

CPRM July 5, 2022
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Staff Presentation



City of Burlington

Surplus School Lands Review

July 5th, 2022

Dillon Consulting Limited / SHS Consulting

Context

- Schools are integral parts of the community
- From time to time, school boards review the long term accommodation needs and may occasionally determine that a particular school is no longer be needed



The Opportunity

- While the school board decisions to deem a school “surplus” are often controversial, once a decision is made by the school board, the surplus school and the site present a unique opportunity



Study Purpose

- The study purpose is to provide a practice review of school site redevelopment
- The review is being undertaken in coordination with the City's Housing Strategy and helps to advance aspects of Action 10 from the Strategy:



Action 10

Action 10: Identify underused properties, including government owned and non-government owned sites that could be used for housing



The Corporation of the City of Burlington

Housing Strategy

May 20, 2022



Study Components

1. Current
Practice
Review

2. Review of
Federal and
Provincial
Programs

3.
Engagement
Approach

4. Summary
of Key
Findings,
Issues &
Opportunities

5. Technical
Memo

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Legislative Context

School Re-Use, Legislative Context

- In accordance with the Education Act, O-Reg 444/98 requires school boards to circulate surplus real property to other publically funded bodies by issuing a proposal to sell/lease land for a period of 90 days under the following conditions:
 - a) Fair market value estimates/appraisal are not publicized but will be used “in camera” as the Board’s reserve bid price to benchmark bids.
 - b) Property is sold “as is”
 - c) All offers must be received within the published timeline
 - d) All offers must note that the sale is conditional upon the Board approval

Land Use Planning Guidance

- Provincial planning policy is generally silent on the specifics around school site re-use
- The City's current Official Plan provides some guidance:
 - Surplus institutional lands and/or buildings may be acquired by the City where such lands and/or buildings are required to fulfill a community need and are cost-effective.
 - The use of surplus lands owned by the municipality and other government agencies shall first be considered for residential purposes, including affordable or assisted housing, before the lands shall be considered for other land uses. Additionally, when school park/combinations are declared surplus for educational purposes, the City must consider how to maintain the existing parkland levels in the immediate area.

A Range of Approaches

- When municipalities acquire a surplus property, there are different roles they can play:



- Municipality acquires property and sells it on the market for others to redevelop
- In this example the Municipality plays a more passive role, but as the approval authority Councils are in a position to approve proposals for affordable housing



- Municipalities can also sell the land to a developer with a partnership agreement whereby the Municipality may provide additional incentives to entice the developers to produce affordable housing



- In some examples, Municipalities not only secure the land but also may have a role as a housing provider, in these examples the municipality is playing the full role of approval authority, developer and housing provider

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Funding Programs

Federal Housing Programs

- There are a number of programs provided by the Federal and Provincial governments that can be leveraged to support the redevelopment of school sites for affordable housing purposes
- Each program has unique parameters/conditions, but generally most of the programs offer either low interest loans or grants to facilitate development/redevelopment of various forms of affordable housing
- Federal Programs include:
 - CMHC's Seed Funding Program (loans for prep work/soft costs for development),
 - Co-Investment Funding (\$5.19 billion fund for low interest loans offered through several programs)
 - Rental Construction Financing Initiative (low cost loans for construction of rental property, \$13.75 billion in funding)
 - Rapid Housing Initiative (\$1.5 billion in funding for creating 10k new units for people/populations who are vulnerable)

Provincial Housing Programs

- Provincial programs include:
 - Canada Ontario Housing Initiative (can be combined with federal programs, targets service managers for repairing/expanding supply)
 - Ontario Housing Priorities Initiative (can be combined with federal programs, targets service managers for increasing supply)
 - Canada-Ontario Housing Benefit (targets households)
 - Long Term Care Home Capital Development Funding (targets LTC providers)
- There are also several other programs that may have applicability such as FCM Green Municipal fund

Other Housing Programs

- There are also several other programs that may have applicability, including:
 - FCM Green Municipal Funds (20% of total eligible costs up to a maximum of \$10M, 50-50 grant/loans)
 - Social Enterprise Funding generally apply to not-for-profit but may be applicable in partnership situations (Community Forward Fund; Canadian Cooperative Investment Fund; HPC Housing Investment Corporation)

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Community
Engagement



Housing Strategy Context

- The Housing Strategy identified the challenges around delivery affordable housing solutions in established neighbourhoods
- Concerns can be raised around a range of technical aspects around redevelopment:
 - Neighbourhood character concerns (height, density, built form)
 - Traffic and parking impacts
 - Greenspace impacts
- In addition, other concerns can materialize that have less to do with the design of a proposal and more to do with societal bias



Housing Strategy Context



Action 2

Action 2: Act as a connector and partner in the housing system by identifying opportunities to connect people and providers to resources and information related to meeting housing objectives.

- Action 23 recommends that the City “develop awareness / information programs” for several groups, including residents to “assist in understanding the various forms for housing types and arrangements to foster neighbourhood support for new residential development. This could include actions such as hosting neighbourhood walks, information sessions and informative videos to highlight the importance and benefits of gentle intensification to address the missing middle”

Engagement Opportunities

- The City will have opportunities to frame future school acquisition / redevelopment projects within a broader City-wide narrative around affordable housing and gentle intensification
- There are opportunities for community engagement at various stages of the process around a potential acquisition
 - Bidding Stage
 - Post Acquisition / Pre-Partner Stage
 - Development Approvals Phase (Planning Act Processes)



Engagement Opportunities

- Neighbourhood support will always be an important component in the development approvals process.
- Building buy-in throughout the process can be challenging, particularly during the bidding phase of an opportunity
- In advance of bidding on future opportunities, the City / BLP will need to have clarity on:
 - Which stakeholders needs to be engaged
 - The timing of when to engage the public /stakeholders
 - The engagement objectives and the types of feedback that is being sought



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Practice Review Highlights



A municipal policy directive can establish priorities for surplus school site acquisition

- City of London has a policy directive for guiding surplus school site acquisition
 - Surplus school sites will be evaluated for acquisition for one or more of the following municipal needs:
 - a) Affordable housing
 - b) Community centre
 - c) Parkland
- Criteria for municipal acquisition are to be established and staff will report as to whether a site meets City needs
- The directive was enacted through a by-law and also provides general guidance for finance and partnerships



Municipalities do not always need to purchase the site to get a positive outcome



- Redevelopment of Manor and Highland Park School in London for social and affordable housing
- Development features 22 one bedroom units and 4 accessible units
- The city provided upfront cash for construction in exchange for a long-term deal with the builder to keep the rental rates below market value for lower-income tenants.

Public/private partnerships can help to leverage “big moves”



- Redevelopment of the Roxborough School in Hamilton, Ontario (12.5 acre site)
- Mixed market/subsidized housing project
- Collaboration between private developers, CityHousing Hamilton (CHH) and the City
- 650-750 mixed income and mixed tenure units
 - 103 family owned rent-geared-to income units (CHH)
 - 200 multi-residential units capped with capped rents
 - 200-250 below market ownership townhomes
 - 100-150 condo units geared to seniors / smaller households

Public/private partnerships can help leverage “big moves”



- City designated a CIPA for affordable housing:
 - Roxborough Access to Homeownership Grant Program (grants to off-set DCs for below-market ownership units, equivalent to a 17k - 30k per unit grants, depending on unit type)
 - Roxborough Rental Housing Loan Program (forgivable loans equivalent to DCs)
- CIP incentives resulted in an estimated \$10.47 million dollars in offsets
- City Role: Approval Authority and Partner (CHH units)

There are opportunities for strategic partnership with non-for-profit providers



- City of Mississauga formed a Memorandum of Agreement (MOA) with Habitat for Humanity in 2020.
- The MOA references the City's Corporate Policy for the Acquisition and Disposal of Interests in Real Property and identifies a partnership opportunity between the City and Habitat for Humanity in delivering affordable housing.
- The MOA authorizes the City to assist Habitat for Humanity with the purchase of lands for the development of affordable housing. In this regard, the MOA allows Habitat to collaborate with the City as a real estate partner to deliver affordable housing in a variety of forms.

Summary Findings

- Due to the timelines required under the Education Act to list properties, it's important for municipalities to have a vision for how they intend to approach opportunities before they emerge:
 - Ongoing dialogue with school boards and strategic partners
 - A municipal policy directive can establish priorities for surplus school site acquisition
 - A long term strategy can also provide a forward-looking analysis of opportunities and inform long term planning
- Partnerships with developers are critical for delivering on affordable housing:
 - Some municipalities are willing to take on the development risk in advance of having partners lined up
 - Public/private partnerships can help to leverage “big moves”
 - Strategic partnerships should be leveraged
 - Incentives may be needed
- Municipalities do not always need to purchase the site to get a positive outcome
- Thoughtful urban design can help to address compatibility concerns and also leverage opportunities for adaptive re-uses/heritage preservation