



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

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	February 3, 2016
<b>SUBJECT/REPORT NO:</b>	Hamilton Community Heritage Fund Loan Program – Stewart Memorial Church, 112-116 John Street North, Hamilton (PED16021) (Ward 2)
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Hazel Milsome (905) 546-2424 Ext. 2755
<b>SUBMITTED BY:</b>	Jason Thorne General Manager Planning and Economic Development Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That a conditional loan commitment totalling \$19,337 for the Trustees of Stewart Memorial Church, the registered owners of the property at 112-116 John Street North, Hamilton, be authorized and approved in accordance with the terms and conditions of the Hamilton Community Heritage Fund Loan Program;
- (b) That the property owner of 112-116 John Street North, Hamilton, and the City of Hamilton enter into a Heritage Conservation Easement Agreement;
- (c) That the Mayor and City Clerk be authorized and directed to execute a loan agreement together with any ancillary documentation required, to effect Recommendation (a) to Report PED16021, in a form satisfactory to the City Solicitor;
- (d) That the General Manager of the Planning and Economic Development Department be authorized to approve and execute any loan amending agreements for 112-116 John Street North, Hamilton, together with any ancillary amending documentation, if required, provided that the terms and conditions of the Hamilton Community Heritage Fund Loan Program are maintained;
- (e) That a copy of Report PED16021 be forwarded to the Hamilton Municipal Heritage Committee for information.

## **EXECUTIVE SUMMARY**

The Hamilton Community Heritage Fund (HCHF) application for conservation / restoration works on 112-116 John Street North, Hamilton, was submitted by the Trustees of Stewart Memorial Church, the registered owners of the property. The property is a Church designated under Part IV of the *Ontario Heritage Act* by By-law 93-089. The following works are proposed on the property: repointing of buttresses; masonry replacement; refinishing buttress pinnacles; removing and cleaning buttresses; masonry restoration; refinishing fascia; rebuilding brick detailing above windows; and, restoration of wooden windows and doors.

The HCHF offers zero percent interest loans, to a maximum of \$50,000, for owners of properties that are designated 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 require that the property owner enter into a Heritage Conservation Easement with the City of Hamilton. The subject application is for an amount over \$15,000 and a Heritage Conservation Easement Agreement is required.

***Alternatives for Consideration – See Page 5***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Funding is provided under the terms of the HCHF, 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 are to be funded from the HCHF Reserve Account 102049, which has a balance, as of December 10, 2015, in the amount of \$880,441.69.

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

Prior to the advance of funding from the City, the applicant will be required to execute a loan agreement and enter into a Heritage Conservation Easement Agreement. The loan is not advanced until the project is 50% complete at which time 50% of the loan will be advanced. All documents and required searches will be developed and undertaken in consultation with the Legal Services Division.

As construction projects move forward, it is sometimes necessary to amend previously approved loan agreements and any ancillary documentation, therefore staff recommend that the General Manager of the Planning and Economic Development Department be authorized to amend loan agreements and any ancillary documentation, provided that the terms and conditions of the HCHF are maintained.

## **HISTORICAL BACKGROUND**

The former City of Hamilton established the 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 HCHF, 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, repayable over a ten-year period and secured by a lien. The agreement with the Province of Ontario stipulated that loans of \$15,000 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 (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. Loans approved for an amount over \$15,000 require that the property owner enter into a Heritage Conservation Easement with the City. The subject application is for an amount over \$15,000, and a Heritage Conservation Easement Agreement is required, as noted in Recommendation (b) to Report PED16021.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

### Urban Hamilton Official Plan

The subject lands are municipally known as 112 John Street North, Hamilton, and are designated as “Downtown Urban Growth Centre” in Schedule “E” – Urban Structure and as “Downtown Mixed Use Area” in Schedule “E-1” – Urban Land Use Designation.

The function of the “Downtown Urban Growth Centre” is a significant node as a result of scale, density, range of uses, function and identity by residents. It is to be planned for a range of uses appropriate to its role as the City’s pre-eminent node. This designation permits institutional uses in the Downtown, among others. The proposed renovations to the existing place of worship are permitted.

### Downtown Hamilton Secondary Plan

The subject lands are designated as “Low Density Residential” in the Downtown Hamilton Secondary Plan Land Use Plan Map B.6.1-1.

Policy 6.1.9.3 provides policy for “Low Density Residential” designation which permits single detached, semi-detached and row house built forms. However, Policy 6.1.5.3 permits a place of worship throughout the Downtown.

Hamilton Zoning By-law No. 05-200

The subject lands are zoned as Downtown Residential (D5) Zone. The Zone permits institutional uses, among others. The proposed place of worship is a permitted use under the By-law.

**RELEVANT CONSULTATION**

Staff from the Development Planning, Economic Development Department, the Finance and Administration Division, Corporate Services Department, and the Legal Services Division, City Manager's Office, was consulted and the advice received is incorporated into Report PED16021.

**ANALYSIS AND RATIONALE FOR RECOMMENDATIONS**

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 Heritage Permit Review Subcommittee of the Hamilton Municipal Heritage Committee reviewed Heritage Permit Application HP2015-033 at their meeting on July 28, 2015, and advised approval, subject to the conditions recommended by staff. The Heritage Permit was approved by the Director of Planning through delegated approval authority and notification was received by the Hamilton Municipal Heritage Committee, at their meeting on September 17, 2015. The Hamilton Municipal Heritage Committee shall be advised of the decision regarding this loan, by copy of Report PED16021, at a future meeting, as noted in Recommendation (e) to Report PED16021.

**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 IV 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.

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

**A 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**

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.5 Support the development and implementation of neighbourhood and City-wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

- 2.3 Enhance customer service satisfaction.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED16021 – Location Map

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