

## **Best Practices and Municipal Strategy for Utilizing Surplus School Properties for Housing and Community Services**

Presented To:	Planning Committee
Meeting Date:	September 25, 2023
Type:	Correspondence for Information Only
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File Number:	N/A

### **Report Summary**

This report provides information regarding best practices for adaptively reusing surplus school properties for affordable housing and community services and will inform the Housing Supply Strategy.

### **Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)**

The Best Practices and Municipal Strategy for Utilizing Surplus School Properties for Housing and Community Services aligns with Council's Strategic Priorities including "Expand Affordable and Attainable Housing Options" and "Develop and Promote Solutions to Support Existing Housing Choices". The report is one of a series of reports that will inform the development of the Housing Supply Strategy which will address the actions outlined in the Housing goal of the Strategic Plan, which reflect Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing option in the City of Greater Sudbury.

The Best Practice Review aligns CEEP Goal 1 that supports the creation of compact, complete communities.

### **Financial Implications**

There are no financial implications associated with this report.

### **Summary**

The Best Practice and Municipal Strategy for Utilizing Surplus School Properties for Housing and Community Services report provides a review of current legislation governing the disposition process, a case study analysis and provides a series of interviews with public agencies and community groups to identify common challenges and opportunities associated with the acquisition and reuse/redevelopment of these properties. The report provides options for the City to consider with respect to developing a strategy for responding to

surplus school opportunities, based on community needs. The options range from the municipality purchasing and developing the properties to a more facilitative approach where the municipality creates a supportive policy framework that would facilitate the private redevelopment of these properties. This report was funded through the 'Consulting Fees for Policy and Process Improvements Stream' of the Province's Streamline Development Approvals Fund and provides a foundation of housing related data that will assist in the development of a policy framework supportive of residential growth targeting gaps in the current housing supply. This report is one of a series of background reports that will inform the development of the Housing Supply Strategy.

## Background

In 2022, staff were directed to undertake best practice reviews related to institutionally zoned lands in the City of Greater Sudbury through the following resolutions:

PL2022-11-A, presented January 24, 2022

"...AND THAT staff be directed to investigate amendments to the Official Plan and Zoning Bylaw that would permit residential uses in Institutional zones;

AND THAT staff be directed to investigate amendments to the Official Plan and Zoning Bylaw that would permit Community Housing Portfolio developments on all municipally owned properties."

PL2022-69, presented May 30, 2022

"THAT the City of Greater Sudbury directs staff to undertake a review of best practices and prepare a report on a municipal strategy for utilizing surplus institutional properties for housing and community service provision by Q2 of 2023."

Resolution PL2022-69 informed the Institutional recommendations of the Housing As-of-Right Zoning Review Report. The impetus for this review is three-fold: 1) upcoming inventory of surplus schools resulting from school board revitalization projects, 2) the former provincial government's promotion of community hubs and 3) the need for increased housing supply.

In 2015, the Provincial government formed an advisory group to support the development of community hubs. Community hubs serve as a central access point for collaboration between different service providers and community agencies and are intended to reduce administrative duplication and improve services for residents. Each hub is unique and provides a varying range of services based on local needs, existing services and resources. The current Provincial government has not updated the strategic framework for community hubs since 2017 as it was a priority for the previous Liberal government in Ontario. There is currently no provincial funding or assistance offered for community hubs.

Examples of community hubs in Greater Sudbury include the CNIB Sudbury Community Hub, the Minnow Lake EarlyON Child and Family Centre, Sudbury Youth Wellness Hub at 140 Durham, and Best Start Hubs. City-owned and operated Minnow Lake Place currently houses Meals on Wheels, Our Children Our Future, the Sudbury Minor Hockey Association, Rainbow Routes and other community organizations through lease and dedicated space agreements.

The City's Parks, Open Space and Leisure Master Plan notes there are 27 municipal community centres and community halls in the City of Greater Sudbury. The Plan indicates that there is ample space at most community halls and centres to accommodate additional usage, placing emphasis on streamlining operations of current facilities and maintaining and upgrading existing community centres to the degree possible. These facilities are used for several purposes including meeting spaces for non-profit groups, recreational programming, private functions and event and community centric locations. For the most part, existing community centres and halls are underutilized. There would not be sufficient demand for the City to acquire additional hub facilities, particularly to justify the additional capital improvements and operating costs.

For the past several years, school boards in Greater Sudbury have been undergoing revitalization projects whereby the school inventory has been rationalized, including the disposition of several surplus schools and the construction of new facilities to accommodate needs. To date, all schools that have been declared surplus to the board's needs have been sold to the private sector.

In 2020, Council adopted an Affordable Housing Land Banking Strategy which includes a framework for evaluating surplus municipal land suitable for the development of affordable housing in conjunction with the Affordable Housing Community Improvement Plan. The framework is also used to evaluate surplus school sites that become available as local school boards undertake revitalization projects. The strategy describes the responsibilities of Real Estate, Planning Services, Housing Services and Council who all have a role in evaluating, making recommendations, and approving land banking properties. Phase 2 of the Land Banking Strategy was identified as an Initiative that would be undertaken as part of the City's application to the CMHC Housing Accelerator Fund.

## Summary of Opportunities and Challenges

There are both opportunities and challenges associated with municipal involvement in utilizing surplus institutional properties, as outlined in the tables below:

### Benefits/Opportunities

Benefit/Opportunity	Description
Location	Schools are often centrally located and highly accessible. Depending on proposed programming, proximity to a particular type of service or institution (e.g., proximity to post-secondary institutions for education and employment services, proximity to schools for youth oriented-services) is also highly desirable.
Community Sentiment	Conversion to community-oriented facilities and can ease neighbourhood acceptance of housing projects.
Cost-savings	Reusing school properties can result in cost-savings depending on building condition and characteristics. Depending on the redevelopment, investments to address existing capital needs, as well as renovations/retrofits to make the space suitable for housing and/or community uses, can be less expensive than demolishing the school and building new space. Savings for housing, however, is likely less due to costs necessary to retrofit the existing buildings to modern standards for housing.
Compatibility Land-Use Context	Schools are often located in established residential zones, minimizing potential land use conflict. Although residential provisions under institutional zoning are quite limited, in most instances these sites can be appropriately rezoned to residential uses. The ability to use a former school site without the need for rezoning is advantageous for smaller local non-profits and for a municipality seeking planning approvals where community acceptance is challenging.
Environmental Benefits	Adaptive reuse of vacant buildings is an efficient use of old and new construction materials; new development can also offer indirect benefits through intensification of sites as opposed to greenfield development.
Versatility	Despite a seemingly unique space configuration, school buildings offer a high degree of versatility to support many uses and programs.

### Challenges

Challenge	Description
Land Value	Currently, school boards are required to seek fair market value when disposing of surplus sites. In strong markets, acquiring surplus school sites for community uses or affordable housing is often cost prohibitive. Working with school boards at an early stage to gain consensus around future community-oriented use of surplus

	properties can assist in the negotiation process.
Building Condition	Cost saving potential depends on building condition and maintenance. Some are in poor condition with significant capital investments required; some are well maintained, although they often lack key structural systems, such as central air and fiber internet, and require substantial renovations to be used for housing and community uses. Without strong locational advantages, remediation of a school site might make it less competitive compared to other available sites, particularly greenfield land, other surplus sites, or existing community housing properties.
Planning Approvals	School sites often require Official Plan and Zoning amendments. Neighbourhood resistance of certain projects can significantly affect project timelines and the success of an application.
Demand and Supply Considerations for Community Uses and Affordable Housing	The attractiveness of a school site for use by community groups is influenced by how spaces in the building will be transformed and shared, the presence and characteristics of other uses in the building, the presence of other community hubs/uses in the local area, as well as other similar considerations.
Operational Sustainability and Funding Requirements	Both affordable housing and community use require significant subsidy because the rental revenue achieved is very low. This impacts the ability to secure financial support and pay for required upgrades to an existing building or to implement a more comprehensive redevelopment.
Lack of Clear Strategic Direction	A lack of clear strategic direction results in inefficiencies and interim costs of maintaining a property while plans are being developed. Without a clear understanding of spatial needs of future occupants (e.g., ensure there is enough interest from potential tenants to fully lease large amounts of community space) it is difficult to ensure efficient use of the property.
Municipal Role/Partnership	There is a wide range of approaches taken by public agencies and community organizations to acquire and reuse school properties. Municipalities can have a varying degree of involvement, depending on municipal needs and available resources.

## Recommendations

Municipalities can have varying levels of involvement in the adaptive re-use of surplus school properties, as listed below:

1. Initiate, lead and fund a school reuse/redevelopment.
2. Initiate acquisition, seek partnerships to execute projects and share financial and administrative responsibilities.
3. Support independent acquisition initiated and led by local non-profit organizations or public agencies, and private developers through a supportive land use policy framework.

Based on a best practice review, the report provides an overview of what could be included in a formal strategy to proactively plan for school property acquisition/utilization while remaining flexible in terms of possible outcomes and partnerships.

A formal strategy to guide decision making would include the following actions:

- Determine municipal needs;
- Understand potential outcomes and funding needs;
- Identify potential community partners;
- Identify potential acquisition opportunities;
- Develop a site evaluation strategy; and,

- Develop a supportive policy context.

### Supportive Role

Based on the best practice review, evaluation of the opportunities and challenges associated with the adaptive reuse of schools, staff recommend that the City of Greater Sudbury should create a supportive policy context. There are 4 key considerations factoring into the recommendation to play a supportive role:

**Land Banking Strategy:** The Land Banking Strategy provides a framework for evaluation of surplus school sites that become available.

**Need for Community Hubs:** Based on current usage and demand, there is no demonstrated need for additional hub space that would necessitate direct municipal involvement in the acquisition of a surplus school structure.

**Need for Community Housing:** The Social Housing Revitalization Strategy provides a framework for addressing community housing needs.

**Enabling Development:** Allowing residential uses as-of-right on institutional lands is being investigated through the “Housing As-of-Right Policy Review” which will address the development of a supportive policy context and support the Housing goals of Council’s Strategic Plan

### Conclusion and Next Steps

The Best Practices and Municipal Strategy for Utilizing Surplus School Properties for Housing and Community Services will support the development of the Housing Supply Strategy as directed by Council and is directly linked to items 2.a. (recommendations to enhance current initiatives), and 2.c. (best urban planning practices), of resolution CC2023-26.

It is recommended that CGS play a supportive role in creating a policy framework that enables reuse/re-development of surplus schools, but not be directly involved in the acquisition and re-development of school sites with existing structures.

The table below provides an outline of the Housing Supply Strategy project stages and anticipated timing.

Project Stage	Timeline
Phase 1 Consultation	June to September 2023
Series 1 - Background Reports	July-October 2023
Draft Housing Supply Strategy	December 2023
Phase 2 Consultation	Q1 2024
Series 2 – Implementation Reports	Q1-Q2 2024
Final Housing Supply Strategy	Late Q2 2024
Implementation, Monitoring and Evaluation	Ongoing

### Resources Cited

1. “Streamline Development Approvals Fund”, report presented at the March 29, 2022 Finance and Administration Committee Meeting, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=43654>
2. “Request for the Development of a Housing Supply Strategy”, Motion presented at the February 7, 2023,

Council meeting <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=45cb9903-efa8-4dbc-8754-c95b1dd1773c&Agenda=Agenda&lang=English&Item=50&Tab=attachments>

3. Housing Supply Strategy – Over To You Website, <https://overtoyou.greatersudbury.ca/housing-supply-strategy>
4. Resolution PL2022-11-A1, January 24, 2022, <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=43267>
5. Resolution PL2022-69, May 30, 2022, <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=45540>
6. Rainbow Schools, Revitalization Projects website <https://www.rainbowschools.ca/board/revitalization-projects/>
7. “Affordable Housing Land Banking Strategy”, February 19, 2020, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?documentid=940>
8. “CMHC Housing Accelerator Fund”, August 15, 2023, <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=7560e0ec-ac6f-4e90-8d13-07fc3f5d8662&Agenda=Agenda&lang=English&Item=43&Tab=attachments>
9. Community Hubs, <https://www.ontario.ca/page/community-hubs>
10. City of Greater Sudbury, Parks, Open Space and Leisure Master Plan, <https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/report-pdfs/parks-open-space-and-leisure-master-plan-review-2014/>