

Maximizing Public Investment Returns from Government Surplus Lands

The Opportunity

The Ontario Government has extensive property and buildings that from time to time become surplus for internal government use. These assets have been purchased with government funds and belong to the people of Ontario. If government lands can be sold to not-for-profit organizations providing public benefit in communities, it will achieve a double return - market and social return and contribute to building community wealth for future generations.

The redevelopment of surplus sites for public purpose will benefit communities and is consistent with the intensification and community strengthening objectives of the Places to Grow Act (June 13, 2005). A process that considers both the market price and future public benefit (social and financial) or redevelopment of public assets is in the best, long term interest of Ontarians.

One of ONN's members, Home Ownership Alternatives Non-Profit Corporation with the support of the other not-for-profit affordable housing organizations has been in discussions with the Ministry of Infrastructure and Ontario Infrastructure and Lands Corporation regarding access to surplus lands for affordable housing. The structure being proposed by the affordable housing sector for access to surplus lands could be easily modified to also provide access to other organizations in the not-for-profit sector needing land.

The challenge for the government is to identify lands suitable for community purpose. The challenge for not-for-profit sector organizations is to know if and when a site might become available in a suitable location for their purposes.

Recommendations

- 1. The Ontario Infrastructure and Lands Corporation (OILC) and appropriate Ministry partners develop and maintain a database of eligible public benefit organizations¹ and key criteria for land and building acquisition.** Information in the database could include geographic area and size. OILC would notify eligible (pre-qualified²) organizations when potentially suitable lands were becoming available. This database could also include affordable housing providers.
- 2. Organizations providing public benefit typically do not have access to ready capital funds and have a more extensive approval process internally and with the Ministries that invest in them for services. Moreover, depending on the site, service providers may need to partner with others such as affordable housing providers, performing arts groups, sport and recreation groups to craft a viable financial plan. For this reason OILC should provide public benefit organizations with an interest in a site, six months advance notice of the issuance of a request for proposals (RFP) for the site.**

¹ Not all not-for-profit or cooperative corporations have a public benefit mission. Some serve only their members (e.g. trade associations, private clubs). Preferred access to public lands would be limited to organizations with a public benefit purpose.

² OILC would assess the capacity and financing plans of the organization to ensure they were a serious prospect for loans and land purchase.



- 3. Where public benefit organizations indicate an interest in a site, an RFP process for the sale of surplus land will have a weighted point system for assessing proposals.** Included in this weighting, in order of importance, would be Public Benefit Purpose and/or Housing Affordability, Project Feasibility, Team Experience and Land Price. This transparent process would establish financing criteria that does NOT give de facto priority to groups with the largest amount of immediately available capital instead it PRIORITIZES the long-term return and social outcomes for communities.

This balanced and fair process is most likely to realize the Province's dual objectives of providing affordable housing and/or building community infrastructure for Ontarians. It also realizes fair land prices.

- 4. A working group comprised of sector representatives, affordable housing providers, Ministry of Infrastructure, Ontario Infrastructure and Lands Corporation (a crown corporation), and other key Ministries to develop implementation plans for mapping, weighting and approval processes.**

Lead Ministry – Ministry of Infrastructure and Lands (with the Ontario Infrastructure and Lands Corporation).

Supporting Ministry – Ministry of Children and Youth Services; Ministry of Community and Social Services; Ministry of Tourism, Culture and Sport; Ministry of Health and Long-Term Care; Ministry of Municipal Affairs and Housing.