



**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**  
**Planning Division**

<b>TO:</b>	Chair and Members Planning Committee
<b>COMMITTEE DATE:</b>	April 1, 2014
<b>SUBJECT/REPORT NO:</b>	Hamilton Heritage Conservation Grant Program (City Wide) (PED14055)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Alissa Golden (905) 546-2424 Ext. 1214 Hazel Milsome (905) 546-2424 Ext. 2755
<b>SUBMITTED BY:</b>	Joe-Anne Priel Acting General Manager Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- a) That the Hamilton Heritage Conservation Grant Program (HHCGP) be implemented for a three-year trial basis, according to the program terms and conditions identified as Appendix "A" to Report PED14055;
- b) That the General Manager of Planning and Economic Development be authorized to approve grants to a maximum of \$5,000 per grant, to applicants under the Hamilton Heritage Conservation Grant Program;
- c) That, subject to the approval of Recommendation (b), By-law 10-052 as amended, which delegates authority of certain loans and grants to the General Manager, Planning and Economic Development, be repealed and replaced with the By-law attached as Appendix "C" to Report PED14055; and,
- d) That, subject to the approval of Recommendation (a), staff from the Urban Renewal Section report back to Council by 2017 to provide an update on the program for further direction.

**EXECUTIVE SUMMARY**

The HHCGP is intended to provide financial assistance in the form of matching grants between \$1,000 to \$5,000, for the conservation and restoration of cultural heritage

resources (see Appendix “A”). The objective of the HHCGP is to assist in the ongoing conservation of heritage properties designated under the Ontario Heritage Act that are not eligible for the Hamilton Heritage Property Grant Program (HHPGP). Staff recommend that the grant program be established for a three-year term, and that Urban Renewal staff report back to Council by 2017, to provide a review of the program and recommendations for further direction.

Staff recommend that the delegated approval authority of the General Manager of Planning and Economic Development be expanded to include the HHCGP (see Appendix “B”). The maximum grant available under this program is \$5,000.

Funding for the proposed heritage financial incentive program is contained in the Community Heritage Reserve Account, which was established to fund the former Commercial Heritage Improvement and Restoration Program (CHIRP), which ended in 2010. Sufficient monies are contained in the account to fund the new heritage program for a limited time.

***Alternatives for Consideration – See Page 8***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Funding for the proposed heritage financial incentive program is contained in the Community Heritage Reserve Account 102047 (Project Account Number: 58201-812040) in the amount of \$250,138.90. This account was established to fund the former CHIRP, approved by Council for a five-year term that ended in 2010 (Report PD04256). Sufficient monies are contained in the account to fund the new heritage program for a limited time.

**Staffing:** Administration of the proposed heritage program can be accommodated within the Urban Renewal Section, Development Planning, Heritage and Design Section of the Planning and Economic Development Department, as well as the Corporate Services Department.

**Legal:** Sub-Section 39 (1) of the Ontario Heritage Act states that a council of a municipality may pass by-laws providing for the making of a grant or loan to the owner of a property designated under the Act for the purpose of paying for the whole or any part of the cost of alteration of such designated property on such terms and conditions as the council may prescribe. By-law No. 07-346 (attached as Appendix “C”), approved by Council at its meeting held on December 12, 2007, authorizes the municipality to offer loans and grants to owners of a property designated under the Ontario Heritage Act.

Upon approval of the program terms and conditions, staff from the Urban Renewal Section will consult with Legal Services and Corporate Counsel in the preparation of appropriate documentation required for administration

purposes in order to protect the City's interests. In order to receive funding, projects must comply with any planning and building code approvals, including any Heritage Permit requirements for the proposed work.

Legal Services has reviewed the proposed By-law, attached as Appendix "B", to further amend By-law No. 10-052, to include delegated approval of grants under the HHCGP.

## **HISTORICAL BACKGROUND**

Planning Committee, at its meeting held on December 4, 2012, directed staff to report back with a summary of financial incentives currently offered to heritage property owners. Consequently, the information was provided in Report PED13098 and received by City Council at its meeting held June 12, 2013. The Report PED13098 outlined the two existing financial incentive programs that target properties designated under the Ontario Heritage Act: the HHPGP and the Hamilton Community Heritage Fund Loan Program (HCHF).

Report PED13098 identified that the available financial incentive programs administered through the Urban Renewal Section provide a well-rounded suite of options for the conservation and adaptive re-use of industrial, commercial, institutional and multi-residential heritage properties in areas targeted for intensification and redevelopment. However, the existing programs do not adequately address the funding needs of single-detached dwellings and properties located outside of the Community Improvement Project Areas (CIPA).

While the HCHF is a City-wide loan program, the HHPGP has geographic-specific eligibility because it is administered under the Planning Act, and is tied to the existing CIPA. The HHPGP was originally authorized through the Ontario Heritage Act by City of Hamilton By-law No. 07-346, passed and enacted by City Council at its meeting held on December 7, 2007. However, due to the limitations of the Ontario Heritage Act, the program is now administered under the Downtown and Community Renewal Community Improvement Plan, a plan adopted under the Planning Act that permits a municipality to loan or grant monies to a condominium corporation (PED10164).

The proposed HHCGP is closely aligned with the existing HHPGP and is intended to provide financial assistance for the continued conservation and restoration of heritage features of properties throughout the City of Hamilton that are not eligible for the existing HHPGP.

## **Commercial Heritage Improvement and Restoration Program (CHIRP)**

Funding for the proposed heritage financial incentive program is contained in the Community Heritage Reserve Account, which was established to fund the former CHIRP. CHIRP was a financial incentive program targeting commercial and industrial

heritage buildings, which was authorized by Council for a five-year term in 2004 (Report PD04256). The objective of CHIRP was to improve the appearance of designated commercial and industrial properties throughout the City by providing funds in the form of a matching grant, to a maximum of \$20,000, for the restoration of important heritage features. The program aimed to encourage long-term economic and physical investments in the conservation of heritage fabric of designated commercial and industrial heritage properties to assist in maintaining traditional "Main Streets" and industrial buildings in "brownfield" environments.

When the program ended in 2010, CHIRP had received \$647,183.13 in funding from the City. Allocations were made in 2004, 2005, 2007, and 2008, with 2010 marking the final year of funding committed to the program. A review of the five-year term indicates that the program uptake was low; 19 applications were funded, an average of four applications were submitted in a typical year, and three properties received multiple grants within that period. In addition, the majority of applications requested funding for maintenance of the structure, rather than restoration or reconstruction of documented historical features. The Community Heritage Reserve Account has a current surplus balance of \$250,138.90. Sufficient monies are contained in the account to fund the new heritage program for a limited time.

Urban Renewal and Development Planning, Heritage and Design staff will apply performance measurements to track the success of the program and report back to Council on an annual basis. Indicators could include the number of improved heritage buildings, investment in heritage properties, and the employment of local contractors.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### **Urban Hamilton Official Plan**

Volume 1, Section B.3.4 – *Cultural Heritage Resources Policies* of the Urban Hamilton Official Plan (UHOP) 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 for present and future generations” (B.3.4.2.1 (a)), and “encourage public and private stewardship of, and custodial responsibility for, the City’s cultural heritage resources” (B.3.4.2.1(c)). In addition, the UHOP states that the City shall “support the continuing use, reuse, care, and conservation of cultural heritage resources and properties by encouraging property owners to seek out and apply for funding sources available for conservation and restoration work” (B.3.4.2.1(f)).

### **Rural Hamilton Official Plan**

Volume 1, Section B.3.4 – *Cultural Heritage Resources Policies* of the Rural Hamilton Official Plan outlines the same policies found in the UHOP, as indicated above.

## **RELEVANT CONSULTATION**

Urban Renewal and Development Planning, Heritage and Design staff collaborated on the preparation of the HHCGP and consulted with Legal Services in preparing the proposed By-law attached as Appendix “B”, to further amend By-law No. 10-052 to include delegated approval of grants under the HHCGP. Their comments have been incorporated into this Report.

The Hamilton Municipal Heritage Committee (HMHC) of the City of Hamilton reviewed the terms and conditions of the HHCGP at their regular meeting on February 20, 2014, and supported the staff recommendations contained in this Report.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The proposed HHCGP is closely aligned with the existing HHPGP and is intended to provide financial assistance for the continued conservation and restoration of heritage features of properties throughout the City of Hamilton.

### **Analysis**

The available financial incentive programs administered through the Urban Renewal Section provide a well-rounded suite of options for the conservation and adaptive re-use of industrial, commercial, institutional, and multi-residential heritage properties in areas targeted for intensification and redevelopment. However, the existing programs do not provide grant funding for the continued conservation of single-detached dwellings across the City, as well as all other properties located outside of the areas covered by the HHPGP. The HHPGP requires that a property be located within Downtown Hamilton, Community Downtowns, an active Business Improvement Area (BIA), or be located within the lower City between Highway 403 and the Red Hill Valley Parkway, and be used for commercial, institutional, or multi-residential purposes.

Approximately 430 of the 600 properties designated under the Ontario Heritage Act are not eligible for funding through the existing HHPGP.

### **Residential Properties:**

- Most of the properties that are ineligible for the existing HHPGP (located outside of the BIA-CIPA/Lower City area or do not meet HHPGP criteria), are residential.
- There are different types of residential uses (e.g., single detached, rowhouses, multi-residential), but for the most part, properties that are ineligible are single-detached dwellings.

Commercial Properties:

- Most designated commercial properties in Hamilton are eligible for funding through existing HHPGP, since the majority of designated commercial properties are located within a BIA and/or CIPA.

Institutional Properties and Conservation Lands:

- Five designated schools and eight designated churches fall outside the HHPGP boundaries.
- There are eight properties owned by the Conservation Authority that are not within HHPGP boundaries.

Heritage Conservation Districts (HCDs):

- Six of the seven HCDs are completely or partially located within HHPGP boundaries.
- However, since most properties located in HCDs are residential, specifically single detached, they are ineligible to receive funding through existing HHPGP.

The proposed HHCGP will be administered through the Ontario Heritage Act and will, therefore, be available to all eligible heritage properties, regardless of the type of property (e.g., residential, commercial institutional, etc.) across the entire City.

**Terms and Conditions**

The HHCGP, provided in the form of a matching grant, gives the municipality control in what type of work is “eligible”, and ensures that the actual work is completed to the City’s approval prior to funding under the Program being advanced. Requiring the property owner to match half of the cost provides additional private investment, and demonstrates a financial commitment on behalf of the owner. The HHPGP has similar terms and conditions, and has been successful at targeting improvements and conservation efforts, since funding is contingent upon actual work being completed to the City’s approval.

Highlights of the proposed City-wide HHCGP:

- Provides financial assistance in the form of a matching grant for the conservation and restoration of heritage features of properties;
- Requires that a property be designated under Part IV or Part V of the Ontario Heritage Act; and,

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- Grants will be based on 50% of the total eligible cost for a minimum of \$1,000 and a maximum of \$5,000 per municipal address, identifying multiple and separate units and entranceways.

Staff have previously expressed that the routine maintenance and general upkeep of all properties should be the responsibility of the homeowner, including heritage properties. However, staff recognize that, over time, the need for rehabilitation or a desire to restore identified heritage attributes may require significant investment, and should be eligible for financial assistance. The objective of the HHCGP is to provide property-owners with the financial assistance necessary for the continued conservation or restoration of identified heritage features, to ensure that the integrity of the City's cultural heritage resources are maintained.

Staff propose a minimum matching grant of \$1,000 and maximum of \$5,000 for the HHCGP. The scope of the grant is based on best practices of municipalities across Ontario with similar heritage grant programs (see Report PED13098 for more information), which range from a maximum of \$1,000 to \$15,000. The minimum grant amount ensures that the cost reflects work beyond that of typical routine maintenance and the efficient use of City administration.

The \$5,000 maximum grant aims to promote the continued conservation and restoration of heritage features of properties, rather than more intensive adaptive re-use or redevelopment projects, which may already be eligible for the existing HHPGP or HHCF. The recommended threshold of \$5,000 per grant, per year, will allow for an uptake of approximately 50 applications of \$5,000 over three years, or 16 grants of \$5,000 per year.

The full program description is attached as Appendix "A".

### **Delegated Approval**

Staff are recommending that the delegated authority of the General Manager of Planning and Economic Development be expanded to include the HHCGP. Delegated authority shortens turnaround time to process an application, thereby allowing property owners to address any urgency in the implementation of improvements to their properties. The maximum grant under this program is \$5,000. Urban Renewal staff prepare a quarterly Information Update to Council members on details of all loans and grants approved under delegated authority of the General Manager of Planning and Economic Development. If the recommendations contained in PED14055 are approved by Committee and Council, grants under the HHCGP will be included in the quarterly updates.

### **Funding**

Funding for the proposed heritage financial incentive program is contained in the Community Heritage Reserve Account 102047. This account was established to fund the former CHIRP, which was limited to commercial/industrial heritage buildings. When the five-year term of the program ended in 2010, CHIRP had received \$647,183.13 in funding from the City. Sufficient monies remain in the Community Heritage Reserve Account 102047 to fund the new heritage program in the amount of \$250,138.90.

### **ALTERNATIVES FOR CONSIDERATION**

- Council may propose a different term or budget for the grant program. Staff are of the opinion that a three-year term will provide staff with the necessary time to implement the program and gauge its effectiveness, before reporting back to Council for further direction.
- Council may amend the proposed program description, such as the conditions or eligibility criteria. Given the consideration of all the factors noted in the Analysis section of this Report, staff are of the opinion that the recommended program description is closely aligned with other existing programs, reflects municipal best practices, and adequately addresses the identified funding needs.
- Council may choose to not provide delegated approval authority to the General Manager of Planning and Economic Development. This will require applications to be forwarded to Committee and Council for approval. In order to provide an efficient and effective service, this alternative is not recommended.
- Council may decide to not approve the HHCGP. Staff do not recommend this alternative as monies have already been committed to fund heritage conservation work, and the proposed grant program addresses identified funding needs.

### **ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

#### **Strategic Priority #1 - A Prosperous & Healthy Community**

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

#### **Strategic Objective:**

- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).



Staff Comments:

The approval of the recommendations of this Report demonstrates Council's commitment to conserving cultural heritage resources, as directed by provincial and federal level policies.

**APPENDICES AND SCHEDULES ATTACHED**

- Appendix "A": Hamilton Heritage Conservation Grant Program Description
- Appendix "B": By-law to further amend By-law No. 10-052 delegating authority for approving grants to the General Manager, Planning and Economic Development, for certain grants under the Ontario Heritage Act
- Appendix "C": City of Hamilton By-law No. 07-346 authorizing the making of loans and grants to the owners of properties, designated under the Ontario Heritage Act

AG:HM  
Attachs. (3)