



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Planning Division
and
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division
and
PUBLIC WORKS
Hamilton Water Division

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	August 11, 2020
SUBJECT/REPORT NO:	2020 Water and Wastewater Infrastructure Support Community Improvement Project Area and Plan (PED20120/FCS20055/PW20047) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Joanne Hickey Evans (905) 546-2424 Ext. 1282 John Savoia (905) 546-2424 Ext. 7298 Ryan Doyle (905) 546-2424 Ext. 7455
SUBMITTED BY: SIGNATURE:	Steve Robichaud Director, Planning and Chief Planner Planning and Economic Development Department
SUBMITTED BY: SIGNATURE:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SUBMITTED BY: SIGNATURE:	Andrew Grice Director, Hamilton Water Public Works Department

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RECOMMENDATIONS

- (a) That the 2013 Water and Wastewater Infrastructure Support Community Improvement Project Area and Plan By-laws 13-079 and 13-080 be repealed, attached as Appendices “A” and “B” to Report (PED20120/FCS20055/PW20047);
- (b) That the Water and Wastewater Infrastructure Support Community Improvement Project Area and Plan (2020) By-law, as described in Report (PED20120/FCS20055/PW20047), be approved on the following basis:
 - (i) That the draft By-law for the Water and Wastewater Infrastructure Support Community Improvement Project Area, attached as Appendix “A” to Report (PED20120/FCS20055/PW20047), be enacted by City Council;
 - (ii) That the draft By-law for the Water and Wastewater Infrastructure Support Community Improvement Plan, attached as Appendix “B” to Report (PED20120/FCS20055/PW20047), be enacted by City Council;
 - (iii) That Residential Protective Plumbing Program Guidelines, appended to the Water and Wastewater Infrastructure Support Community Improvement Plan, attached as Appendix “C” to Report (PED20120/FCS20055/PW20047);
 - (iv) That Lead Water Service Replacement Loan Program Guidelines, appended to the Water and Wastewater Infrastructure Support Community Improvement Plan, attached as Appendix “D” to Report (PED20120/FCS20055/PW20047); and,
 - (v) That the proposed Community improvement Plan and Project Area are consistent with the Provincial Policy Statement (2020), conforms with A Place to Grow Plan (2019), conforms to the Greenbelt Plan (2017) and complies with the Urban and Rural Hamilton Official Plans.

EXECUTIVE SUMMARY

Committee of the Whole at their May 13, 2020 meeting approved a recommendation to extend the Lead Water Service Replacement Loan Program to rental residential properties. However, before any loans can be advanced to a rental residential property owner, the City’s 2013 Water and Wastewater Infrastructure Support Community Improvement (WWW CIP) Project Area and Plan have to be amended to incorporate this program.

The 2013 WWW CIP was adopted to permit homeowners of rental residential properties within the urban area who are on municipal services to access loans under the

Residential Protective Plumbing Subsidy Program. This program provided funding to homeowners to modify private plumbing systems to prevent sewer back-up into basements and release of untreated effluent in extreme weather events.

Upon reviewing the 2013 WWW CIP, the project area has to be expanded to apply to the whole City and the focus of the 2013 Plan is too narrow in scope to address this new program. As a result, it is more efficient and effective to delete and replace the 2013 WWW CIP.

The Report has four components:

- The Community Improvement Project Area, adopted through a City By-law;
- The Community Improvement Plan, adopted through a City By-law;
- Residential Protective Plumbing Program Guidelines, appended to the Water and Wastewater Infrastructure Support Community Improvement Plan, adopted by a separate resolution of Council; and,
- Lead Water Service Replacement Loan Program Guidelines, adopted by a separate resolution of Council

Any formal amendment to a CIP requires a public meeting under the *Planning Act*. Changes to the appendices can be undertaken by a Council resolution only.

Alternatives for Consideration – See Page 9

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: The *Planning Act* (Section 28) allows a municipality that has provisions in their Official Plan relating to community improvement, to designate, by By-law, a Community Improvement Project Area, and then prepare a Community Improvement Plan for the Project Area.

A municipality may make grants or loans, in conformity with the approved Community Improvement Plan, that would otherwise be prohibited under the *Municipal Act, 2001* (Section 106(1)), to the registered/assessed owners or tenants of land and buildings, or their respective assignees, within the designated Project Area.

As required by the *Planning Act*, Council shall hold at least one Public Meeting to consider the establishment of or an amendment to a Community Improvement Project Area and Plan.

HISTORICAL BACKGROUND

1.0 Community Improvement Plans

A Community Improvement Plan is a Plan, adopted under the *Planning Act*, that authorizes municipalities to provide grants or loans to commercial enterprises for a variety of rejuvenation / rehabilitation purposes, without contravening the *Municipal Act, 2001* prohibition against bonusing.

The City may have multiple CIP's to address certain programs within certain geographic areas of the City.

2.0 Water and Waste Water Infrastructure Support Community Improvement Plan (WWW CIP) and Project Area (2013)

In 2013, the City passed By-laws 13-079 (Project Area) and By-law 13- 080 (CIP) to designate the project area and adopt the Water and Waste Water Infrastructure Support Community Improvement Plan (WWW CIP).

The project area applied to the urban area only. The purpose of the WWW CIP is to facilitate Hamilton's adaptation to climate change and protection of the health of Hamilton's citizens through specific infrastructure incentive programs. The Plan permitted the Residential Protective Plumbing Program (3P) to be extended to owners of residential rental properties within the City's urban area. This incentive program provided money to homeowners for specific modifications to private plumbing systems to prevent sewer back-up into basements and release of untreated effluent in extreme weather events.

Before a rental property owner could access this funding, this program had to be included within the CIP since rental properties are considered as 'commercial enterprises.'

3.0 Update to 2013 Water and Waste Water Infrastructure Support Community Improvement Plan

In 2007, the City established the Lead Water Service Replacement Loan Program. The purpose of the Program is to provide homeowners with the opportunity to access funding to assist homeowners to replace their private lead water service line to reduce their potential risk of exposure to lead in tap water. The program has been updated to

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extend the interest-bearing loans to property owners of rental properties.

To enable the extension of this funding, it must be included within the WWW CIP. In addition, since this program is available to homeowners, both within the urban and rural areas, the CIP project area must be amended.

Committee of the Whole, at their meeting of May 13, 2020, approved the following recommendation from the Lead Water Service Replacement Loan Program Review (FCS19025(a)):

- “(c) That the Planning and Economic Development Department be directed to undertake an amendment to the Water and Wastewater Infrastructure Support Community Improvement Project Area and Community Improvement Plan so the Lead Water Service Replacement Loan Program can be incorporated into the Community Improvement Plan to extend loans to residential rental properties and report back at a future Planning Committee meeting. “

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

1.0 Municipal Act, 2001

Subsections 106(1) and (2) of the *Municipal Act, 2001* states: "*a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.*" Providing financial or other assistance, often referred to as bonusing, is normally prohibited.

Community improvement initiatives are an exception to the rule against bonusing provided the City adopts a Community Improvement Project Area and Plan to prescribe specific financial incentives.

2.0 Planning Act

The *Planning Act* (Section 28) allows municipalities that have provisions in their Official Plan relating to community improvement to designate, by By-law, a community improvement project area.

A municipality may engage in certain actions within a designated community improvement project area, including:

- *Make grants or loans, in conformity with the approved Community Improvement Plan, to the registered owners, assessed owners, and tenants of lands and buildings, and to any person to whom such an owner or tenant has assigned the*

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right to receive a grant or loan, to pay for the whole or part of the eligible costs of the Community Improvement Plan (Section 28(7)).

Section 28(7.1) defines eligible costs as "*costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes, or for the provision of energy efficient uses, buildings, structures, works, improvements, or facilities.*"

3.0 Provincial Policy

3.1. The Growth Plan for the Greater Golden Horseshoe (2019)

The Growth Plan for the Greater Golden Horseshoe (2019) provides Provincial growth management policy direction to municipalities within the Greater Golden Horseshoe, including Hamilton. It also provides a framework for infrastructure investments and planning.

3.2 Greenbelt Plan

There are no specific policies in the Greenbelt Plan that address housing stock or municipal infrastructure.

3.3 Provincial Policy Statement 2020

The Provincial Policy Statement supports infrastructure planning, particularly sewage and water services, for health, safety, and environmental reasons. This CIP promotes improvements of infrastructure planning, promotes efficient use of infrastructure, reduces the potential for environmental contamination, and promotes improved health and safety. Installation of backflow valves and sump pumps promotes health and safety. Similarly, the replacement of lead water service lines improves the health of Hamilton residents.

4.0 Official Plans (OP's)

Both the Urban and Rural Hamilton Official Plans provide support of this Community Improvement Plan's goals, objectives, and programs. The promotion of healthy and safe communities is a core principle of the Official Plan that is seen in several policies, for example, B.1 - Communities, Introduction states:

"Health and safety in our communities is essential. Policies ensure that our communities are safe and healthy. A broad interpretation of health recognizes the inter-relationships between all aspects of our environment and the impacts on the

health of citizens. Policies in this section enable healthy lifestyles, promote a healthy and safe community, and promote a high quality of life.

B.3.2.4.6 The existing stock of housing shall be retained, wherever possible, and kept

B.3.2.2.2 in a safe and adequate condition through use of the City's Demolition Control By-law, Property Standards By-law, and incentive programs financed by the City or by senior levels of government."

Extending the Residential Protective Plumbing Program and the Lead Water Service Replacement Loan Program (LWSRLP) to residential rental properties promotes the health of those living in rental dwellings and helps to maintain the quality of the City's limited rental housing units.

Section F.1.15 - Community Improvement Plans of Volume 1 in both OP's provide the authority to prepare CIP's.

RELEVANT CONSULTATION

None

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

1.0 Purpose of the Report

The purpose of this Report is to delete and replace the 2013 Water and Waste Water Infrastructure Support Community Improvement Plan (WWW CIP) and Project Area to:

- Incorporate the City's approved financial incentive program for Lead Water Service Replacement Loan Program (LWSRLP) into the CIP, in addition to the existing Residential Protective Plumbing Program (3P); and,
- Extend the project area to the entire City.

2.0 Community Improvement Project Area and Plan

Generally, changes to the CIP appendices to add other incentive programs within the same project area can be undertaken through a Council resolution, since these appendices to the Plan do not require a formal amendment under the *Planning Act*.

However, the LWSRLP applies to the entire City whereas the existing 3P Program applied to homeowners with rental properties within the urban areas only. Further, the descriptions in the existing 2013 CIP are too narrow to recognize the LWSRLP.

2.1 Community Improvement Project Area

The CIP Project area for the 3P program applied to the urban area since almost all of the properties that have a municipal sewer are within the urban areas. However, the program applies to any home owner of a principal residence, even though their home is outside the urban boundary.

Homeowners of rental properties throughout the entire City are eligible for the LWSRLP.

Therefore, the project area needs to be expanded to include the entire City.

2.2 Community Improvement Plan

The 2013 WWW CIP was developed with a focus on the 3P program only. The goals of the CIP are broad enough to allow for other infrastructure financial incentive programs to be added:

- Improve the quality of life for Hamilton residents;
- Improve Hamilton's image as a good place to live;
- Improve Hamilton's ability to adapt to the extreme weather patterns that are the result of climate change;
- Improve the health and safety of citizens by reducing basement sewer back-ups as a result of extreme storms;
- Facilitate ongoing rehabilitation and upgrading of Hamilton's aging infrastructure and housing stock; and,
- Protect the environment by reducing the release of untreated effluent as a result of extreme storms.

However, the other sections of the WWW CIP only focussed on 3P. Therefore, it was more efficient and effective to delete and replace the Plan to include the LWSRLP and to ensure that other programs could be included in the future. The Programs within the CIP are to be approved by Council as separate resolutions, as no public meetings are required for any amendment to the programs.

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ALTERNATIVES FOR CONSIDERATION

- Option 1 - Council could choose to not to either extend the WWW CIP project area to the entire City.
- Option 2 – Council could direct the existing WWW CIP be re-written to incorporate the Lead Water Service Replacement Loan Program.

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Built Environment and Infrastructure

Hamilton is supported by state-of-the-art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

- Appendix “A” - 2020 Water and Wastewater Infrastructure Support Community Improvement Project Area By-law
- Appendix “B” - 2020 Water and Wastewater Infrastructure Support Community Improvement Plan
- Appendix “C” - Residential Protective Plumbing Program Description and Administrative Details
- Appendix “D” - Lead Water Service Replacement Loan Program Description and Administrative Details

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