

Ontario's Community Hubs Initiatives Encourage Delivery of Community-Enhancing Services

May 27, 2016

Declining public school enrollment has created an expensive surplus of space which school boards must sell or otherwise find uses for. The Ministry of Education, school boards, municipalities and others have begun exploring initiatives to reduce barriers and encourage the creation of "community hubs" in under-utilized public school spaces. According to the Ministry of Municipal Affairs and Housing, a community hub "can be a school, a neighbourhood centre or another public space that offers co-located or integrated services such as education, health care and social services".

The first formal community hub program in Canada, the "Hub School Model", was introduced in Nova Scotia in 2014, as a response to community resistance to the consolidation and closure of schools facing declining enrollment. Ontario schools face similar pressures. An independent review of the Toronto District School Board, submitted to the Minister of Education on January 15, 2015, found that 131 of the Board's 585 schools were operating at 59% capacity or lower. According to the review, the Board faces a renewal backlog of about \$3 billion, and lacks funding to address all needs.

Ontario Moves Forward With Community Hub Strategic Framework and Action Plan

In August 2015, Premier Wynne's Community Hubs Framework Advisory Group released a report to guide the creation of community hubs. The report, *Community Hubs in Ontario: A Strategic Framework and Action Plan*, identified existing barriers to the creation of community hubs and set out eight recommendations to address these barriers. Although these policy recommendations are directed at the Province, and therefore not directly relevant to schools, any resulting programs or legislative changes may be noteworthy to schools hoping to repurpose excess capacity.

The report's recommendations were as follows:

1. **Designate a provincial lead for community hubs:** the Premier's Special Advisor on Community Hubs, Karen Pitre, has been reappointed through 2016-17, and will continue to provide leadership with the Community Hubs Secretariat, Cabinet Office.
2. **Encourage integrated service delivery:** establish incentives for integration, increase funding flexibility and reduce administrative burden of integrating service delivery.
3. **Develop a provincial strategy for public assets:** develop a comprehensive strategy for inventorying and repurposing public properties using a methodology that considers both social and economic benefits.
4. **Remove barriers and create incentives:** work with stakeholders to identify and address barriers relating to capital and operating requirements that prevent establishment of community hubs.
5. **Support integrated local planning:** require integrated, client-focused, and long-term community planning that is not limited by jurisdictional boundaries, including long-term capital planning for public spaces.
6. **Develop flexible, sustainable funding:** use a range of funding tools and explore different financial models to help establish and sustain community hubs, including social finance, Infrastructure Ontario loans, and hosting provincial government 'anchor tenants'.
7. **Increase local capacity:** develop a resource centre to provide support and training for service providers, and make government data available for service planning.
8. **Measure and evaluate:** work with the Treasury Board Secretariat's new Centre of Excellence for Evidence-Based Decision Making Support to evaluate the social return on investment in community hubs.

The 2016 Ontario Budget, released on February 25, 2016, accepted the recommendations of the *Community Hubs in Ontario: A Strategic Framework and Action Plan* report and allocated funding for the development of a resource network for community partners, including an interactive and online resource centre to provide access to information, best practices and data for community organizations. Funding was also earmarked for implementation of changes to the process of disposition of school properties to support continued community use of surplus schools through leasing or purchase by public agencies.

Also in February 2016, Karen Pitre, Special Advisor on Community Hubs and Chair of the Advisory Group, released an update featuring a number of exciting new community hub projects being developed through collaboration between district school boards and municipalities across Ontario. Featured projects included:

- development of a community based family centre located at St. Francis Elementary School, London, Ontario; an initiative of the London Catholic District School Board and the City of London;
- construction of commercial kitchens that can cater local events at Elmvale District High School, Elmvale, Ontario; an initiative of the Simcoe County District School Board and the Township of Springwater;
- construction of community space and a public library at Greensville Public School, Hamilton, Ontario; an initiative of the Hamilton- Wentworth District School Board and the City of Hamilton; and

- construction of a public library in the newly renovated Alexander Henry Secondary School, Sault Ste. Marie, Ontario; an initiative of the Algoma District School Board and the City of Sault Ste. Marie.

Ministry Of Education Announces \$90 Million In Funding For Construction Of In-School Community Spaces And Child Care

On May 6, 2016, the Ministry of Education announced almost \$90 million dollars in funding to expand community space, child and family support programs and child care in schools. The funding will be allocated as follows:

- \$20 million to develop Ontario Early Years Child and Family Centres in schools, providing child care spaces and child and family support programs;
- \$18 million to retrofit existing in-school childcare spaces to increase the availability of space for children under the age of four;
- \$50 million to renovate surplus school space to make it available for use by community partners and the public; and
- Expanded eligibility for school capital funding to construct replacement space in new or existing schools for eligible community partners, in the event their original school locations are closed.

The funding announcement follows the Ministry of Education's April 2015 announcement of \$120 million in funding over three years to support the construction of new in-school child care spaces for children up to 3.8 years of age. The funding is targeted at the construction of child care spaces in new or existing schools, reducing surplus space managed by school boards while providing licensed child care for children until they are ready to enter full-day kindergarten. The Province had allocated over \$80 million in funding under this initiative by January 2016, creating 2,901 new licensed child care spaces across Ontario.

In-school child-care was facilitated in part through amendments to the *Child Care and Early Years Act, 2014*, S.O. 2014, c. 11, Sched. 1, which came into effect on August 31, 2015 and replaced the *Day Nurseries Act*. Section 75(1) of the *Child Care and Early Years Act* deems any portion of a child care centre located in a school to be a part of the school "used to provide instructions to pupils" and thereby exempt from any building standards or requirements other than those that apply to the school itself.

Converting Surplus School Space Into Community Hubs — Amendments To Ontario Regulation 444/98 Governing Disposition of School Properties

Currently, the 72 school boards across Ontario operate a total of 5,000 school facilities, valued at approximately \$55 billion dollars. When schools are closed, school boards can declare these properties surplus and offer them for sale or lease in accordance with the requirements set out in Ontario Regulation 444/98 — *Disposition of Surplus Real Property* (O. Reg. 444/98).

On May 5, 2016, O. Reg. 444/98 was amended in response to recommendations in the *Community Hubs in Ontario: A Strategic Framework and Action Plan* report. These amendments are expected to come into effect on September 1, 2016.

School boards must still follow the pre-existing two-step process to lease or sell surplus properties. The seller school board must first offer the property to a prioritized list of public sector entities. With the exception of coterminous school boards, which may offer the replacement value of the school, all other public entities are required to purchase the property at fair market value. If no formal offer is made within prescribed timelines, the seller board may advertise the property on the open market. The previous prescribed timelines and the requirement that properties be purchased for fair market value created challenges for public sector entities hoping to make use of surplus school property to deliver valuable community services.

The first key amendment extends the circulation timelines. Organizations that submit an "expression of interest" within 90 days of receiving notification of sale or lease of surplus property now have an additional 90 days to submit a formal offer.

The second key amendment expands and reprioritizes the list of public organizations entitled to receive notification of surplus school property for sale or lease. According to the Ministry of Education, the prioritized list is now as follows (with public entities newly added to the circulation list in italics):

1. Coterminous school boards;
2. *Agencies accommodating Section 23 programming;*
3. *District Social Services Administration Boards (DSSABs) or Consolidated Municipal Service Managers (CMSMs);*
4. Public colleges;
5. Public universities;
6. *Children's mental health lead agencies;*
7. *Local Health Integration Networks (LHINs);*
8. *Public health boards;*
9. Provincial government (The Crown in Right of Ontario);
10. Lower-tier municipalities;
11. Upper-tier municipalities;
12. Local service boards;
13. *First Nation and Métis Organizations;* and
14. The Federal government.

Although the current round of amendments do not adopt the *Community Hubs in Ontario: A Strategic Framework and Action Plan* recommendation that an exemption to the fair market value requirement be made available where a viable community hub plan is presented for a surplus school property that cannot sustain fair market value, it is hoped that the circulation timeline extension will give community agencies additional time to develop workable funding plans.

Property Tax Considerations

A school board deciding to lease surplus school land to community agencies should be clear in its leasing documentation that it has the ability to collect property tax in addition

to other rent owing. The property tax exemptions enjoyed by schools under the *Assessment Act* are not "transferrable" to tenants who do not use the space for school purposes and thus it can be anticipated that property taxes will be applied as a result of this change in use. Community agencies leasing land should also consider this issue when budgeting for a new space.

By

[Brennan M. Carroll](#)

Expertise

[Education](#)

BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

blg.com

BLG Offices

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3
T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9
T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2
T 604.687.5744
F 604.687.1415

Montréal

1000 De La Gauchetière Street West
Suite 900
Montréal, QC, Canada
H3B 5H4
T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3
T 416.367.6000
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing unsubscribe@blg.com or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.