

Prior to completing the application, interested proponents are **strongly encouraged** to read these guidelines. They will help community groups and organizations determine whether they are eligible to participate in the program and provide further details about the application and evaluation process.

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1. Background

Community hubs provide a central access point for a range of services to nourish community life. Each hub is unique, as each brings together a variety of services, programs and/or social and cultural activities that reflect local community needs, such as housing, children's services, Indigenous community services, senior's housing, healthcare, employment and training, education, and poverty reduction. The integrated and multifaceted community hub model plays a critical role in building economic and social cohesion in communities.

One of the pillars of the community hubs initiative is the development of a provincial strategy for public properties with a stated goal of "a system that maximizes the use of public properties for community benefit." In the 2018 Budget, the Social Purpose Real Estate (SPRE) Strategy was announced to embed community needs into government decision-making on disposition, acquisition and use of public properties and infrastructure planning. The Surplus Property Transition Initiative (SPTI) supports this strategy by addressing specific barriers to community re-use of surplus public properties.

2. Overview

Surplus Property Transition Initiative (SPTI)

On May 1, 2017, the Province announced that it would be creating an application-based program, the Surplus Property Transition Initiative (SPTI) to support and maintain availability of a number of publicly owned surplus properties that have the potential to be redeveloped to meet community needs. Beginning in 2018, the SPTI has been expanded to include a second stage which will allow proponents to request financial support to acquire surplus properties. This is in addition to the initial stage through which support is requested to cover holding costs for properties prior to transition to potential community use.

Proponents may apply to one or both stages of the SPTI program. Selection and approval of applications for funding by the Province will be done separately at each stage.

The SPTI is also intended to provide the Province with key information on the decision-making involved and supports required for successful transition of surplus properties to meet local community needs and advance broader provincial priorities such as housing, children's services, Indigenous community services, senior's housing, healthcare, employment and training, education, and poverty reduction.

Holding Cost Stage

One of the challenges faced in developing community hubs is access to property. The processes and timing of the sale of surplus provincial, school board or public hospital property does not always allow time for community organizations to determine if the property has potential as a community hub. As a result, important opportunities may be lost for redevelopment aligned with community needs.

The goal is to support community organizations that require more time to develop a comprehensive business plan that reflects community needs, establish partnerships for the successful transition of surplus public properties to meet these needs and secure the appropriate public or private funding to turn the site into a community hub.

The Holding Cost stage aims to address specific barriers to community hub development, which may include time needed to secure and coordinate funding, policy approvals from government, and access to public property that might be on track for sale on the open market. This stage provides funding to help cover ongoing operating and maintenance costs associated with the property of interest so it will be held by the owner for up to 18 months. In some exceptional circumstances, some transitional on-hold support may be provided to the proponent during and for a short time after acquisition (up to 60 days) if this may increase opportunities for early transition of the property to community use within the on hold period which cannot exceed 18 months in total. Given the funding envelope available to the Ministry on hold funding will likely be available for a small number of properties for up to 18 months and would be contingent on these properties being maintained in public ownership by owner.

If a viable business model is not developed during the on hold period, the property owner has full discretion to dispose of the property on the market at the end of the 18 month period.

In addition to covering ongoing operating and maintenance costs, availability of small planning grants of up to a maximum of \$15,000 to support activities during the on hold period will be considered on a case-by-case basis. Funding may be eligible towards business plan development support, appraisals, project management services and other planning activities that may be essential for planning and progress towards potential transition to community use for the property.

Successful proponents and property owners receiving on hold funding will need to sign a memorandum of understanding (MOU) with the Ministry of Infrastructure and each other. The MOU will include details on the proposal, including timelines and key milestones, as well as the funding and other forms of support that will be provided by the Province during the on hold period. Joint proposals from multiple supporting organizations are strongly encouraged.

Fair Value Offset Stage

The fair value offset stage provides an opportunity for community organizations to request funding, to support acquisition of surplus provincial, school board or public hospital properties at below fair value to support community re-use. Funding approved as a result of application through the SPTI fair value offset stage will be provided to the property owner directly as part of the transfer of the property to the proponent, reducing the cost of acquiring the property. Fair value offset decisions will require internal multi-ministry review and approvals on a case-by-case basis, and eligibility for consideration under the SPTI fair value offset stage does not represent a commitment that requests will be approved.

In addition to demonstration of eligibility for SPTI fair value offset consideration, applicants must highlight delivery of outcomes aligned with provincial priorities and how they are responding to the needs of their local communities, and, have strong business cases that demonstrate long term financial viability of a co-located or multi-service delivery model without increased provincial operating funding or transfers to service agencies that would be located at the proposed hub. Proponents must also demonstrate the need for the offset, including clear justification for the amount being requested and that other potential sources of funding have been actively pursued.

For surplus provincial properties, the Province would also consider transfers at less than fair value but in these cases no offset funding would be provided because the Province is the property owner.

Proponents will be required to submit an estimate of value for the property of interest as part of their application. For proposals under consideration, as part of its review process, the Province will undertake its own due diligence related to identified properties and engage with proponents and property owners.

3. Application and Evaluation Process

There is one application form required for the SPTI program as well as a number of required attachments depending on which stage of support is being requested. Interested proponents are required to submit an application to be considered for either or both stages. The application asks for information related to the proponent and their supporting organizations, services to be delivered at the proposed community hub, the property of interest, and various financial and technical details. Note that only required attachments submitted by proponents will be considered. The application and evaluation processes are described below. The Ministry of Infrastructure may contact proponents to request further information or to clarify submitted information.

Review of applications will begin as they are received. Selection of successful proponents and projects will generally be done on a quarterly basis. Unsuccessful proponents will be notified.

Application Process

It is recommended that applicants contact the Ministry of Infrastructure Community Hubs Division to confirm eligibility requirements before completing an application. Contact information is provided towards the end of this document.

In order to be eligible for consideration for funding support in 2018-19, applications must be received no later than October 31, 2018.

Proponents can submit more than one application if they wish to bring forward more than one project, but the Province reserves the right to limit consideration of multiple applications by the same proponent.

Proponents will have an opportunity at the beginning of their application to indicate if they are applying to the holding cost or fair value offset stage of the program or both. All applicants must submit a complete application form with all required attachments for the type of funding being requested to be considered.

Proponents are encouraged to submit applications as early as possible. Please be aware that while the Ministry of Infrastructure will review all applications, selection of projects will depend on current Ministry priorities and available funds. The Ministry reserves the right to cease the review of any or all applications at its discretion.

Evaluation Process

Upon receipt of the application the Community Hubs Division will review and notify proponents if additional information is required in order to determine eligibility.

Ineligible applications will not be considered further and proponents will be informed of the outcome and basis for the determination.

Eligible proposals will be assessed against specific evaluation criteria which will reflect program priorities and outcomes as well as readiness of the proponent to undertake the project, and the financial viability of the proposed community hub.

Consideration will be given to selecting proposals and public properties that reflect a range of potential community hub models and local circumstances as well as alignment with existing planning initiatives and support/participation for the project by the local community and other community organizations. The expectation is that proposals would be considered from across both urban and rural locations as well as different regions of Ontario.

Consideration under the fair value offset stage does not provide a commitment that fair value offset funding will be provided as these decisions require multi-ministry review and approvals on a case-by-case basis. Eligibility through the program means that the proposal has sufficient alignment with provincial priorities to warrant consideration and MOI will work with these proponents as they further develop their long term business case and other due diligence required for decision-making.

4. What Types of Organizations are Eligible to Apply?

Joint applications are strongly encouraged, especially when the application reflects coordinated or integrated local planning and the proposal outcomes includes co-location of services and an integrated service delivery model.

The following types of organizations, with operations currently located in the Province of Ontario, are eligible proponents, or able to participate as supporting organizations in applications submitted by other eligible proponents:

- Municipality
- Consolidated Municipal Service Manager
- District Social Services Administration Board
- Indigenous Community or Organization
- Not-for-Profit Corporation (not registered as a charity)
- Registered Charity
- School Board*
- Public Hospital*

For-profit organizations are **ineligible** to participate in the initiative as a lead applicant or proponent but **may** be identified as a supporting organization in an application submitted by an eligible proponent. In such cases some additional information will be requested in order for the application to be reviewed for eligibility and potential selection, including any existing financial commitments or relationships.

* School boards and public hospitals are not eligible proponents in applications that identify properties that they currently own.

5. What Types of Projects are Eligible?

Eligible projects would deliver outcomes aligned with provincial priorities, respond to the needs of their local communities and have strong business cases that demonstrate long term financial viability. Provincial priorities include housing, children's services, Indigenous community services, senior's housing, healthcare, employment and training, education, and poverty reduction.

6. What Types of Properties are Eligible?

Eligible properties include public properties that are currently available on the market as well as those that are not currently in program use and/or may potentially be deemed surplus to current program use in the near term. The property must be located in Ontario and can be vacant or have existing structures.

Eligible public properties are those owned by the following public sector entities:

- Province of Ontario
- a school board
- a public hospital

Proponents must identify in their application the specific property they are interested in for their project. Willingness of the property owner to participate is an eligibility requirement for both stages of the program.

If they have not already done so, proponents are encouraged to contact owners of properties that are of interest for a project. Information on provincial properties that may be eligible may be found on the [Community Hubs Resource Network](#) or [Infrastructure Ontario](#) websites. Information on school board properties and public hospital properties may be found on relevant websites.

In some circumstances, the Ministry of Infrastructure may work with proponents and/or the current property owner to explore options for facilitating property owner participation or to identify community organizations that may be interested in submitting an application as a proponent. For example, in cases where a property owner identifies its own property as a potential property of interest, the Ministry of Infrastructure may work with the property owner to find an eligible proponent who would submit an SPTI application.

It is important to note that existing requirements pertaining to the circulation of surplus public property continue to apply, including O. Reg. 444/98 under the *Education Act*, which sets out rules related to the disposition of surplus school property, and the Province's Realty Directive. For properties not yet declared surplus or that have not completed circulation, the Ministry of Infrastructure may work with partners to ensure that transition to community use is feasible within or at the end of an 18 month period.

Where property owners are required to respond to expressions of interest in the property as a result of circulation, agreement to participate in this program will not affect such requirements. In some cases this could result in transfer of the property to an entity outside of the SPTI program.

7. Evaluation Criteria

Surplus Property Transition Initiative (SPTI)

As noted in the Evaluation Process section, all proponents must submit an application form to be considered for the SPTI program. In addition to the criteria listed under Section 3, applications will be assessed against the following high level assessment criteria:

- **Proponent and Supporting Organization(s)** is/are eligible, well established and reputable with some demonstrated experience/past success.
- **Proposed Programs, Services and Outcomes** align with community needs and provincial priorities and incorporate co-location/integrated service delivery.
- **Property of Interest** is eligible, available and suitable for the proposed future use.
- **Holding Cost/Fair Value Offset** funding amount is reasonable and clearly justified.
- **Current Property Owner** has agreed to participate in the program.
- **Project Feasibility/Readiness** is demonstrated through business and financial planning details including a project plan with clear milestones, realistic timelines, and established partnerships.
- **Long-term Financial Sustainability** is demonstrated through operational budget and revenue/funding sources.

Fair Value Offset Stage

Proponents applying to the fair value offset stage must provide an estimate of value for the property of interest, the fair value offset requested, and additional detailed information that would support a strong business case that demonstrates clear alignment with provincial priorities, addresses priority community needs, and is financially viable and sustainable over the long term. Proponents applying for fair value offset support by the Province should also consider submitting an application for on hold support if sale of the property may be imminent.

Support for below fair value transfer of surplus properties involves financial payments to school board or hospital property owners or foregoing potential proceeds from market sale in the case of surplus provincial properties. Given potential financial implications of such decisions, a strong business case and rationale will be required in order for consideration. Significant alignment with provincial priorities set out in section 2.4 of the application form (e.g. housing, children's services, Indigenous community services etc.) will be required, as well as consideration of location/property-specific factors, including:

- a) Property value, condition, current use, renewal needs, suitability, availability;
- b) Local accessibility factors (access through public transit or personal travel, site location);
- c) Unique opportunities to improve outcomes and address identified or anticipated local community needs
- d) Local socio-economic profile and existing or expected service availability or gaps;
- e) Unique opportunities to address strategic provincial mandate/policy objectives/outcomes;
- f) Maintaining (or potential to establish) local access/cost effective delivery of planned provincially funded services;
- g) Potential to leverage property value without adverse (or material) fiscal impact;
- h) Local community/proponent support, capacity and relevant experience/expertise;
- i) Partnerships, co-location, and multi-service delivery opportunities; and,
- j) Viable long-term business models (no incremental subsidy or funding requirements beyond initial transaction).

As noted, joint applications are strongly encouraged, especially when the application reflects coordinated or integrated local planning and the proposed outcomes includes co-location of services and an integrated service delivery model.

Project evaluation will also consider properties from across different regions in Ontario and in different community settings including urban and rural communities.

The province will also consider the amount of fair value support requested, in absolute terms and as a share of the estimated value of the property of interest when assessing applications.

8. Completing the Application Form

Applications must be completed in English or French using the form provided. Proponents are required to submit required attachments. Proponents should review the Application Appendix for more information on how to complete their applications.

Applications will be accepted on a continuous basis. In order to be eligible for consideration for funding support in 2018-19, applications must be received no later than October 31, 2018. Proponents are encouraged to submit applications as early as possible as funding available is limited.

9. Submitting Your Application

Completed application packages, including the application form and all **required** attachments, should be submitted in PDF format via email to community.hubs@ontario.ca. Receipt of applications will be acknowledged via email within 10 business days.

10. Disclosing of Information

The information provided in this application and in the attachments submitted will be used to assess the application and may be shared within the provincial government for this purpose. This information is not confidential and may be subject to release under the *Freedom of Information and Protection of Privacy Act* or as otherwise required. The applicant may be contacted for clarification of information provided and/or for additional information.

11. Contact Information

For inquires on the transition initiative, please e-mail community.hubs@ontario.ca.

12. Definitions

Fair value: is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

Fair value offset: a cash transfer to school boards or hospitals, to facilitate a below-fair value transfer of a property for community re-use.

Property Owner: the owner of the property of interest specified in the proposal.

Proponent: the entity that is submitting an application. Where a group of organizations are working together on the proposal, this organization is the lead organization and will act as the point of contact with the government and enter into any agreements.

Public Hospital: any institution building or other premises or place that is established for the purposes of the treatment of patients and that is approved under the *Public Hospitals Act* as a public hospital.

School Boards: same meaning as "public board" in the *Education Act*, as amended from time to time.

- a) A public district school board, or
- b) A public school authority ("conseil public")

Supporting Organization: supports the proponent in their project, either in a funding, service delivery or sponsorship capacity and may include the property owner.