population can access affordable homes near high-quality public transit.

Ultimately, these recommendations provide a framework for how we can come together, at the intersection of transit and housing, to build cities that work. This is an opportunity to create communities that are more equitable, affordable, and sustainable — this is a chance to build cities where everyone can find a home, where every journey is accessible and convenient, and where quality of life is second to none. However, to seize this opportunity, we must act together. Federal, provincial, and municipal governments must unite in purpose, working alongside the private sector and community partners, to make this vision a reality.



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