

# City of Greater Sudbury

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

January 2023

nblc

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## City of Greater Sudbury

### Municipal Strategy for Utilizing Surplus School Properties

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*The conclusions contained in this report have been prepared based on both primary and secondary data sources. NBLC makes every effort to ensure the data is correct but cannot guarantee its accuracy. It is also important to note that it is not possible to fully document all factors or account for all changes that may occur in the future and influence the viability of any development. NBLC, therefore, assumes no responsibility for losses sustained as a result of implementing any recommendation provided in this report.*

*This report has been prepared solely for the purposes outlined herein and is not to be relied upon, or used for any other purposes, or by any other party without the prior written authorization from N. Barry Lyon Consultants Limited.*

## Executive Summary

In response to financial pressures and declining enrolment, School Boards across Ontario are constantly evaluating their assets to achieve an optimal level of service delivery and capital investment. This often results in school closures and disposition of surplus assets, making former school sites available for purchase and redevelopment. While these properties are often acquired by the private sector, there are also many examples of public sector and non-profit initiatives where former schools are repurposed/ redeveloped for community-oriented uses such as affordable housing and community services.

The City of Sudbury has retained N. Barry Lyon Consultants Limited to undertake a review of best practices for utilizing surplus school properties for affordable housing and community/social services. This report also provides recommendations regarding how the City should approach these opportunities.

Based on a review of the current legislation governing the disposition process, a case study analysis, and a series of interviews with public agencies and community groups, we have identified some common challenges and opportunities associated with surplus school property acquisition and reuse/redevelopment.

Among other “prescribed” public and community agencies, municipal governments benefit from the right of first refusal to acquire surplus school properties. However, the need to balance the economics of providing affordable housing and community services with fair market land value sought by School Boards often creates challenges for these

types of initiatives. Confirming municipal needs, leveraging demand from community groups, the condition of the school being disposed, the requirement for complex planning approvals, and the availability of funding are also significant challenges.

Developing a strategic approach that proactively identifies community needs and suitable uses for surplus school sites can mitigate these challenges. Further, creating a roster of potential acquisition opportunities, funding sources, and community partners can help address the complex nature of securing non-market outcomes on these properties.

## 1.0 Introduction

N. Barry Lyon Consultants Limited (‘NBLC’) has been retained by the City of Greater Sudbury to undertake a review of best practices for utilizing surplus school properties for affordable housing and community/social services. Within this context we have also been asked to recommend a strategy outlining how the City should be preparing for opportunities, anticipating issues, and executing on properties as they become available.

NBLC has worked with municipalities, school boards, and the non-profit/private sector on several surplus school property acquisition and disposition exercises, with many including an affordable housing requirement. We have also worked with municipalities, the Province of Ontario, and non-profits to investigate community services and a ‘Community Hub’ model on surplus school sites. This experience has been incorporated in the report along with stakeholder input provided throughout the case study review.

NBLC has also recently completed a Housing Needs Assessment (2022) for the City of Greater Sudbury that identifies the housing needs across the continuum as well as the City’s Community Housing Revitalization Plan (2018) and Updated Housing and Homelessness Plan (2019). These studies have been considered and incorporated into this report where appropriate.

## 1.1 Background and Legislative Context

City Council directed staff to undertake a review of best practices and prepare a report on a proposed municipal strategy for utilizing surplus institutional properties for housing and community services on May 30, 2022.

Like many communities across Canada, schools sometimes close due to a variety of factors. These factors include the age and condition of the building, enrollment, demographic shifts, the opening of new schools, funding shortages, and many others. Between 2009 and 2012, 172 schools were recommended for closure in Ontario, with an additional 121 closures recommended in 2017<sup>1</sup>. Changing demographic profiles of many Ontario cities and towns have a significant impact on enrollment rates across the province. Declining enrollment in turn affects school board funding which is determined primarily based on enrollment rates.

When a school closes, school boards can declare these properties surplus to the board’s needs. Once a property has been declared surplus, it can be sold or leased, subject to the requirements set out in Ontario Regulation 444/98 (‘O.Reg. 444/98’).

Under O.Reg. 444/98, school boards are required to first offer surplus properties to a list of public sector bodies, which includes municipalities (i.e., Greater Sudbury) as well as others that could

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<sup>1</sup> People for Education

include groups that may have a shared interest in using these lands for affordable housing and/or community services. The following list is provided, in ranked order of consideration (blue indicating where the City of Greater Sudbury might fall):

- coterminous school boards
- agencies accommodating Section 23 programming
- District Social Services Administration Boards (DSSABs) or **Consolidated Municipal Service Managers (CMSMs)**
- public colleges
- public universities
- children's mental health lead agencies
- Local Health Integration Networks (LHINs)
- public health boards
- provincial government (The Crown in Right of Ontario)
- **lower-tier municipalities**
- **upper-tier municipalities**
- local service boards

- First Nation and Métis organizations
- federal government (The Crown in Right of Ontario)

These bodies have 90 days to respond through an expression of interest ('EOI') to acquire the property. If no EOI is received, the school board may offer the land through a public process to the private market. Regardless of the approach taken the property must be sold or leased at fair market value (unless it is being transferred to another school board – see Section 8 of O.Reg. 444/98).

If a public body submits an EOI, each body will have 180 days to submit an offer for the land. The school board will then negotiate with the body that has the highest priority ranking (based on the list to the left) on the fair market value of the property over a 30-day period. If the school board and body cannot agree on fair market value, the offer can be terminated or determined through a binding arbitration process. If an agreement on fair market value is not determined, the school board can consider an offer from the next priority ranking body.

The City of Greater Sudbury therefore will have the opportunity to acquire surplus school properties as they become available. However, the City is interested in using these lands for 'non-market' outcomes such as community services and affordable housing, which may pose challenges in establishing fair market value. This will be explored later in this report.

## 2.0 Intended Use of Surplus School Properties

The following section provides a brief overview of the intended use of future surplus school properties by the City of Greater Sudbury.

### 2.1 Community Services/Hubs

Community services can include a wide range of activities including physical and mental health, education, employment, childcare, recreational, substance abuse, cultural and recreational services, and many others. These services can be administered by non-profits, volunteers, paid professionals, community groups, etc.

While community services can locate throughout a municipality, a community hub is a public space that brings several community agencies and neighbourhood groups together to offer a range of activities, programs, and services. The concept of the community hub was created to make better use of public spaces by offering multiple services under one roof that meet the needs of a specific community or neighbourhood, which can also encourage social gatherings.

In 2015, the Province of Ontario released the Community Hubs Strategic Framework intended to support community hub development on underutilized public lands such as closed school sites. Community hubs have been recognized for their potential to address livability concerns associated with public school closures given the community-focused roles both play within a neighbourhood. School closures often raise issues around social cohesion, neighbourhood decline and disinvestment. Co-locating community hubs and operational schools or repurposing underutilized school sites for coordinated service delivery

can help mitigate the loss of social capital in neighbourhoods with declining enrollment. Additionally, it sometimes allows for the retention of the original school structure.

Despite the potential benefits, repurposing former school sites into community hubs involves several significant challenges that include the following:

- Surplus school properties must be sold or leased at fair market value. Community Hubs on the other hand often generate no or marginal value, meaning groups will struggle to source capital and financing to purchase these properties, particularly if fair market value is based on higher valued commercial or residential uses.
- Many community services cannot afford to pay rent. Through our experience, some providers have indicated that even with free rent, they do not have the operating dollars to maintain the building and hire staff.
- While reusing the existing school property can offer significant cost savings relative to demolishing the school and constructing a new building, many schools that are declared surplus are in need of significant capital repairs. Some structures may be unsafe for occupancy or are unsuitable to the needs of community service providers, requiring capital investments.
- Municipalities, public agencies, and non-profit community organizations often require a lengthy process to acquire funding,

complete due diligence, and form partnerships in order to proceed with the acquisition compared to private sector buyers seeking a market driven strategy at the highest and best use of the property.

Recognizing these challenges, the Province has made the following changes to the policies regulating surplus school property disposition:

1. In September 2016, the list of organizations that school boards are required to circulate surplus school properties to before they are put on the open market was expanded to include agencies providing accommodation for school-age children and youth in government approved care or treatment, custody, and correctional facilities; district social services administration boards/consolidated municipal service managers; lead agencies for child youth mental health; local health integration networks, public health boards; and indigenous organizations.

Previously, the list only included coterminous school boards, public colleges and universities, the Province of Ontario, local governments, local service boards and the Federal Government. The change intends to promote consistency in opportunities for involvement of listed entities in the disposition process and to enable surplus school sites to stay within the public realm.

2. In addition to expanding the list of eligible entities, the surplus school circulation period was also doubled from 90 to 180 days, giving interested agencies more time to plan and explore options to purchase or lease surplus school properties for continued community use. The new regulation provides interested parties

with 90 days to express interest in the property and an additional 90 days to submit a formal offer.

Together, these changes are meant to promote the development of community hubs by giving qualifying agencies and organizations priority access to surplus assets. However, these policies do little to overcome the challenge of creating a financially sustainable community hub.

3. The third main policy direction explored in the 2016 progress report was to provide exemptions to the regulation requiring school sites to be sold or leased at fair market value. In most markets, land values pose significant challenges to repurposing school sites for community services. These sites are typically located in established residential areas and have a high potential for residential conversion. Given the general housing shortage and price appreciation trends across most cities in Ontario, the market value of these lands will typically be boosted by their development potential for market-rate residential units. The Province has identified the need for an evaluation framework that could help decide when a sale at fair market value may not align with public interest. However, no formal changes have been made to the regulation yet given the reliance of school boards on the revenue generated through market sales.

Land values continue to be a significant constraint for community-focused service providers looking to acquire a surplus school property. These agencies must rely on government funding tools, which requires alignment between the application process and the prescribed circulation period.

## 2.2 Affordable Housing

Like community hubs, affordable housing delivery can also present significant implementation challenges, including:

- The delivery of affordable housing requires significant funding, which is only increasing as interest rates and construction costs escalate. In markets such as Greater Sudbury, even mixed-income developments are likely to be unviable given the high land value. If the site must be purchased at fair market value, the acquisition cost will be added to the total capital budget of the project.
- Many properties will need to be redesignated and/or rezoned to be developed for affordable housing, due to most school properties being designated Institutional in the City's Official Plan. This process can be costly, uncertain, and political.
- Many former school sites proposed for redevelopment experience push back from the surrounding community who view the land and building as a public space that should remain in public use. This is observed for both affordable and market rate projects.

Notwithstanding these challenges, the City of Greater Sudbury needs increased affordable housing supply across the housing continuum. The following are key findings from the recently completed (December 2022) Housing Needs Assessment for the City prepared by NBLC:

- Greater Sudbury's most significant housing gaps are observed in the rental market. Vacancy in the City is very tight, with rental rates rapidly increasing.

- Rents are increasing broadly across the entire City for all housing types (e.g., townhomes, apartments, older stock, new stock). The City's newest and most expensive rental stock experiences the tightest vacancy with most buildings reporting long wait lists, despite the rent premium these buildings hold. This indicates that there is strong demand for new rental housing at full market rates.
- Given these market conditions, higher income rental households are forced to occupy older and less expensive rental units due to a lack of supply of higher end units. This is resulting in tight vacancy, higher rents, and an overall reduced inventory in lower cost housing that has historically been available to Greater Sudbury's moderate and low-income rental households.
- There is a need for at least 470 new rental homes, which may grow by 66 new rental units annually based on the City's forecasted growth.
- There are also 655 households on the wait list for Rent Geared to Income (RGI) housing, with significant additional demand for housing rented between RGI and market rates (e.g., 60% - 100% of the CMHC Average Market Rent). Most households on the wait list will wait at least four years until they are housed in the City's community housing stock.
- In addition to creating new supply, there is a need to reinvest and improve the existing community housing stock across the Greater Sudbury Housing Corporation (GSHC) and Non-Profit / Co-Operative portfolio as identified in the Greater Sudbury Housing Revitalization Plan and Housing and Homelessness Plan.



- Overall, there is a significant need to expand community and affordable housing options in the City.

The City's Community Housing Revitalization Plan further identifies the following:

- The community housing stock is increasingly accommodating a growing number of vulnerable tenants with special needs. This includes tenants without income, individuals with physical and mental health issues, those who frequently experience chronic homelessness, Aboriginal/First Nation/Metis populations, and many others. Due to this shift in tenant characteristics, housing providers are finding it difficult to cope with the growing number of tenants with special needs due to a lack of training and also a lack of support services for tenants.

There is therefore an opportunity to pair new affordable housing delivery with community services/community hub on the same property. Opportunities available to the City on these surplus school properties therefore include:

- Retaining the school for a community hub.
- Redeveloping the school with affordable housing.
- Redeveloping the school with affordable housing and an integrated community hub.

The approach taken will depend on several considerations, which will be assessed later in this report.

### 3.0 Case Studies

To better understand how municipalities and other groups have used surplus school properties to deliver community services, affordable housing, or both, we have assessed several relevant case studies. While there have been many instances of school boards selling surplus properties to the private market for residential or commercial development, this review focuses specifically on examples where properties were utilized for affordable housing and/or community services.

The case studies have been sorted into three categories:

- **Redevelopment:** Situations where the school is being demolished and replaced with affordable housing and/or community services.
- **Adaptive Reuse:** Situations where the school building is retained and renovated or adapted and used for affordable housing and/or community services. In some situations, additions or other minor interventions are implemented.
- **Municipal Strategies:** Examples of existing municipal strategies that guide the process for surplus school site evaluation and acquisition.

The analysis was also informed by a series of interviews and site tours with representatives from the Region of Durham, City of London, City of Sault Ste. Marie, District of Sault Ste. Marie Social Services Administration Board, Indwell, the Town of Georgina, and independent research.

### 3.1 Redevelopment

#### 3.1.1 County Orillia Campus Project, City of Orillia

The former Orillia District Collegiate and Vocational Institute (ODCVI) was declared surplus in 2016 after serving the local community for over a century. The County of Simcoe purchased the site in 2018 with the intent to transform it into a regional community hub combining social services and affordable housing under one roof.

The original structure has been now demolished, and the new 216,000 square foot (sq. ft.) facility is expected to be completed in 2023. The hub will include 130 mixed affordable units (geared towards families, seniors and individuals) capped at 80% of the CMHC Average Market Rent ('AMR') and 60,000 square feet of commercial space. Of the 130 total units, 46 will be multi-bedroom and 86 will be studios and one-bedroom units.

The commercial space will house community and social services including:

- Ontario Works,
- Children and Community Services,
- Victorian Order of Nurses,
- Simcoe Muskoka Family Connexions,

- EarlyON Child and Family Centre, as well as a licenced childcare center.

The project also sets aside some of the land for future development.

**Figure 1 - Proposed County Orillia Campus**



The project is expected to cost \$79 million, with \$57 million for affordable housing and \$22 million for the community space. Funding for the project comes from all levels of government including the City of Orillia, County of Simcoe, and the federal and provincial government through the Ontario Priorities Housing Initiative.

- The County of Simcoe is contributing \$55 million with an additional \$4 million coming from the City of Orillia.
- The Ontario Housing Initiative allocated approximately \$2.4 million towards the projects.

- the Social Housing Reserve contributed \$7.94 million.
- Rental revenue, maximized through various asset management strategies, will generate approximately \$800,000 in annual reserve contributions.

A combination of quality building material and practices will help ensure the project is operationally sustainable with no additional capital investment required over the next 50 years (i.e., no ongoing capital or operating subsidy is required).

During the planning stage, the County pursued a “shovel ready” approach to optimize potential opportunities for additional funding. Many federal and provincial programs allow a very short timeline for construction start once a signed agreement is in place, meaning that development ready sites are better positioned to act on a new opportunity. The site was purchased for \$4 million and is 9.26 acres in size.

The project aligns with the County’s 10-Year Affordable Housing and Homelessness Prevention Strategy and helps achieve a significant portion of the affordable housing targets identified through the strategy. It also achieves the intent of the City of Orillia’s Housing Action Plan that identified the need to increase the city’s rental supply.

After purchasing the site in 2018, the County conducted a community vision and consultation process in 2019 to identify the feasibility and needs of a regional community hub. In June 2020, Council extended an RFP for a feasibility study, site plan and conceptual design. The plans were accepted in August 2020 and in December 2020 the County submitted a Site Plan Control Application to the City of Orillia. The

proposed development also required Official Plan and Zoning Amendments to permit residential uses on the site, which were submitted in January 2021. Following several resubmissions in response to staff feedback and comments, the plans were approved in spring 2021 with construction beginning in the fall. As of June 2022, all footing and walls for the Borland Street Wing and the majority of the central hub exterior walls were poured, with works proceeding along the West Street wing.

On the continuum of little to full government involvement in surplus school redevelopment, this project is an example of a publicly funded and executed project, developed in alignment with identified municipal needs and targets.

### **3.1.2 Bloor-Dufferin, City of Toronto**

The Bloor-Dufferin redevelopment project combines three adjacent school sites – Kent Senior Public School, Bloor Collegiate Institute and Brockton High School. The combined site is 7.3 acres in size and is located adjacent to TTC subway infrastructure in the popular Bloor-Dufferin neighbourhood. It is one of the few vacant transit-oriented sites left in the city that are suitable for master-planned development.

The project began in 2013 when the Toronto District School Board (‘TDSB’) approved a relocation of Bloor Collegiate Institute and declared the site surplus to the Board’s needs. Four years prior to the relocation, the TDSB launched a review of potential redevelopment opportunities on the site as part of its five-year Capital Building Program. The Board established a design team to create a comprehensive development vision and land use plan for the site.

Based on the newly developed Land Use Management Plan, the Board approved the disposition of the property.

The Plan envisioned a predominantly mid-rise mixed-use community with a wide range of commercial and community uses. In 2015 however, the disposition process was deferred to allow the Toronto Lands Corporation, the TDSB’s real estate arm, to explore opportunities for a community hub as directed by the Province. The Toronto Lands Corporation (‘TLC’) reviewed the site’s potential to accommodate a community hub and provided an analysis of associated social benefits, challenges, and potential funding models. The TDSB then entered into a partnership with TLC, the City of Toronto, and the Province of Ontario to explore ways to incorporate a community hub into the proposed development scheme without compromising the value and return to TDSB.

Through an internal review, it became evident that the working group needed a private-sector partner to advance the proposal due to the complicated development approval process that would be required, as well as the potential to secure density beyond what was envisioned by the Land Use Management Plan. By that time, the requirement to circulate the property to prescribed public agencies had already been satisfied, and TLC proceeded to issuing a market RFP.

The RFP sought a developer who would work with the City and the public to redevelop the site with the inclusion of a 30,000 sq. ft. placeholder for a community hub. TLC was directed to seek fair market value for the property and advise potential bidders of the community interests identified for the site. Based on independent appraisal reports, TLC established a minimum acceptable price for the site based on a

density threshold assumed achievable through a future rezoning process and reserved the right to increase the price if the purchaser was able to achieve additional density. TLC received and reviewed 22 offers, ultimately accepting the \$121.5 million offer submitted by Capital Developments that was conditional on securing planning approvals.

A separate agreement was executed with the Province to secure \$7 million in funding for the construction of the 30,000 sq. ft. community hub. The funds would be released to the Board, who would then transfer them to the builder, contingent on satisfactory evidence of construction costs. The developer worked with the City to sever the site and obtain a zoning by-law amendment and site plan approval. Other approvals included a Section 37 agreement (securing affordable housing and an affordable housing trust fund), additional community and school benefit agreements, and a heritage assessment. A final settlement was achieved through the OMB. Capital Developments led the planning process in partnership with Metropia, and in 2021 Hazelview and Fitrovia came onboard as co-development managers.

The proposal has a total of 1.8 million sq. ft. of GFA spread across several development blocks. The project includes 2,034 residential units, 38,540 sq. ft. of greenspace, 174, 252 sq. ft. of retail, 50,022 sq. ft. of office, 69,384 sq. ft. of amenity space and a 35,737 sq. ft. community hub. The community hub will occupy the former Kent School. The building is designated under the Heritage Act and will be preserved and incorporated into surrounding built form. In addition to an 8-storey purpose-built rental building with 56 units that will be conveyed to the City for affordable housing, the proposal reserves a

\$17 million affordable housing fund. The development will also benefit from a direct underground connection to Dufferin subway station.

This is an example of a comprehensive redevelopment in a major urban centre supported by transit, a strong real estate market, and large development partners. While affordable housing was secured through the Section 37 process, a common feature of Downtown Toronto development approvals, the Community Hub was funded separately through the Province in order to maintain the fair market value of the property at its highest and best use. TLC and TSDB did not consider reducing the purchase price of the lands to incorporate the affordable housing and community uses given the prevailing legislation and their need to address the capital needs of their portfolio.

**Figure 2 - Proposed Development Concept**





**Figure 3 – Rendering of the Restored Kent School**



### 3.1.3 Holy Cross Elementary School, City of London

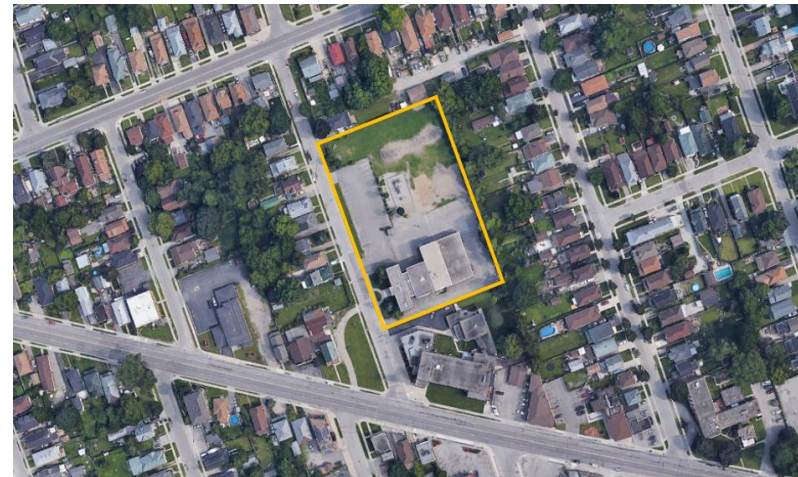
In 2019, The London District Catholic School Board (‘LDCSB’) conducted an accommodation review that found two London schools surplus to the Board’s needs. The sites were circulated to the prescribed list of preferred public agencies, including the City of London, prior to being offered on the private market. The City evaluated the properties based on the Surplus School Site Evaluation and Acquisition Policy developed in 2018 (the policy is further discussed in Section 3.3.1 of this report). The policy lays out a process for assessing surplus school sites for the following municipal needs: affordable housing, community services, and parkland.

The evaluation process was carried out by the City and its arms-length affordable housing agency called the Housing Development Corporation (‘HDC’). The site met the criteria for affordable housing and some parkland. Although the review did not identify any municipal

need for community space, the HDC was free to seek partnerships from non-profits and other community partners. As a designated Service Manager, the HDC led the negotiation process on behalf of the City and was responsible for providing its own financing to support the acquisition. The City in turn agreed to purchase excess land from the HDC at the same index price paid by the agency in order to build a parkette and help the HDC recover a portion of land costs.

The Housing Development Corporation purchased the former Holy Cross Elementary School in June 2020 for \$350,000. In March 2022, the HDC submitted an Official Plan and Zoning By-Law amendments to build a four-storey mixed use apartment building consisting of 42 units and 14,000 sq. ft. of community space.

**Figure 4 - Former Holy Cross Elementary School**



The proposal helps to achieve the City’s broader affordable housing strategy and aims to address homelessness among Indigenous residents. In 2020, the City conducted a study that showed 30% of the

city's homeless population was Indigenous, despite representing only 2.6% of the overall population. The growing need for affordable housing was also evident through a rapidly increasing social housing wait list, totalling 6,000 households at the time of the study.

Once complete, the proposed building will cater to urban Indigenous mothers. The community center proposed on the ground floor of the building will offer childcare and on-site support programs run by social workers as part of the Homeward Bound program. The program helps single Indigenous mothers achieve college education and secure internship opportunities, while offering a supportive housing environment designed to eliminate barriers along the way. The parkette proposed on the northern portion of the site will help address the lack of convenient neighbourhood-level parkland in the area and provide recreational opportunities to program participants.

**Figure 5 - Proposed Apartment Complex**



The proposal was initially met with strong opposition from local residents, who expressed concerns over the addition of affordable units

to an area that was already perceived to have a high concentration of social housing. The City held multiple public meetings to share the details of the proposal and address community pushback. Eventually, the attitudes softened, mainly due to the family-oriented nature of the proposal.

In July 2022, the proposal received planning approvals, which were led by the HDC. Construction began in October 2022 with an estimated timeline of 12 - 18 months. No parts of the former school building are being retained, and the site is undergoing full redevelopment. Once completed, units will be rented at 80% AMR. The project is delivered in agreement with Ontario Aboriginal Housing Services (OAHS), whose mandate is to provide safe and affordable housing to urban and rural Indigenous people. The project is financed through HDC's own capital budget with no additional contributions from the City aside from the purchase of the parkland.

### **3.1.4 Leamington District Secondary School and Mill Street Public School, Municipality of Leamington**

In 2020, the Municipality of Leamington purchased two adjacent school sites, the former Mill Street Public School and Leamington District Secondary School, to encourage attainable housing development. The combined 15-acre site sold for \$1,343,200. The property is located just west of Leamington's uptown urban core and is nested within an existing residential neighbourhood, meaning all necessary utilities are already in place.

Affordable housing and community uses were determined necessary following the election of a new Town Council in 2019. The



Municipality envisions a “community within a community” that caters to a wide range of demographic groups.

**Figure 6 – Former Leamington District Secondary School**



The municipality retained a planning consultant to develop a concept plan to guide a municipally initiated Zoning By-Law Amendment and inform an RFP seeking private developers to purchase the lands and develop them in accordance with the concept plan. The plan calls for a mid-rise development with three six-storey buildings containing 216 apartment units and 53 townhomes as well as six small multi-unit building with four units each. The proposal also includes accessory commercial and community uses such as retail, medical, childcare and senior’s services. The concept plan was approved in early 2022.

To facilitate the RFP process, rezoning, and associated studies, Council reserved \$75,000 from the municipal contingency fund. A zoning amendment was approved in August 2022, changing the property from Institutional to Site Specific Residential. The municipality has yet to

issue an RFP. A qualifying developer will have to present a business plan and a preliminary design and development concept that meets municipal criteria.

**Figure 7 - Proposed Concept Plan**



In this case study, the City is taking on more of a facilitative than executive role. It sets a direction for future development of the lands in accordance with its broader policy objectives but delegates project execution to the private sector. The City thus limits its financial stake in the project and reserves an opportunity to recover a portion of land costs and planning fees through a future sale of development blocks while also ensuring publicly desirable outcomes on the site. Aligning funding and development partners remains the final challenge for project execution.

### **3.1.5 Ritson Public School, City of Oshawa**

After closing its doors in 2012, Ritson Public school remained vacant for several years. The building was occasionally used for police



training until Durham Region purchased the site in January 2022 for \$7.49 million.

**Figure 8 - Ritson Public School Site**



The school is designated under the Heritage Act meaning that the building has to be retained in some form. Currently, the Region is considering retaining the building in its entirety to be used for affordable housing and/or community uses, although no specific plans have been released. With almost five acres of vacant land, the property also presents opportunities for new development.

Durham Region is currently working on a master plan for the property with the aim to maximize the use of the existing building and surrounding lands. Preliminary plans estimate over 100 new affordable units on the site. The site will require new planning entitlements and will undergo an extensive public consultation process. Given the site's location within an established low-density community, density and

scale are likely to be limited. On the other hand, the site is in proximity to a future GO station, which could create intensification opportunities.

The Region has been evaluating the property for some time before it became available, but no formal site assessment was undertaken prior to the purchase. Similar to many other GTA municipalities, the Durham School Board seeks full market value for its surplus properties, making affordable housing or community uses financially unviable on these sites. However, due to the heritage designation of the school and a potential need for brownfield remediation, the Ritson site had limited development potential from a private-market perspective. The Region took an opportunistic approach when it acquired the site with no firm plans or timeline for future redevelopment. A public consultation process will begin in early 2023 as the first step in development concept design.

**Figure 9 - Existing Ritson School Building**



The Region hopes to sever the property into development blocks that can be turned over to non-profit housing providers. Although the site

offers almost five acres of potentially developable land, the school building poses a number of challenges. The 99-year-old building contains almost 15,000 sq. ft. of space across three floors, features wide hallways and large classrooms. Repurposing the building for housing will likely require significant capital investment to redesign the interior of the building to provide necessary servicing standards. Adapting the school for community uses might not require as many structural upgrades, but it might be challenging to fully lease the building given its large footprint.

As a major service provider itself, the Region of Durham could consolidate some of its services on the site, but that could overlap with other ongoing capital projects approved and launched prior to the acquisition. The school's central placement on the property also poses challenges for site planning. For example, the long and narrow front yard will likely not be able to accommodate any development. Until the site is ready for development, Durham Region is responsible for building maintenance and security costs.

### 3.1.6 Sir Robert Borden School, City of Toronto

Sir Robert Borden Business and Technical Institute was a high school in the former municipality of Scarborough that closed and was declared surplus by the Toronto District School Board in 2016 due to declining admissions. Like many older low-density neighbourhoods across Ontario experiencing an aging population in the existing housing stock, the presence of school-age children had been declining for years.

The site is 12-acres and could accommodate a sizeable development, however density would be modest given the low-density neighbourhood

context. The property would also require complex Official Plan and zoning amendments. Notwithstanding the limited density, the value of townhome land in the City of Toronto is very high, meaning the purchase price at fair market value would likely be substantial.

Figure 10 - Former Sir Robert Borden School



Figure 11 - Sir Robert Borden School Site



At the same time, the school itself is in poor shape with a \$15-million maintenance backlog, which was another factor contributing to the school's closure.

Infrastructure Ontario and the City of Toronto, who were interested in redeveloping the property with both affordable housing and community uses, issued an expression of interest for the property when it was declared surplus. Both parties then began consultation with the community and community service providers to understand the type of community uses that would be most appropriate for the property and the community. Key lessons learned through this exercise were:

- There was limited capacity for these organizations to pay rent or fund expansion of services.
- Many agencies did not view the existing school as a viable space to provide services. Given the capital maintenance backlog and renovations required for operators to use the space, retention of the existing school was not viewed as viable.
- There were already successful community hubs operating in the surrounding area, limiting the appeal of this location for an expansion of activities.

The impact of including community uses, as well as affordable housing, would carry a significant funding commitment and/or a reduction in land value. Toronto Lands Corporation, which is the subsidiary of the Toronto District School Board responsible for managing its real estate assets, was seeking fair market value for the

site to address the growing capital backlog across the remainder of their portfolio.

The City and IO then began exploring a comprehensive master plan to demolish the school, create discrete development blocks that would be sold to the private market, and using these funds to deliver affordable housing and a community hub in a new stand alone building. However, this plan did not advance due to limited interest from community service groups, failure to agree on the value of the land, and a lack of funding commitments.

The City of Toronto then attempted to purchase a portion of the property to deliver a community hub focused on employment services, paramedics, and a food bank in 2021. However, this proposal also did not advance. The land remains available and could be offered to the private market if a suitable proposal is not identified.

## 3.2 Adaptive Reuse

### 3.2.1 The Sound Community Hub, Town of Parry Sound

The Parry Sound Non-Profit Housing Corporation ('PSNPHC') purchased the former William Beatty School in April 2016. The Parry Sound District Social Services Administration Board ('PSDSSAB') facilitated the deal with the Near North District School Board and provided short-term financing to PSNPHC. The 2.34-acre site sold for \$445,000.

Shortly after acquisition, the PSNPHC pursued a zoning amendment to turn the school into a community hub with community services and 45 affordable housing units provided at 80% of the CMHC AMR. The



project consists of 39 bachelor, two one-bedroom, and four two-bedroom units. It also includes community space shared between One Kids Place, Parry Sound Early Years Centre and The Friendship Centre and other community service.

The PSNPHC preserved the original school structure, offering the ground floor to the community services, which involved modest renovation costs. More substantial retrofits were undertaken on the second floor to accommodate residential by converting classrooms into housing. Of note, the school gym was retained and remained open to the public, which was a central point of discussion through the approvals process.

The site also accommodates a new two-storey apartment building that provides 10 more affordable units.

Renovations costs were approximately \$8.5 million and were privately funded by Parry Sound Non-Profit Housing. CGV Developments, a CMHC recommended builder for the project, sourced local labour and material, and in turn, received support from local businesses. Vianet for example ran fibrotic cable into each apartment at no cost, and Lakeland Power doubled its base incentive under the Save on Energy Retrofit Program.

The hub opened its doors in 2017, after less than a year of construction. The leadership team at Parry Sound Non-Profit Housing said the plans for this type of development were in the works for several years before the school site became available. Together with Georgian Bay Native Non-Profit Housing, the PSNPHC had been searching for a location to build appropriate housing. For two years the group also worked

towards creating a hub and housing at the former St. Joseph's Hospital in Parry Sound, but the project never came to fruition.

**Figure 12 - The Sound Hub**



**Figure 13 - Upper Floor Residential Units (Former Classrooms)**



A lengthy negotiation process was cited as the main hurdle in acquiring the school property, which resolved with the help of the PSDSSAB. Earlier, the PSDSSAB conducted a homelessness study that identified the need for more affordable housing units, particularly bachelor and one-bedrooms, which motivated the Social Services Administration Board to help facilitate the acquisition. As a municipal Service Manager for the District of Sound Parry, the PSDSSAB was also very supportive of the community hub as a place to deliver social service programs. With short-term financing from the Board, the PSNPFC did not require any government funding or partners to deliver the project.

While the Town was not involved in the purchase, the PSDSSAB facilitated the negotiation process and provided financing to enable a local non-profit organization to deliver services addressing a municipally identified community need.

### 3.2.2 Timmins Native Friendship Centre, City of Timmins

The Timmins Native Friendship Centre ('TNFC'), a member of the Ontario Federation of Indigenous Friendship Centres, purchased the former Flora MacDonald Public School in January 2012 for \$375,000. The TNFC retained and renovated the school building to house a wide range of services and built new affordable housing on the vacant portion of the property. The Friendship Center now uses the space to provide wellness, family, career and educational programs for the local Indigenous community.

The hub replaced TNFC's two former locations that reached their capacity after several successful years of growth. The new 20,000 sq. ft. facility allowed the momentum to continue, offering additional

capacity for program expansion. The building provides enough flexibility to accommodate a variety of uses and programs. The old school gym for example serves a dual function as a recreational facility and a 150-person conference centre.

**Figure 14 - Former Flora MacDonald Public School**



The school was acquired and renovated as part of the Centre's Under One Roof program that received \$322,000 from the Aboriginal Community Capital Grants Program administered by the Ministry of Aboriginal Affairs. In 2017, the Center was also able to secure \$3 million in combined federal and provincial funding through the Investment in Affordable Housing agreement to develop 18 affordable units on the southern portion of the property (the former school playground).

While the conversion of the school to a service hub did not raise any major concerns from the local community, the development of affordable housing units received significant resistance from neighbouring property owners who expressed concerns over traffic,

property values, privacy, and view preservation. At the same time, the need for affordable housing, improved physical infrastructure, and increasing rates of homelessness among Timmins's aboriginal residents were some of the key themes repeatedly emerging during public consultation. Eventually, Council approved the application to rezone the property from institutional to medium density residential. Completed in 2018, the affordable units helped alleviate youth and elder homelessness among local aboriginal residents.

**Figure 15 - Rendering of Affordable Housing Units**



Although the City was not involved in the project beyond planning approvals, the timing of the project aligned closely with multiple provincial and federal initiatives, such as the Investment in Affordable Housing agreement and Ontario's Long-Term Affordable Housing Strategy, allowing the Friendship Center to acquire enough external funding for the school conversion and new development on the site. However, a lengthy public consultation process, community opposition and the need for a zoning amendment extended the timeline for the

affordable housing phase to nearly six years, while the school conversion took less than a year. Independent non-profits often lack resources and more importantly expertise to navigate the planning process and address community push back. Municipal support at this stage can be vital to the success of a non-profit project.

### **3.2.3 M'Wikwedong Friendship Centre, Owen Sound**

Operating in Owen Sound, M'Wikwedong opened its first Friendship Centre in 2001 when it received a former church building as a donation. After receiving funding from the Ministry of Education's EarlyON program in 2015, M'Wikwedong considered renovating the building to meet its growing needs but ultimately decided that moving to a bigger facility was more feasible. The search for a new location had been ongoing for almost two years when Dufferin School was declared surplus. The property was purchased from the Bluewater District School Board in August 2019 for \$560,000. M'Wikwedong retained and renovated the school to accommodate a new resource centre with 12 services and maintained the school playground for its daycare program.

The school required a \$600,000 investment that was covered by the EarlyON grant as well as funding from the Ontario Federation of Indigenous Friendship Centres and M'Wikwedong's own fundraising and reserve funds. With no ancillary residential uses proposed on the site, the centre did not require any zoning changes and was able to open its doors the following year. Currently, the centre provides resources to address the social, spiritual, mental, and physical needs of the urban Indigenous population of Owen Sound and Grey County.



Figure 16 - M'Wikwedong Friendship Centre



The project was executed with no support from the municipal government, instead using a combination of provincial and M'Wikwedong's own funding. Existing institutional zoning already allowed the proposed use of the property with no need for a zoning amendment, further limiting any potential municipal role in the project. With sufficient external funding and capital reserves, converting surplus schools to community uses can be a reasonably straight forward process that can be carried out by local non-profits with no or little municipal assistance. However, depending on local real estate market conditions, these organization can benefit from government support during the acquisition process, particularly during negotiations with the School Board.

### 3.2.4 Fusion Youth Activity and Technology Centre, Town of Ingersoll

Following a 2003 study that showed a relationship between youth crime and lack of youth engagement, the Town of Ingersoll included youth engagement as a strategic direction in its Community Strategic Plan. The Plan was adopted in 2004 and recommended creating a youth committee and a youth centre. For this purpose, the Town of Ingersoll purchased the former Sacred Heart Catholic School, which was earlier declared surplus by the local school board.

As a preferred public agency, the City had the right to submit an offer before the property was listed on the private market. The site was purchased in January 2005 for \$300,000. The school required renovation but was able to accommodate new uses without any new development on the site. The purchase and all necessary building upgrades were paid for by the Ingersoll Town Council and the Rural Economic Development Fund administered by the Ministry of Agriculture, Food and Rural Affairs. The proposed use did not require a zoning amendment or major building additions/alterations, and the centre was able to open the same year.

The former school is in downtown Ingersoll and is central to many other schools in the area, meaning students can easily access the center without relying on others for transportation. Having purchased the building with no prior inspection, the Town faced some unexpected costs associated with structural upgrades and the electrical/mechanical systems required major retrofits to accommodate the future technology center. The building also had no air conditioning and required a new HVAC system to bring it up to code.

Figure 17 - Former Sacred Heart Catholic School



The Fusion Youth Activity and Technology Center is owned and operated under the Town’s Parks and Recreation department and is run by an on-site manager. It has three social enterprises (‘SEs’) embedded within its recreational programming to help local youth develop life and work skills. Although the enterprises are run as programs and not traditional businesses as was recommended during the business planning process, financially there is a distinct line between the two, meaning that any budget fluctuations with regard to SEs will not affect the Center’s recreational activities. SEs were selected based on existing services in the vicinity of the Center to avoid competition with local business owners. Enterprises that currently operate in the Center include computer repair and e-waste management, sound recording, and multi-media production. In addition to various programs and activities, Fusion also offers communal space for local youth including a lounge and game zone, an Internet Café, billiards and a skate park.

Figure 18 - Fusion Youth Activity and Technology Centre



The Center is funded through the Parks and Recreation operating budget, grants, and own revenue. In addition to a \$5 annual membership fee, Fusion generates rental revenue from a number of tenants, including the Victorian Order of Nurses (‘VON’) and the Oxford-Elgin Child and Youth Centre. VON provides services to seniors and mainly uses the space in the morning before the youth arrive, allowing for an expansion in operating capacity with minimal overlap in programming. The Center also partners with other local service providers and organizations for fundraising.

However, not all partnerships have been successful. Initially, the “Activity” and “Technology” parts of the programming were delivered separately by the Parks and Recreation Department and Craigwood Youth Services. What seemed like a great match in terms of expertise, created some challenges due to differences in funding models and mandates. Eventually, the Town took over the Technology Center.



**Figure 19 – Former Sacred Heart Catholic School Classroom**



The diverse programming of the center and its integrated structure of recreational programs, social enterprises and community partners help ensure long-term financial sustainability. A variety of programs also allowed the Center to access a wider range of grants and funding opportunities compared to a traditional recreation centre.

The potential for revenue generation is one of the main advantages of the model compared to traditional municipally operated recreational facilities and service centers (assuming demand exists for services that can pay rent). The model also provides an opportunity to maximize the use of public facilities through ancillary services outside of the main programming.

### **3.2.5 House of Sophrosyne Lisa Tayfour Building, City of Windsor**

When St. Alexander Elementary School was declared surplus, it was offered to the City of Windsor as part of the prescribed circulation

process. The City conducted an assessment that did not find any municipal need for the property, so the site was listed on the private market.

The House of Sophrosyne, a local non-profit addiction recovery organization, purchased the school in October 2014 for \$625,000. The non-profit had outgrown its previous location and was looking for new space to expand its programs and potentially add supportive housing to its service offerings. The school was retained and renovated to support a variety of administrative and community functions.

The project required a total investment of \$3.5 million, which was raised through the organization's own fundraising initiatives and donations from other charitable organizations and philanthropists. The lack of funding, and difficulty raising money through donors, created significant uncertainty throughout all stages of the project.

Currently, the center offers day and evening programs, family rooms, childcare and transitional housing. The organization worked closely with the City of Windsor to ensure these uses are permitted under existing zoning. A more permanent form of housing envisioned by the House of Sophrosyne requires a zoning amendment, which became a major roadblock for the non-profit.

Although the school required significant investment, the retrofit was more affordable than new construction. The organization's executive director also noted that the school gymnasium was a great asset to their programming in addition to the accessibility features of the one-storey building. The site also provides enough vacant land for new development or additions once the non-profit is ready to proceed with its housing plans.

The case study also illustrates the challenges that independent non-profits face when trying to acquire institutional properties, including unreliable funding sources and lack of resources and expertise to navigate planning regulations.

### 3.2.6 Former Rosedale Public School, City of Sault Ste. Marie

The District of Sault Ste. Marie Social Services Administration Board ('DSSAB') purchased the former Rosedale Public School in January 2019 for \$250,000. The Board saw an opportunity to repurpose the existing building for community services and affordable housing with sufficient vacant land for future development. No other public agency expressed interest in the property. The Board, on the other hand, already had access to funding and had previously identified a need for a new hub.

The City does not have a formal surplus school redevelopment strategy and mainly deals with these sites on a case-by-case basis. The City was involved only as a planning approvals authority with the DSSAB leading the initiative (the DSSAB is not under the City's purview and receives funding from the Province of Ontario). However, the City is interested in facilitating community hubs on former school sites and is currently working on policies that would allow community hubs as-of-right in more locations throughout the city. The work is part of the Official Plan Review Process currently undertaken by the City. Once the Draft Official Plan is adopted, municipal zoning standards will be amended to implement these changes. The City is also launching an Affordable Housing Task Force to formally articulate the growing need for attainable housing that has been long felt in the community.

Figure 20 - Former Rosedale Public School



The property was originally zoned Parks and Recreation and required a zoning amendment to permit community and residential uses. The DSSAB decided to focus exclusively on the existing school building to avoid having to go through a more complex design and approvals process that would be required to develop the entire site. The Board plans to develop the former school yard located on the northern part of the property at some point in the future to maximize the use of the site. City Council approved the application, which did not receive any community opposition, mainly because the DSSAB owns most of the surrounding properties.

Construction work began while the application was still under review. The Board was aware of the significant structural upgrades required to accommodate new uses and therefore did not face any unexpected delays or costs during the construction phase. Some of the most expensive improvements included plumbing and sewage upgrades for residential units, new insulation, and roofing. The project was fully completed and ready for occupancy in 2020. Classrooms were

transformed into one- and two-bedroom units averaging 800 and 1,100 sq. ft.

The purchase price for the site was considerably below market, which increased project feasibility, with the project costing nearly \$4 million. The federal and provincial governments provided \$1 million for the project through the Investment in Affordable Housing Program (IAH) and Ontario Priorities Housing Initiative (OPHI). Additionally, the childcare center received \$930,000 in funding through the Community-Based Early Years and Child Care Capital Program (CBCP).

One of the financial goals for the project was to make it operationally neutral through rental revenue from apartment units as well as community space. Residential rental rates are set at around 80% AMR. All nine units are currently leased and have not yet experienced any turnover. A large portion of the community space is also generating rental income.

While the residential component of the project is specifically targeting low-income seniors at risk of homelessness, the community hub offers services to the entire community and includes a day care and a new EarlyON Child and Family Center.

Despite the successful conversion of the school, the DSSAB has noted the project would not be viable without additional funding in the current market environment characterised by high construction costs and limited income generation potential at affordable rates.

### **3.2.7 LoveSong Affordable Seniors Housing and Community Hub, Prince Edward County**

LoveSong Housing is an independent non-profit group spearheaded by members of Emmanuel Baptist Church and volunteers from Prince Edward County. LoveSong partnered with Springale Developments, a local affordable housing developer, to repurpose the former Pinecrest Memorial School for affordable seniors housing with on-site services and supports. The 46,000 sq. ft. property located in the center of Bloomfield was declared surplus in 2017.

To allow the group sufficient time to apply for funding, prepare a business plan and development concept, Prince Edward County agreed to purchase the school on behalf of LoveSong and hold the property until the group is ready to proceed with development. The Municipality purchased the site in 2018 for \$375,000 and two years later sold it to the LoveSong/Springale partnership for the same price. The Municipality provided active support to the group, facilitated the land transfer, and contributed to the carrying costs.

The group is now working to convert the school into 50 residential units and a community hub with recreational and cultural programs. The hub will consist of medical offices, a wellness center, woodworking shop and commercial kitchen. The original building will be retained and adaptively reused, including the gymnasium. The 20-acre school yard will accommodate a mix of recreational and social opportunities, including a walking trail, community garden and farmer's market, but can also support additional residential development in the future.

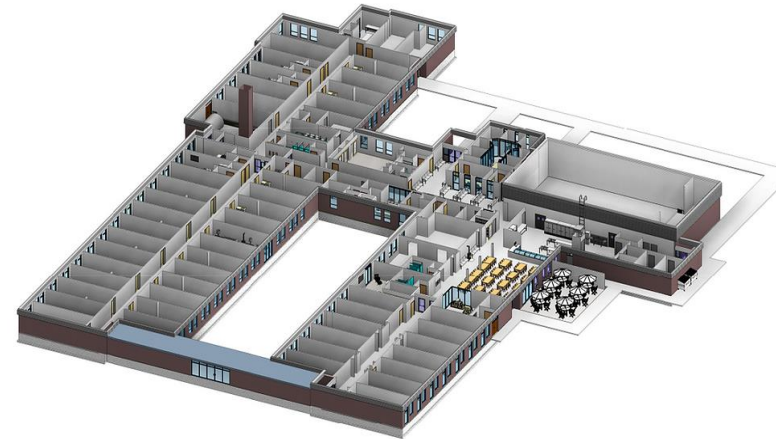
Figure 21 – Former Pinecrest Memorial School



The partnership was able to secure SEED funding from CMHC, Trillium Foundation and the federal Green Communities Initiative. The group also welcomed a team of five summer workers funded by the Federal Government Canada Summer Jobs Program. Since most of these programs require a “shovel-ready” site, the partnership worked towards securing all necessary plans and studies before taking over the site from the County. During the planning phase, the group heavily relied on technical support from volunteer lawyers, accountants, civil engineers, and architects. During the demolition phase, LoveSong also received some building materials from a local hardware store at no cost.

Despite all volunteer hours and contributions, the project cost approximately \$10 million and is expected to be completed in five phases with tentative occupancy in the fall of 2023. The non-profit group believes it will play an important role in addressing the need for affordable housing highlighted in the 2021 Official Plan for Prince Edward County.

Figure 22 - Proposed LoveSong Community Hub and Seniors Housing



The case study is another example of a school conversion lead by an independent non-profit. Since the project addresses an important community need, the local government was ready to facilitate the acquisition to help the non-profit align planning work with potential funding opportunities. Timing can become a major challenge to local community groups looking to repurpose surplus institutional properties. In this example, the non-profit needed two years to secure funding and obtain planning approvals. If the Municipality had not purchased the property on behalf of LoveSong, the group might have missed the opportunity to develop the site. This approach to site acquisition also gives interested community organizations more confidence in a successful acquisition since municipal governments have the first right of refusal to surplus school sites, whereas private non-profits have to compete with other bidders once the property goes to the private market.



### 3.2.8 Sutton Public School, Town of Georgina

Located in Sutton, Georgina, The Link is a multi-tenant centralized community hub offering programs and services focused on health and wellness, youth engagement, recreation and culture, and more. The hub operates out of the former Sutton Public School that was purchased by the Town of Georgina in 2011 for \$888,706 and renovated to support community uses.

The site was declared surplus after the local School Board opened a new school on Baseline Road. The property, however, remained in the Board's ownership and stayed vacant for several years. Noticing the state of disrepair of the building and increasing instances of loitering and vandalism happening on the property, the Town approached the School Board with an offer to purchase the site. Due to its central location, the property was viewed as a prime real estate opportunity, however, there were no clear plans for the site at the time of purchase.

The Town began a series of community and stakeholder engagement sessions, which revealed an acute need for new space for local community groups. Several local organizations whose current space was inadequate expressed interest in the property. Georgiana Food Pantry, a local food bank, was one of the first groups to come onboard.

Since the timing of the project also coincided with the development of the Ontario Community Hubs Framework, the Town began exploring the community hub model. Renovation options ranged from minimal upgrades at a cost of \$350,000 to a \$3.7 million renovation. The Town was able to secure \$2.1 million in federal funding, which became one of the main reasons for Council approval of the project. However, following a new government election that took place shortly after the

project was approved, the funding was cancelled, leaving the Town with no external funding sources.

**Figure 23 - The Link Community Hub**



Nevertheless, the Town settled on a complete renovation that would span over multiple phases, each involving a multi-million-dollar investment to provide high-quality contemporary space to local service providers. Phase 1 (approximately 15,570 sq. ft.) was completed in 2015 and is now occupied by Georgina Food Pantry, Georgina Chamber of Commerce, Jericho Youth Services, Routes Connecting Community, and Hospice Georgina. It also boasts one of the best equipped commercial kitchens in the Region that opens to a large event hall in the former school gymnasium. Construction on Phases 2 and 3 began in February 2020 and was completed in about eight months. Work included HVAC and electrical upgrades, new corridor flooring and roof replacement for a total of \$3.12 million. Phases 2 and 3 (approximately 13,153 sq. ft.) were leased to York Region Community Health Services, Club 55, and Community Living Georgina.

Most of the challenges associated with building retrofit stemmed from the property's structural limitations and age. Almost all building systems required major upgrades that sometimes competed with overall design objectives. For example, redirecting plumbing pipes that ran over the main hallway to increase ceiling height was financially unfeasible. Integrating new communication systems such as phone and internet with old and new utility lines was also a challenge.

The Link is credited for breaking through stigma often associated with centralized service hubs and creating a sense of a welcoming community space for all demographics and social groups that the hub continued to build on over time. The fact that the hub does not just provide office space to non-profit organizations, but also offers meeting and event space for local residents, community groups and professionals while actively encouraging collaboration through special events and programs, has strengthened the hub's role as a focal point for all three communities that make up the Town of Georgina.

The Town took on the costs of renovating common areas and making key structural upgrades, while tenants worked on securing their own funding to complete individual buildouts. The steering committee hired a design consultant and architect, Hilditch Architect Inc., who had already worked on several community hubs in the past. The goal was to move away from the institutional feel of the building and focus on user experience.

A small part of the building containing asbestos was demolished for safety reasons but also to achieve building efficiency regarding overall building shape and size. Schools often consist of L or T shaped wings that require thoughtful design to make the space flow and avoid

potential tenant alienation. For example, York Region, who occupies the back of the building, is somewhat distanced from the central portion of the hub that has the most concentration and diversity of uses and programs. Acknowledging the barriers this might create for tenant collaboration and user navigation, the hub coordinator is constantly exploring ways to offer strong visual connections throughout the building. User experience has guided many design decisions at the hub - the food bank for example has an additional direct entrance to respect the privacy of its clients. A hot desk, initially offered in Phase 1, is now being replaced with smaller one-on-one meeting spaces based on user feedback and needs.

**Figure 24 - The Link Event Hall (Former Gym)**



All non-profit tenants pay an affordable rental rate subsidized by the Town. Maintenance and other service fees are built into lease agreements to offer a simple lease rate structure. Rental revenue covers

a portion of operating expenses otherwise covered by the Town of Georgina. For example, the 2020 operating cost of the hub was \$675K with a goal to achieve two thirds cost recovery.

Aside from over 30,000 sq. ft. of indoor space, the hub benefits from over 6 acres of open space that backs onto a river. The space is used for outdoor programming and seasonal events such as farmers' and winter markets, a community garden, and art and culture events. The center coordinator hopes the hub will soon be able to provide outdoor performance space to continue to maximize the use of the school yard. Some of the space is also being considered for outdoor storage given a lack of storage space in the building. No future development is planned for the lands.

The hub's central and accessible location within the city, the quality and functionality of its space, and the benefits of centralized service provision is what makes it a successful collaborative space for local non-profits, entrepreneurs, artists, small business owners and residents of all ages. Similar to the Fusion Youth Centre in Ingersoll, the Link is fully owned and managed by the municipality and is funded through a combination of rental revenue and municipal funding.

### **3.2.9 Bradford Public School, Town of Bradford West Gwillimbury**

Bradford Public School was declared surplus in 2014 but continued to serve as a temporary school site until 2018. In 2019, the building became available for purchase. At the time, Council had already been developing plans for a new community hub that would provide a central location for the town's scattered social services. The COVID-

19 pandemic further demonstrated that existing accommodations were inadequate, emphasizing the need for new investment.

**Figure 25 - Former Bradford Public School**



The Town purchased the school in 2020 for \$5.1M with plans to adaptively reuse the building. The newest parts of the school were built in the early 2000's, but most of the structure dates to 1950 and requires major retrofits before it can accommodate new uses. In 2021, the Town was considering two design concepts ranging between \$1.4 and \$4.2 million, ultimately selecting the more expensive option that included a community kitchen, a new HVAC system and substantial exterior upgrades, which would provide greater flexibility and use of the property. These costs were also well below the cost of constructing a new building.

However, a year after the concept was approved, project costs increased by almost 50%, requiring a bigger share of tax-derived funding. The City submitted an application for a federal grant program which was approved in late 2022 resulting in a \$5.3 million grant

through the federal Green and Inclusive Community Buildings program. The 28,000 sq. ft. school building would be retrofitted in accordance with LEED standards, achieving a 67.6% reduction in annual energy consumption.

The Town was able to start construction right after obtaining funding since the property was already zoned for community uses.

The Helping Hand Food Bank will occupy about 25% of the building, with another 25% allocated for transitional housing permits. The Town is also exploring opportunities to consolidate all its social services at the new location. The school site is in an older established neighbourhood, close to other existing service providers and transit, and is already familiar to service users. Although the demolition phase revealed some structural issues related to the age of the building, construction has now resumed, and the building is expected to be ready for occupancy in Summer 2023.

This case study is another example of a municipally led conversion. The project was initiated during a period of rapidly increasing construction costs and highlights the importance of having a sufficient contingency fund that can also cover any unexpected costs discovered during demolition.

### **3.2.10 St. Bernadette Catholic School, City of Sault Ste. Marie**

After serving the community for 58 years, the former St. Bernadette Catholic School closed in 2017 as part of a consolidation of several school sites. That same year, the school was acquired by the District of Sault Ste. Marie Social Services Administration Board ('DSSAB') for \$200,000. The Board purchased the site on behalf of the Ontario

Aboriginal Housing Support Services Corporation ('OAHSSC'), who took over the property shortly after. The OAHSSC acquired the site to construct 15 affordable transitional units for Indigenous women and children at risk of homelessness. The units were provided within the old school building with no new development taking place on the site.

**Figure 26 - Former St. Bernadette Catholic School (before renovation)**



The building underwent a complete renovation between 2018 and 2019 in order to accommodate residential uses with on-site supports such as childcare, education and employment assistance services. The federal and provincial governments contributed \$2.9 million for the project. The centre is supported through the Urban Indigenous Homeward Bound program run by the Sault Ste. Marie Indigenous Friendship Center (the same program guides the redevelopment of the former Holy Cross School in London). The program is also receiving funding from the federal-provincial Social Infrastructure Fund.



Figure 27 – Homeward Bound Housing Complex (after renovation)



Although the services offered at the center are accessible to all eligible community members, they are an integral part of the housing program on the site. The center provides women with an opportunity to pursue education and employment while offering childcare and other support services. Once program participants complete their training, they transition to a more permanent accommodation allowing the next group of participants to take advantage of the program. With emphasis on education and employment, the site's proximity to educational institutions gives it an important locational benefit.

Compared to the Rosedale Public School conversion where the St. Sault Marie DSSAB led and funded the conversion, here they took on more of a facilitative role in helping the OAHSSC secure the site.

### 3.2.11 St. Agnes Catholic School, Municipality of Chatham-Kent

In 2021, Indwell Community Homes, a non-profit affordable housing developer, bought the former St. Agnes Catholic School located in Chatham for \$635,000. The school was sold on the open market after no public agency expressed interest in the property during the initial circulation period. The site offers easy access to health care, retail and community services. Funding for the acquisition was provided by a single donor.

The project is currently in the pre-development stage and is expected to provide 34 affordable housing units within the former school building. The remaining vacant land will accommodate an additional 51-unit building that will be developed at some point in the future.

Indwell is currently working on submitting a rezoning application for the property. The first phase of the project has an estimated timeline of 12 -18 months for renovations once permits are in place. Although the building requires extensive plumbing and sanitary upgrades, the structure itself has been well maintained and requires relatively little demolition work. Indwell identified that preserving the original structure was particularly important for local residents, who share deep personal attachments to the former school. Over the course of several community consultations, Indwell also found that the school gymnasium was considered an important community asset that local residents were hoping to retain.

Figure 28 - Former St. Agnes Catholic School



In addition to long-term affordable housing, the project will provide support services and communal space. The design concept for the building incorporates a commercial-grade kitchen and a shared dining area. These spaces might be offered to volunteer groups or other community organizations for lease, but not on a long-term basis to respect residents' privacy.

The work on this site is part of Indwell's broader initiative to provide 150 affordable housing units in the municipality between 2020 and 2025. To achieve the goal, Indwell is working in partnership with several local organizations such as NeighbourLink, the Municipality of Chatham-Kent as well as local churches. The Municipality provides seed money to the group and helps identify potential development sites.

### 3.3 Municipal Strategies

#### 3.3.1 Surplus School Site Evaluation and Acquisition, City of London

In 2018, the City of London developed a policy to guide the evaluation process for acquiring surplus school properties. These properties are intended to be utilized for municipal uses based on the City's broad objectives identified in land use plans and strategic policy documents. These documents shaped both the background and the need for an articulate surplus school acquisition strategy.

For example, the 2015-2019 Strategic Plan stated that the Strategic Focus of creating and maintaining "Vibrant, Connected, and Engaged Neighbourhoods" requires the City to "work with their partners in Education to help keep neighbourhood schools open and use former school sites efficiently". The Official Plan also contained policies to seek opportunities to acquire surplus land for housing purposes from school boards, the provincial and federal governments, and other institutional entities.

The Plan also recognized opportunities for the re-use of closed public facilities, indicating that "for a variety of reasons, non-municipal public facilities may close from time to time, leaving important community sites for redevelopment" and that "the City will consider acquiring these sites, where there is an identified public benefit in doing so". Other examples of policies recognizing opportunities for the use of surplus school sites included the 2016 London for All: A Roadmap to End Poverty Report and the Parks and Recreation Strategic Master Plan.

To minimize potential risks associated with organizational and/or financial capabilities of potential public or private partners, the City prioritized municipal needs that are not reliant on partnerships with community groups and private or non-profit organizations, although such partnerships can be explored for project delivery. The City identified three municipal needs for which surplus school sites are evaluated:

- Affordable Housing,
- Community Facilities, and
- Parkland.

Each of these uses can help maintain the school's role as an important community asset and an element of a complete community. However, based on the "affordable housing first" policy, affordable housing will take priority over any other municipal need. Only when site-specific factors limit the site's ability to accommodate affordable housing, it will be evaluated for a community facility or parkland.

To allow sufficient time for site evaluation, the City begins the process once the School Board identifies sites for Pupil Accommodation Review ('PAR'), which occurs prior to a property being declared surplus. This gives the City enough time to assess site characteristics and attributes, review any financial impacts such as funding availability, and consider partnership opportunities. However, despite some clear benefits of a proactive approach, conducting site evaluation before the PAR process is finished can potentially result in inefficient allocation of municipal resources.

A PAR can take anywhere from several months to several years with no guarantee that any of the sites under review will be recommended for closure. Even if a site is declared surplus, another year or more can pass before the school closes and becomes available for purchase, and another agency with higher priority can claim the property. The City also must ensure that the evaluation process happens internally to avoid any interference with the PAR process outcomes – this was a particularly important comment that the Board made on the draft Surplus School Site Evaluation and Acquisition Policy. No recommendations should be made to Council and no partnerships should be sought before the PAR process has concluded. The City evaluates all sites identified in the PAR, but only those that meet the City's evaluation criteria are recommended for purchase.

Four main factors affect the City's decision:

- **Municipal Need:** as previously mentioned, surplus sites are evaluated for three key municipal uses based on site characteristics as well as presence and timing of other initiatives/investment;
- **Opportunities and Constraints for Reuse or Redevelopment:** sites are assessed based on physical attributes and policy context;
- **Financial Impact:** the City determines budget requirements and funding sources.

Evaluation criteria are slightly different for each of the uses, but generally include site location, shape, size, and proximity to services and amenities for the initial needs assessment; building condition and age, heritage potential, servicing, achievable land uses and their

intensity for assessing reuse or development potential; and hard costs, funding availability and partnership opportunities for financial planning and budgeting. Site evaluation is carried out in conjunction with appropriate service agents and municipal departments, such as affordable housing providers and the parks and recreation / planning departments.

More specifically, the following criteria are used within each of the three potential uses:

#### **Affordable Housing:**

- The site is within the urban boundary;
- Any buildings on the site will be evaluated to determine if they are capable of being adaptively re-used/re-purposed for housing;
- The use of the site for affordable housing purposes would be consistent with the policies of the Official Plan;
- The site is located in an area with a demonstrated need for affordable housing;
- The site would provide for regeneration opportunities;
- The site is not constrained by built or environmental features.
- The site is in proximity to a range of community amenities supportive of affordable housing.

#### **Community Facilities:**

- Real Estate Criteria: takes into consideration physical characteristics of the site, constraints to developments, and potential for municipal ownership;
- Service Delivery: considers service gaps, potential user base, and whether or not a new facility will encroach on the areas served by existing facilities;
- Accessibility: takes into consideration access to existing bike and transit routes, the total population living in proximity to the site, and the number of households, students, or older adults (depending on the programming) within a 15-minute walk of the site.

#### **Parkland:**

- Whether or not the site takes advantage of prominent land forms and natural environmental features, such as ravines or wetlands, and provides opportunities for sports activities or special events;
- Whether or not the site is within the standard service radius of 800 metres (10-minute walk);
- Whether or not there are other opportunities for satisfying the need for parkland, for example through parkland dedication or the use of existing school yards that remain open.
- Additional considerations include existing and projected population densities, existing facilities and their service coverage, funding

availability, and opportunities for creating a continuous and linked park system.

Once a site has been evaluated for an identified municipal use, it undergoes financial analysis for a potential acquisition. The analysis evaluates the following cost and budget implications:

- The cost to repurpose a school site, including the cost of demolition and site clearance and/or building stabilization of any structures to be retained;
- Soft and hard costs associated with the proposed use;
- Determination of the financial implications associated with paying Fair Market Value.
- Evaluation of the City's existing capital plan to identify funding redirection opportunities based on identified priorities.
- Ongoing operating budget impacts, including holding costs, maintenance, security, etc.;
- Opportunity cost of the planned acquisition.

Although the City evaluates opportunities for school retention and re-use, most sites are assessed based on the development potential of a vacant, cleared site. If only a portion of the site is required for municipal use, the City will consider potential cost-recovery opportunities. For example, the City could either seek partnership opportunities to purchase the site, or acquire the entire site and resell the portion of land not required for municipal uses.

If the evaluation process undertaken by the City does not find any municipal need for a surplus site, other community organizations can enter negotiations with the School Board. The City, through its relationships with the Board and community, can assist with the negotiation process, but would not become a party to the acquisition.

## 4.0 Key Findings and Lessons Learned

Schools play an important social role and can be valuable community assets even after their primary function no longer aligns with local demographic trends and needs. While closed schools provide unique opportunities for both public and private development/partnerships, these properties are often sold to market developers, particularly in high value markets, given the requirement to seek fair market value and the capital needs of many school boards.

The case study analysis in this report illustrates that in high value markets, unique partnerships and funding opportunities, as well as heavy involvement and leadership from the municipality and senior levels of government, must align for affordable housing and community uses to be implemented on these properties.

In other situations (e.g., modest markets, constrained property, etc.), a greater opportunity exists for a variety of stakeholders to deliver affordable housing and/or community services on these sites. While these situations will also require funding and leadership from the public sector, they represent strong opportunities to utilize these former public assets to fulfill the needs of the community. These investments can also be modest (i.e., reuse of the school building) or more substantial (i.e., comprehensive redevelopment).

To follow is a summary of the benefits and potential challenges associated with surplus school reuse and/or redevelopment:

### 4.1 Benefits/Opportunities

- **Location** – In almost all case studies analyzed in this report, the location of former school sites was mentioned as an important benefit to future uses. Schools are often centrally located within a community, which makes them highly accessible. They are typically close to a large residential base, other services, and amenities. 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 other schools for youth-oriented services, etc.) is also highly desirable.
- **Community Sentiment** – Another benefit associated with adaptive re-use of closed schools is the opportunity to preserve the value these sites hold for their local communities. Converting schools into community hubs, for example, allows the retention of these social assets in public use and expand their lifetime as community-oriented facilities. The spatial and locational characteristics of both schools and community hubs, as well as the social roles that they both play, often work in favor of these types of conversions. Schools typically locate in established residential areas close to other amenities and services and already provide a focal point for local residents through public use of school yards, sports fields, and gymnasiums. Our interview with Indwell also showed that respecting community sentiment for preserving and reusing closed



schools in their original form can soften public push-back to affordable housing projects.

- **Cost-Saving Opportunities** – Depending on building condition and characteristics, reusing former school properties can offer some potential cost-saving opportunities. Depending on the situation, 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. This saving potential for housing is likely smaller since it requires a higher plumbing and sanitary system capacity and is more complicated to implement in general.
- **Compatible Land-Use Context** – As noted previously, schools are often located in established residential areas, minimizing any potential land use conflict for both community services and affordable housing. School sites typically have an institutional zoning, which already allows for a variety of community uses. Although residential provisions under institutional zoning are quite limited (usually in the form of transitional rather than permanent housing, if allowed at all), in most instances these sites can be appropriately rezoned to residential uses from a land-use compatibility perspective. This benefit applies equally to adaptive reuse and new development.
  - As illustrated in our Windsor example, the ability to use a former school building without having to apply for rezoning or other planning approvals is a great advantage for smaller local non-profits who might not have the expertise or resources to carry out the process. This benefit is equally as important for a municipality seeking planning approvals if community pushback is significant.
- **Environmental Benefits** – Although the environmental benefit is most directly associated with adaptive reuse of vacant buildings due to a more efficient use of old and new construction materials, new development can also offer indirect benefits through intensification of urban school sites as opposed to new greenfield development.
- **Versatility** – Despite a seemingly unique space configuration, our case study analysis illustrates that school buildings offer a relatively high degree of versatility with the ability to support a wide range of uses and programs when it comes to adaptive reuse. Classrooms can be turned into administrative or medical offices, meeting rooms, services, or apartment units. A school gym can continue its sports and recreation function while also being used as event/community space or a foodbank. In many conversion projects carried out by community groups, school gyms were identified as an asset for proposed community programming. School yards offer ample open space for seasonal programming and events, parkland or new development.
  - If redevelopment is more feasible to adaptive reuse, the typically large size of school properties also provides a high degree of versatility and offers opportunities for a wide range of built forms and densities.

## 4.2 Challenges

- **Land Value** – Currently, school boards are required to seek fair market value when disposing of surplus sites. Although the Province has made recommendations to exempt community-oriented projects from this requirement in its last review of the Community Hubs Strategic Framework and Action Plan, the regulation remains in force. Given a high suitability of school properties for residential development, their value is usually determined based on residential use. In strong markets, acquiring surplus school sites for community uses or affordable housing is often cost prohibitive.
  - School sites also tend to be large multi-acre properties, which results in high overall land costs regardless of how much of the land will be used for community uses and affordable housing. Site context also plays an important role, as properties located within high-density, highly desirable submarkets will have an additional premium on land value.
  - However, as illustrated through the case-study analysis, in smaller markets with relatively unconstrained land supply, land values can be less of a challenge. In these locations, school boards can also be more flexible when determining the “fair” market value for their properties. For example, the Toronto District School Board takes a very vigorous approach to pursuing fair market value, whereas the Algoma District School Board was able to work with the local Social Services Board to negotiate a sale price reflective of the community-oriented nature of proposed development. There are also various cost-recovery strategies that can be used to minimize the financial impact of high land costs on project feasibility, such as market sale of excess land or leasing commercial space at market rates.
  - Working with the school board at an early stage to gain consensus around the future community-oriented use of surplus properties can also assist in the negotiation process.
- **Building Condition** – While some cost saving potential exists in reusing former school buildings, these opportunities entirely depend on building condition and maintenance. Schools that most often get declared surplus typically date back to the 1950s – 1970s and are in poor condition with significant capital investments required. Although some of these buildings are well-maintained, these schools often lack in key structural systems, such as central air and fiber internet, and require substantial renovations to be used for housing and community uses.
  - A higher intensity of planned uses, particularly housing, is also likely to require upgrades to existing utilities, such as plumbing, mechanical, and electrical systems. When the upgrades required to bring the building up to code are coupled with years of poor maintenance, it might become unfeasible to preserve the building. Depending on construction period, some of these buildings might also contain asbestos and other pollutants. Without strong locational advantages, demolition costs and potential hazardous material remediation might make a school site less competitive compared to other available sites,





housing have included transitional homes, but some cases have also secured permanent affordable rental housing.

- **Operational Sustainability and Funding Requirements** – Regardless of the intended use of the building (e.g., reuse, redevelopment) and party involved (e.g., municipality, non-profit, community service group), access to capital funding and financing is required for any affordable housing/community hub project to be implemented. Both affordable housing and community uses require significant subsidy because the rental revenue achieved is very low. This impacts their ability to secure financing and pay for required upgrades to an existing building or to implement a more comprehensive redevelopment.
  - The availability of funding will be the largest determining factor influencing a group’s ability to undertake a project. As illustrated in the case studies, funding has been secured through a variety of means (e.g., directly through the municipality, through senior government programs, philanthropic avenues). Without adequate funding, these projects cannot occur and is therefore one of the primary challenges influencing these outcomes. Where fair market value is required for the land, the land purchase is added directly to the capital costs of the project, further challenging feasibility.
  - To increase operational resilience, some of the space in a community hub can be offered for short-term lease at market rates (e.g., meeting and event space), through demand for this strategy will be influenced by the market and location of the

property. Operational capacity can be also increased through non-competing programming that extends operating hours of the facility (e.g., if the main program occupies the space only during a certain time of the day, such as youth services that are typically offered after school, other groups, such as seniors could rent the space in the morning).

- While Bill 23 now exempts affordable housing units from development charges, planning fees, and other associated charges, these alone are unlikely to be sufficient for either a municipality or non-profit to implement affordable housing.
- **Lack of Clear Strategic Direction** – Most successful case studies had one common element – an identified municipal need for which school sites were evaluated prior to purchase. A lack of clear strategic direction results in inefficiencies and interim costs of maintaining a property while plans are being developed (e.g., the costs of maintenance, security, etc.), or worse, inability to acquire the property when it is circulated to agencies for review or discovering the project is infeasible / cannot be funded after it has been acquired.
  - Without a clear understanding of municipal needs and potential uses for surplus properties, it is harder to gauge the spatial needs of future occupants and ensure efficient use of the property (e.g., to ensure there is enough interest from potential tenants to fully lease large amounts of community space). During our case study review, it was identified by Hilditch Architect Inc., an architect who has experience in redesigning institutional buildings into

community hubs, that achieving balance with regard to property size is key to user experience and tenant collaboration. A lack of strategic approach to site evaluation also results in inefficient use of municipal resources since it leads to an uncoordinated approach to capital planning (e.g., having the property compete with previously planned/started capital projects for the same municipal need).

- A thorough analysis of municipal needs can narrow down potential programming of surplus sites, not just the general use of these properties (e.g., youth/seniors services vs just community services, special needs housing vs just affordable housing). Identifying a *specific* municipal need allows for a more informed site evaluation process regarding (un)desirable site and location characteristics. Additionally, it helps navigate available funding programs and pursue a “shovel-ready” approach often required as a pre-requisite under these programs.
  - A proactive approach also allows a municipality to understand, at an order of magnitude level, the funding requirements for these types of projects to advance. Securing a budget for these projects ahead of time will allow for quicker and more efficient implementation.
  - Overall, proactive planning allows the municipality to explore partnerships and act quickly when opportunities become available, increasing the likelihood of successful outcomes.
- **Municipal Role/Partnerships** – As our case study analysis identifies, there is a wide range of approaches that various public

agencies and community organizations can take to acquiring and reusing surplus properties. Municipalities can have a varying degree of involvement in these projects depending on municipal needs and available resources, as well as the possibility of non-profit and community partnerships. Municipalities can:

- Initiate, lead, and fund a school reuse/redevelopment;
- Initiate the acquisition, but seek partnerships from either private developers, non-profit organizations, or other public service providers to execute the projects and share financial and administrative responsibilities (e.g., acquiring the property, securing planning approvals, determining the development program, securing funding, etc.);
- Support independent acquisition initiated and lead by local non-profit organizations or public agencies, and less frequently private developers (e.g., providing funding, facilitating purchase agreement negotiations, and/or facilitating planning approvals).
- Each approach has its benefits and challenges and is largely determined based on market conditions, budget, the capacity of non-profit and community groups, the type of housing and community uses in need, funding availability, and project complexity.

## 5.0 Recommendations

Based on the case studies, research, and discussion in this report, the City of Greater Sudbury should implement a formal strategy that proactively plans for school property acquisition/utilization while also remaining flexible in terms of possible outcomes and partnerships.

The following provides an overview of how the City can develop a formal strategy to guide decision making and execute on opportunities as they become available.

- **Determine Municipal Needs** – A municipal needs assessment is the first and most important step in developing a surplus school acquisition strategy. Greater Sudbury has recently prepared a Housing Needs Analysis, which should guide future decision making regarding the type and characteristics of affordable housing that should be delivered on these properties. However, where a school is being repurposed for affordable housing, further consultation and analysis will be required with the City’s Housing Corporation and housing services department, low and moderate-income households, non-profits, and other community groups regarding the types of housing most appropriate for these situations.

The City should begin investigating whether the adaptive reuse of schools are best situated for transitional housing, shelters, or permanent affordable rental as well as the capital investments and design considerations that would be required for each outcome. Consultation should also be undertaken to understand partnership opportunities, available funding, and level of interest in using surplus schools for this purpose.

The City should also undertake a study/consultation process to understand community needs relating to social services across the City. It will be important to understand the types of community services most in need, the communities where services might be lacking or oversupplied, the groups active in providing services, the level of interest that services and community groups might have in a community hub model, identification of groups actively seeking new space, the spatial needs and locational characteristics of these groups (e.g., square footage, ground floor, can not co-locate with other groups, ability to pay rent, etc.), funding opportunities, and other similar considerations. Bringing these stakeholders together early in the process will allow the City to be opportunistic and act quickly as opportunities.

These municipal needs will guide the site evaluation process, help identify strategic partnership opportunities, build a potential tenant roster, as well as explore available funding programs and eligibility requirements. Having a clear set of potential uses for surplus school properties will also help streamline development, minimize overhead costs, and effectively coordinate other capital initiatives.

- **Understand Potential Outcomes and Funding Needs** – Based on the Municipal Needs determined, the City could create a ‘prototype’ concept for community hubs that illustrates the conceptual renovations/retrofits that might be necessary for a school to be reused. This will allow the City to understand the investments that



might be necessary, how schools can be transformed into community hubs, how different community uses can be integrated together under one roof, how the community can maintain access to the building, as well as the costs and funding needs for the project to advance. Securing a budget for land acquisition and implementation will allow the City to quickly act on sites as they become available.

- **Identify Potential Community Partners** – Once there is an understanding of local market conditions and community needs, the Municipality can begin identifying potential partners. In Greater Sudbury, it is likely that the municipality will need to take on an active role in project delivery, for both funding and project planning. However, Greater Sudbury should be prepared to work with a wide range of partners taking into consideration their unique needs, mandates, and funding models. This includes identifying all relevant public agencies/levels of government whose mandate aligns with identified municipal needs, local non-profit organizations that provide services corresponding to the same need, as well as private-sector organizations who operate in the same field and might be interested in the project given appropriate financial incentives. These organizations will all have a varying level of expertise, financial resources, and interest in the project. They can come on board either as partners, service providers, or potential tenants.

Coordination with other public agencies is also important given the Municipality's place on the list of preferred agencies that get the right of first refusal when surplus schools are offered for sale.

Certain agencies have priority over local governments, which might make site acquisition less certain. Greater Sudbury should also meet and consult with the School Boards to build consensus over the use of these sites for non-market outcomes.

- **Identify Potential Acquisition Opportunities** – Along with potential partners, the Municipality should identify sites that could potentially become available for purchase prior to their official closure. These are typically sites that have recently been declared surplus through the PAR process but have not yet closed. As it typically takes around 12 months to close a surplus school, having a clearly defined strategy for evaluating opportunities would allow time for site evaluation, preliminary concept development, and partnership coordination. As illustrated in London, the City could also investigate these opportunities when the PAR process first begins to provide more time for evaluation, however there is no guarantee the site will be declared surplus.
- **Develop a Site Evaluation Strategy** – Although each site has a unique context, Greater Sudbury should develop a guiding strategy containing a set of general evaluation criteria for potential acquisition opportunities for each of the identified municipal needs and potential uses for surplus school sites. The criteria should correspond to the broader policy objectives outlined in land use and other strategic plans and take into account unique requirements of each of the proposed uses (e.g., proximity to ancillary services, amenities, transit and more). To provide a more comprehensive evaluation system, Greater Sudbury can develop a ranking system in addition to the minimum set of mandatory criteria. If site review

is conducted before the PAR process has been completed, the evaluation should remain internal to avoid any interference with PAR.

Aside from site-specific characteristics, the process should assess financial impacts, potential costs and cost-recovery techniques, identify potential funding sources and partners, need for community uses in the local area, and consider other relevant initiatives that might create an overlap in service delivery.

- **Municipal Role** – Once Greater Sudbury identifies a suitable site and develops a preliminary concept, it can determine an appropriate development strategy based on anticipated project complexity, available municipal resources, and the capacity of potential partners. The strategies include, but are not limited to:
  - Full municipal ownership, development, funding, and operation of the project;
  - Site acquisition and future disposition/partnership with non-profit and community groups by supporting funding but not retaining ownership and long-term operational responsibility.
  - If no municipal use was identified for a surplus site, but the property generated interest from local community organizations or even private developers interested in providing affordable housing, the Municipality can still support those projects and take on a facilitative role. It can offer financial incentives and contributions, facilitate negotiations with the School Board, and provide support with the planning approvals process. The

Municipality can develop a complementary strategy outlining the scope of these initiatives.

These strategies offer a varying degree of cost-recovery potential and can support any combination of adaptive reuse, redevelopment and new construction.

- **Maximize Operational Sustainability** – When planning for community uses or affordable housing on surplus school sites, the Municipality should strive towards operational sustainability. Although it will not eliminate the need for subsidies, it will help mitigate long-term financial impacts on municipal reserves and budget. Considering a mix of affordable and market lease rates, ancillary programming, membership fees, and other similar strategies can help maximize the revenue generating potential of a project.

**Develop a Supportive Policy Context** – To streamline adaptive reuse and redevelopment of surplus institutional properties, Greater Sudbury can also consider changes to its land-use framework. The requirement for approvals can add costs and complexity to the project while also generating push-back from the local community, which can significantly undermine the feasibility of these projects. While allowing residential development as-of-right could potentially increase the fair market value of these properties, we understand that most appraisals assume a rezoning is possible when appraising these sites. Allowing these uses as of right will likely improve project outcomes and reduce timelines/uncertainty, particularly for non-profit and community groups.



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