



CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division

TO: Chair and Members Planning Committee	WARD(S) AFFECTED: WARD 2
COMMITTEE DATE: October 4, 2011	
SUBJECT/REPORT NO: Hamilton Community Heritage Fund Loan Program Application (HCHF2011-004) for Property Located at 10 Markland Street (Hamilton) (PED11166) (Ward 2)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Joseph Muller (905) 546-2424, Ext. 1214 Andrea Mikkila (905) 546-2424, Ext. 7163
SIGNATURE:	

RECOMMENDATION

That approval be given to **Hamilton Community Heritage Fund Loan Program Application (HCHF2011-004)**, for property located at 10 Markland Street (Hamilton), as shown on Appendix "A" to Report PED11166, subject to the following:

- (a) That a loan commitment of up to \$50,000.00 be approved, in accordance with the terms and conditions of the Hamilton Community Heritage Fund Loan Program, for the replacement of the existing windows of the house.
- (b) That the property owner and the City shall enter into a Heritage Conservation Easement Agreement.
- (c) That the Mayor and Clerk be authorized and directed to execute the Loan Agreement and security documentation with respect to Recommendation (a) above, in a form satisfactory to the City Solicitor.

SUBJECT: Hamilton Community Heritage Fund Loan Program Application (HCHF2011-004) for Property Located at 10 Markland Street (Hamilton) (PED11166) (Ward 2) - Page 2 of 7

- (d) That the General Manager of the Planning and Economic Development Department be authorized to amend the Loan Agreement provided that the terms and conditions of the Hamilton Community Heritage Fund Loan Program are maintained.
- (e) That Report PED11166 be forwarded to the Hamilton Municipal Heritage Committee for information.

EXECUTIVE SUMMARY

The Hamilton Community Heritage Fund (HCHF) was established by the former City of Hamilton during the mid-1980's. In 2001, Council authorized that this fund be made available to all eligible heritage property owners within the newly amalgamated municipality. The original maximum loan amount was set at \$20,000.00, but an increase to the maximum loan amount to \$50,000.00 was authorized by Council in 2005 (Report PED05091). The loan is only available to properties designated under the Ontario Heritage Act.

The owner of the subject property, located at 10 Markland Street (Hamilton) (see location map attached as Appendix "A") has applied for a loan of \$50,000.00 under the HCHF Program in order to replace the existing windows of the house. Accordingly, approval of a loan amount of up to \$50,000.00 is being recommended.

Alternatives for Consideration - See Page 6.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Funding is provided under the terms of the Hamilton Community Heritage Fund Loan Program, as approved by City Council on September 14, 2005. The loan monies are to be advanced from the City of Hamilton's line-of-credit, with the foregone interest being charged to Account Number 52901-812040. Any costs incurred for the HCHF Loan Program are to be funded from the HCHF Reserve 102049, which has a balance, as of August 25, 2011, of approximately \$825,006.00.

Staffing: Administration of this loan can be accommodated within the Urban Renewal Section of the Planning and Economic Development Department, as well as within the Corporate Services Department.

Legal: Section 106 of the Municipal Act enables the municipality to make grants, on such terms as the Council considers appropriate, to any person, group, or body, including a fund, within or outside of the boundaries of the municipality, for any purpose that the Council considers to be in the interest of the municipality.

SUBJECT: Hamilton Community Heritage Fund Loan Program Application (HCHF2011-004) for Property Located at 10 Markland Street (Hamilton) (PED11166) (Ward 2) - Page 3 of 7

Review of all documentation associated with the loan will be appropriately undertaken by the City Solicitor to protect the City's interests. In certain cases, as projects move forward, it is sometimes necessary to make minor amendments to previously approved loan commitments and agreements. Therefore, staff is recommending that the General Manager of Planning and Economic Development be authorized (with the input from the General Manager of Finance and Corporate Services and the City Solicitor) to amend loan commitments/agreements without further Council approvals, provided that the terms and conditions of the Hamilton Community Heritage Fund Loan Program are maintained.

Under Section 42 of the Ontario Heritage Act, Heritage Permit HP2010-052 has been approved for the work, within the scope of this loan application.

HISTORICAL BACKGROUND

The former City of Hamilton established the Hamilton Community Heritage Fund (HCHF) in 1985 (By-law No. 85-120) as part of the Province of Ontario's *Building Rehabilitation and Improvement Campaign*, commonly referred to as the "BRIC" Program. The Grant Agreement entered into by both parties (the Province of Ontario and the former City of Hamilton) established a fund that originally comprised \$441,666.67. Of this total amount, \$250,000.00 (57%) was from the Province, and \$191,666.67 (43%) was from the former City of Hamilton. Heritage property was defined in the agreement as a property designated under the Ontario Heritage Act.

The intent of the Hamilton Community Heritage Fund, as established by the Grant Agreement, was to establish a permanent fund for the purpose of investing in architectural conservation. Specifically, the fund was to be used:

- For loans for the purchase and/or conservation of heritage property;
- To guarantee loans for the purchase and/or conservation of heritage property; and,
- For grants to owners of designated heritage property for the conservation of that property.

The HCHF was originally established as a revolving fund, with the former City of Hamilton offering low-interest loans for eligible conservation work on buildings designated under the Ontario Heritage Act. As interest rates declined during the 1990's, the Program was revised to permit interest-free loans, and the former City of Hamilton continued to offer loans of up to \$20,000.00, repayable over a ten-year period and secured by a lien. The agreement with the Province of Ontario stipulated that loans

**SUBJECT: Hamilton Community Heritage Fund Loan Program Application
(HCHF2011-004) for Property Located at 10 Markland Street (Hamilton)
(PED11166) (Ward 2) - Page 4 of 7**

of \$15,000.00.00 or more required a Heritage Conservation Easement Agreement between the property owner and the City.

After municipal amalgamation, Council agreed to maintain the HCHF Program as a permanent reserve to provide loan assistance to all designated heritage properties within all of the former municipalities (Report PD00151(a), Item (f)). In 2005, Council approved an increase in the maximum loan amount to \$50,000.00 (Report PED05091), and under the current terms of the program, the loan is registered as a mortgage on the property and repayable over a period of up to ten-years, with no accumulated interest.

The current terms of the Program, approved by Council in 2005, stipulate that to be eligible for a loan, the property must be designated either individually under Part IV of the Ontario Heritage Act, or as part of a Heritage Conservation District, under Part V of the Ontario Heritage Act. Funding is available only for work that conserves or restores the historic fabric and significant architectural elements of a building. Interior features are only eligible for funding if specifically mentioned in the *Reasons for Designation* or *Description of Heritage Attributes* of a property designated under Part IV of the Ontario Heritage Act. Loans approved for an amount over \$15,000.00 require that the property owner enter into a Heritage Conservation Easement with the City. The subject application is for an amount over \$15,000.00, and a Heritage Conservation Easement Agreement is required (Recommendation (b)).

To date, a total of \$477,363.00 (11 projects) has been approved under HCHF since municipal amalgamation (see Appendix "B"), excluding the loan recommended for approval in this Report. The balance of the HCHF Reserve Fund, as of August 25, 2011, is \$825,006.00.

POLICY IMPLICATIONS

City Of Hamilton Official Plan

Section C.6 - Heritage Resources of the former City of Hamilton Official Plan applies and encourages the preservation, maintenance, reconstruction, restoration, and management of property considered to have historic, architectural, or aesthetic value (6.1). The recommendations of this Report do not conflict with these policies.

Urban Hamilton Official Plan

Volume 1, Section 3.4 - *Cultural Heritage Resources Policies* of the Council-adopted Urban Hamilton Official Plan (adopted July 9, 2009) states that the City shall "protect and conserve the tangible cultural heritage resources of the City, including archaeological resources, built heritage resources, and cultural heritage landscapes" (Volume 1, 3.4.2.1(a)), and "identify cultural heritage resources through a continuing process of inventory, survey, and evaluation, as a basis for the wise management of

these resources” (Volume 1, 3.4.2.1(b)). The policies also provide that the “City may, by By-law, designate individual and groups of properties of cultural heritage value under Parts IV and V, respectively, of the Ontario Heritage Act” (Volume 1, 3.4.2.3). The Urban Hamilton Official Plan has been approved by the Ministry of Municipal Affairs and Housing, but has been appealed in its entirety to the Ontario Municipal Board. While the plan is not in full force and effect, these policies demonstrate Council’s commitment to the identification, protection, and conservation of the cultural heritage resources, and the recommendations of this Report do not conflict with these policies.

RELEVANT CONSULTATION

Pursuant to Sections 28(1), 33(4), and 42.4 of the Ontario Heritage Act, the Hamilton Municipal Heritage Committee advises and assists Council on matters relating to Part IV and Part V of the Ontario Heritage Act. The Hamilton Municipal Heritage Committee shall be advised of the decision regarding this loan by copy of this Report and recommendations at its October 20, 2011 meeting (Recommendation (e)).

ANALYSIS / RATIONALE FOR RECOMMENDATION

The subject property, located at 10 Markland Street (Hamilton) (see location map attached as Appendix “A”), was designated under Part V of the Ontario Heritage Act in 1994 by City of Hamilton By-law No. 94-184. The owner has applied for a loan under the HCHF Program in order to replace the existing windows of the house.

The total value of the work is approximately \$59,628.72, including HST, based on the lowest quote obtained by the applicant. In order to complete the required repairs in a timely fashion, prior to winter, the work will take place prior to approval of this loan application. The applicant has requested a loan of up to \$50,000.00.

The proposed work (refer to photos attached as Appendix “C”) under the approvals granted by Heritage Permit HP2010-052 will take place as follows:

- Removal of 23 original steel-framed windows and 1 side doorway, comprising 2 wood-framed windows, and 1 wood-framed doorway and wooden door; and,
- Installation of 23 windows, with Pinnacle-series wood-frame, aluminum-clad casement windows using 0.625 inch wide Tall Putty WDL profile muntins.
- Installation of 1 side-doorway, comprising 2 Pinnacle-series wood-frame, aluminum-clad casement windows using 0.625 inch wide “Tall Putty WDL” profile muntins, and 1 doorway and door of design and style to be specified at a later date.

**SUBJECT: Hamilton Community Heritage Fund Loan Program Application
(HCHF2011-004) for Property Located at 10 Markland Street (Hamilton)
(PED11166) (Ward 2) - Page 6 of 7**

While not replicas of the original windows, they are sufficiently similar in physical appearance as to be considered sympathetic and in keeping with the building form. The proposed windows are consistent with accepted principles and practice for the conservation and management of heritage fabric.

The HCHF Program terms require that an Easement Agreement be registered between the City and the owner(s) for loan amounts over \$15,000.00. The applicant has requested an amount over \$15,000.00, and a Heritage Conservation Easement is required (Recommendation (b)).

The proposed work will conserve the overall integrity of the property and meets the intent and eligibility criteria of the Hamilton Community Heritage Fund Loan Program, and staff recommends approval of the requested loan subject to the applicant entering into a Heritage Conservation Easement Agreement with the City.

ALTERNATIVES FOR CONSIDERATION

Funding for the conservation or maintenance of features related to the cultural heritage value of property designated under the Ontario Heritage Act is a discretionary activity of Council. Council, as advised by staff, may consider two alternatives: agree to fund a different amount, or decline to fund the application.

Decline to Fund

By declining funding, the municipality would be refusing applicants that meet the criteria and budget for the HCHF Program, as approved by both the Council and Hamilton Municipal Heritage Committee. Refusal of funding will not encourage owners of properties designated under Part V of the Ontario Heritage Act to undertake the appropriate restoration and repair necessary for the long-term conservation of these heritage resources.

Accordingly, staff does not consider declining funding for this HCHF application to be an appropriate conservation alternative.

Approve a Different Amount

Council may decide to approve a loan amount that is different from the staff recommendation. This alternative is not recommended, as it may compromise the ability of the owners to complete work that is necessary for the conservation of the property.

SUBJECT: Hamilton Community Heritage Fund Loan Program Application (HCHF2011-004) for Property Located at 10 Markland Street (Hamilton) (PED11166) (Ward 2) - Page 7 of 7

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Skilled, Innovative, and Respectful Organization

- ◆ Council and SMT are recognized for their leadership and integrity.
- ◆ Staff Comment: The approval of this loan demonstrates commitment to previously Council-approved policies and programs.

Financial Sustainability

- ◆ Generate assessment growth/non-tax revenues.
- ◆ Staff Comment: The proposed conservation work will improve the condition of a private property, and may result in a higher assessment value for the subject property and adjacent properties.

Intergovernmental Relationships

- ◆ Maintain effective relationships with other public agencies.
- ◆ Staff Comment: The approval of this loan demonstrates a commitment to conserving cultural heritage resources, as directed by Provincial and Federal level policy.

Growing Our Economy

- ◆ A skilled and creative labour pool that supports new employers.
- ◆ Staff Comment: The proposed conservation work will create work for skilled and specialized trades, and will enhance the condition of private property.

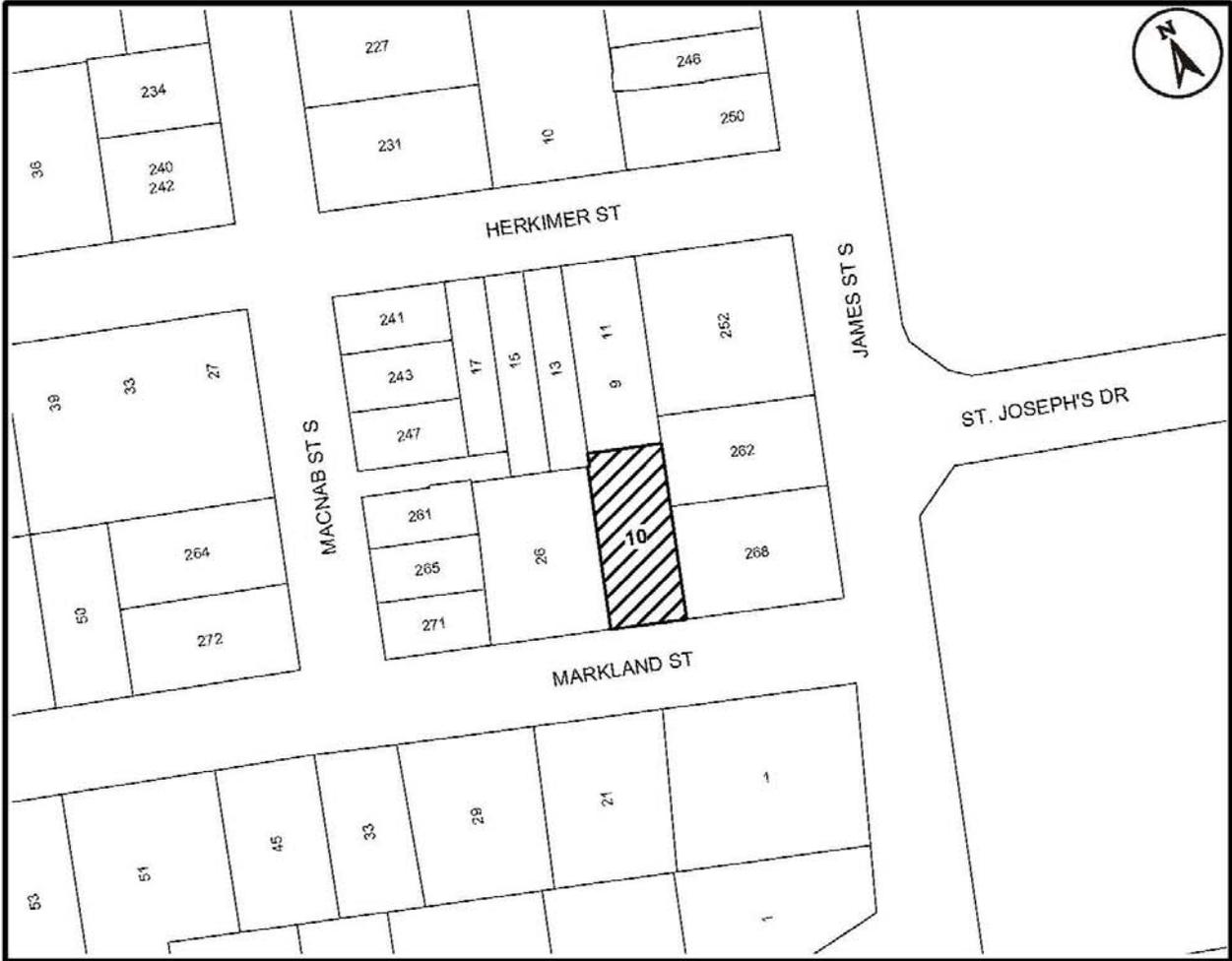
Healthy Community

- ◆ Plan and manage the built environment.
- ◆ Staff Comment: The proposed conservation work will improve the safety and appearance of private property.

APPENDICES / SCHEDULES

- Appendix "A": Location Map
- Appendix "B": Previously Approved HCHF Loans
- Appendix "C": Photographs

:JPM/AMK - Attachs. (3)



● Site of the Application



Ward 2 Key Map

N.T.S.

Location Map



Hamilton

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

File Name/Number:
10MarklandSt

Date:
August 9, 2011

Appendix "A"

Scale:
N.T.S.

Planner/Technician:
AM/KA

Subject Property

10 Markland Street

PREVIOUSLY APPROVED HCHF LOANS

The Hamilton Community Heritage Fund (HCHF) was established by the former City of Hamilton in 1985 (By-law No. 85-120). After Municipal amalgamation, the Council revised the scope of the original HCHF to apply City-Wide (Report PD01141(a)), and in 2005, revised the terms and maximum loan amount of the HCHF (Report PED05091).

Projects that have previously been approved for funding are as follows:

<u>Application</u>	<u>Location</u>	<u>Status</u>	<u>Amount</u>	<u>Work</u>
HCHF2007-001	St. Paul's Presbyterian Church, Hamilton	Completed	\$50,000.00	Protective Glazing
HCHF2008-001	1059 Highway 8, Stoney Creek	Completed	\$50,000.00	Windows, Woodwork
HCHF2008-002	153 St. Clair Avenue, Hamilton	Completed	\$14,999.00	Repointing, Porch Repairs
HCHF2008-003	235 Bowman Street, Hamilton	Completed	\$50,000.00	Roof
HCHF2009-001	957 Governor's Road, Dundas	Completed	\$ 5,145.00	Roof
HCHF2009-002	35-43 Duke Street, Hamilton	In Progress	\$100,000.00	Painting and Wood Repairs, Masonry
HCHF2009-003	108 James Street North, Hamilton	Completed	\$50,000.00	Roof
HCHF2009-004	122 MacNab Street South, Hamilton	Completed	\$17,220.00	Masonry
HCHF2011-001	107 Mill Street North, Waterdown	Completed	\$14,999.00	Masonry, Structural
HCHF2011-002	335 Lima Court, Ancaster	In Progress	\$25,000.00	Roof
HCHF2011-003	316 James Street South, Hamilton	In Progress	\$100,000.00	Dormer, Roof and Woodwork Repairs, Painting
Total 2007-2011			\$477,363.00	



Window above garage – South façade



Front dormer windows – South façade



First floor window – South façade



Front elevation – South



Rear elevation – North



Westerly side yard windows



Easterly side yard windows