



Five-year Review of the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (PED23076 – City Wide)

General Issues Committee – April 19, 2023

What is a 'Brownfield'?

"...means undeveloped or previously developed properties that may be contaminated. They are usually, but not exclusively, former industrial or commercial properties that may be underutilized, derelict or vacant"

(Provincial Policy Statement, 2020)



What are CIPs and CIPAs?

- Community Improvement Plans (CIPs) are a tool under the *Planning Act* that allow municipalities to provide incentives not otherwise permitted under the *Municipal Act*
- A CIP establishes financial assistance programs to facilitate physical improvements to building/properties that will support the broader revitalization of a defined geographic area
- Defined geographic areas in which programs can be offered are “Community Improvement Project Areas” or CIPAs
- CIP/CIPAs are implemented as By-laws and updates are required to be undertaken in accordance with requirements of the *Planning Act*
- City practice is to review our CIPs and their programs every five years
- These reviews serve as a ‘check-in’ to evaluate existing programs in terms of addressing their intended goals and introduce program updates



Brownfields in Hamilton

- Brownfields have, and continue to be, a challenge for the City given our long history as an industrial and commercial hub
- This has left a legacy of environmental contamination on many sites in the city's older, historically developed areas
- The exact number of Brownfields in the city are unknown and difficult to determine with certainty due to private ownership and need for confirmatory testing
- Brownfields are a common issue in many municipalities in Canada
- The Province is responsible for establishing the site condition standards that must be met, based on planned land use, and the process to certify remediation work (Record of Site Condition)
- Residential/Parkland/Institutional uses have the most stringent soil/groundwater standards to meet
- The requirement to remediate contamination adds significant costs, time and risk to impeding ability/willingness for these sites to be considered for redevelopment

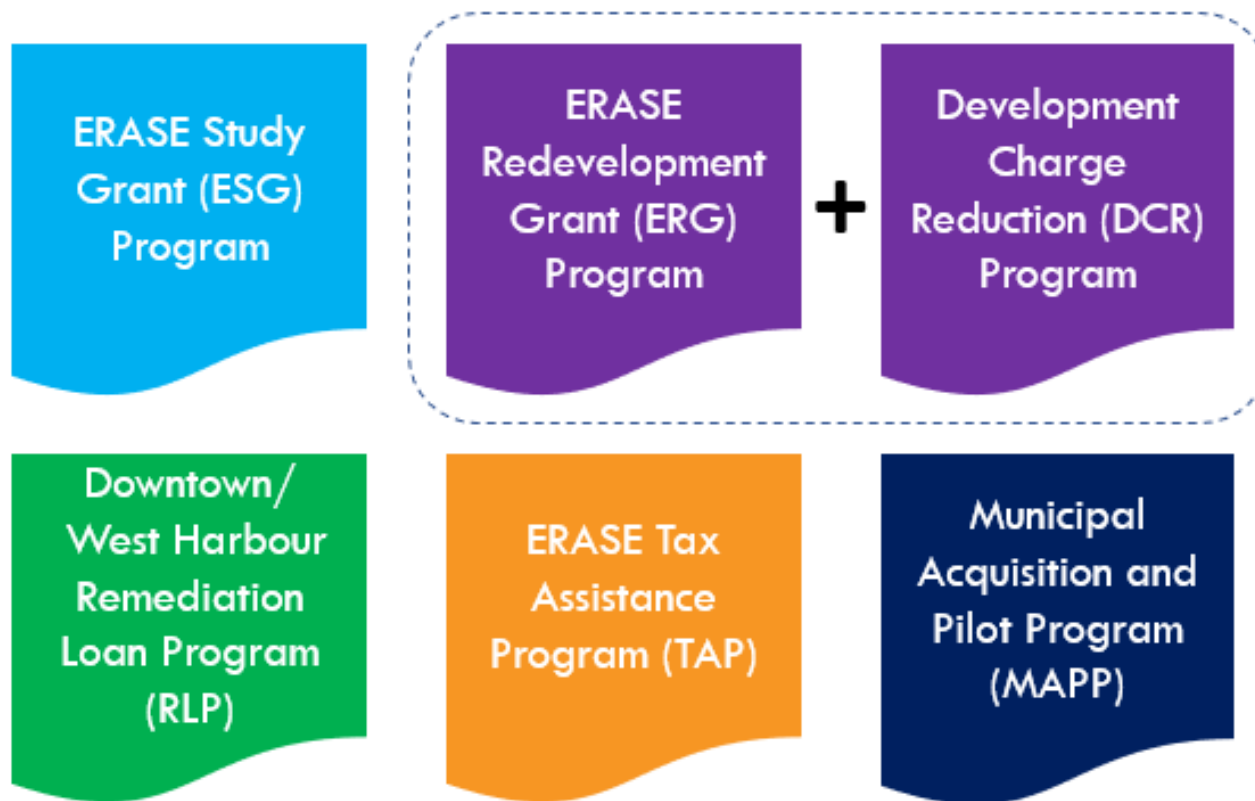


City Efforts on Brownfields

- Economic Development Divisions' Brownfield Office and ERASE CIP were first introduced in 2001 as a strategic effort to support and incentivize the remediation and reuse of Brownfields
- City efforts 'level the playing field' so contaminated sites can be considered for redevelopment on an equal footing, financial and otherwise, as non-contaminated sites
- Brownfield redevelopment supports strategic City goals including:
 - improving environmental conditions within our communities
 - supporting urban area revitalization through redevelopment of under-utilized/blighted properties with productive land uses
 - supporting new housing and employment opportunities in existing urban areas
 - reducing urban sprawl and related costs
 - growing assessment and municipal taxes in existing urban areas



Existing ERASE Financial Assistance Programs



Goals of the ERASE CIP Review

- ERASE CIP and Programs were last reviewed and updated in 2018
- Goal of the review was to ensure ERASE programs continue to...
 - provide effective and meaningful financial support to encourage the investigation, remediation and redevelopment of brownfields
 - meet the intended goals and objectives of the City
 - are financially sustainable for the City
 - align with, and support, new/emerging community and Council priorities
- Proposed program amendments arising from this review do not require any increase in current budgets allocated to the Economic Development Division for the provision or administration of ERASE financial assistance



ERASE Review Consultation

- Engagement activities occurred between September and December 2022 and included...
 - a public workshop held on November 22, 2022
 - Engage Hamilton project page
 - presentation to the City's Brownfield advisory group
 - periodic posts on City and Economic Development social media channels
 - internal engagement with various City departments and divisions including subject matter experts related to housing affordability and climate change
- Staff also undertook a best practice review and meetings with other Southern Ontario Municipalities with brownfield programs



Review Outcomes

- Staff's review confirmed the significant positive impact the ERASE CIP and programs continue to have for the City including:
 - supporting the remediation of **206 acres (83 hectares)** of contaminated land
 - leveraging approximately **\$18.00** in private sector investment for every \$1.00 provided in financial assistance towards site remediation
 - achieving the creation of over **3,300 new residential units** and over **176,000 sq. m. (1,900,000 sq. ft.)** of Industrial/Commercial/Institutional floor area on brownfields
 - generating over **\$1,000,000,000*** in new property assessment on brownfields and over **\$11,000,000 annually** in new municipal property tax revenue

** Inclusive of reassessments*



Review Outcomes

- Confirmed the continued need for the ERASE programs in order to mitigate remediation costs on contaminated lands
- Staff identified opportunities for program improvements which would:
 1. Expand availability of select programs to further support remediation and redevelopment of Brownfields
 2. Introduce new financial supports for planned not-for-profit affordable housing developments on Brownfields
 3. Leverage existing programs to support City priorities for environmental sustainability and housing affordability
 4. Incentivize more environmentally sustainable remediation practices

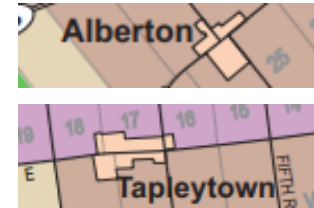
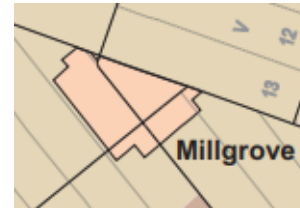
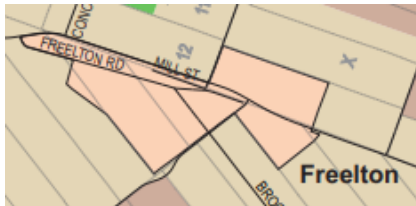


Key Proposals

1. Expand availability of select ERASE Programs to further support remediation and redevelopment of Brownfields

ERASE Redevelopment Grant (ERG)/ERASE Study Grant (ESG) Programs

- Expand programs to Rural Settlement Areas where there is a concentration of historical development



Downtown and West Harbour Remediation Loan Program (RLP)

- Expand loan program to Community Downtowns, Business Improvement Areas (BIA) and other strategic commercial corridors where other commercial revitalization programs/supports are offered
- Areas have a greater potential for current/historic contaminating commercial uses (such as gas stations, auto mechanics, dry cleaners etc.)



Key Proposals

2. Introduce new financial supports for planned not-for-profit affordable housing developments on Brownfields

ERASE Affordable Housing Grant (EAHG) Program (NEW)

- Creation of a new program to provide grants up to \$200,000 per project towards remediation costs (approvals delegated to GM of PED)
- Funded through the Brownfield Pilot Project Fund which receives the 20% tax increment from ERG approvals not provided to the applicant
- Addresses a short coming whereby non-tax generating developments not eligible for ERASE tax increment/cancellation programs

ERASE Study Grant (ESG) Program

- Increase the eligible costs for investigative studies from 50% to 100%
- Permit designated substances and hazardous materials surveys

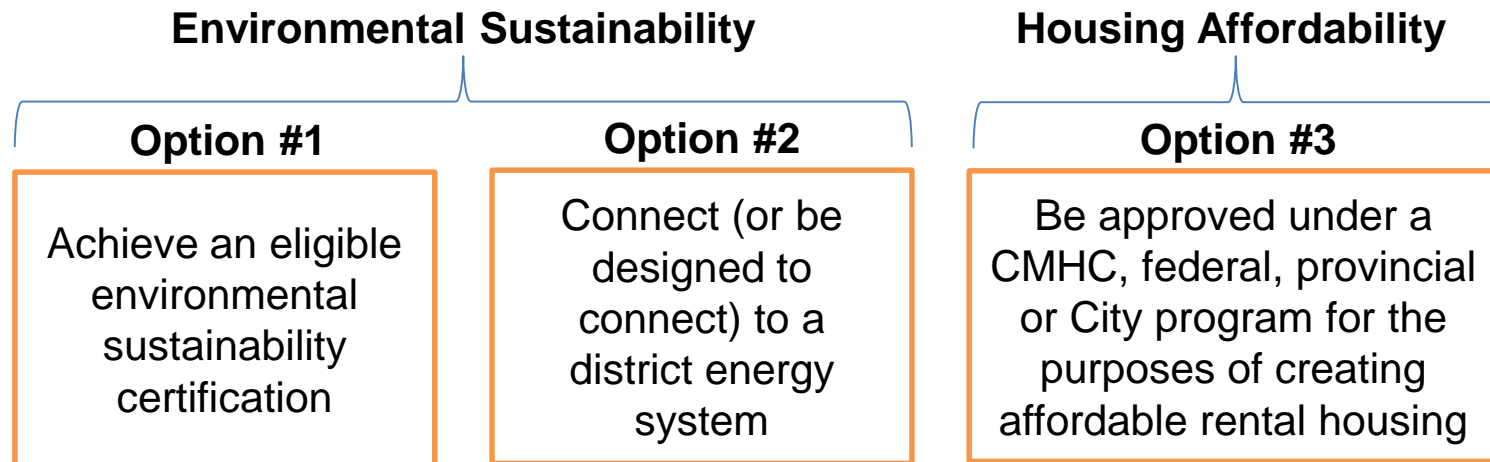


Key Proposals

3. Leverage existing programs to achieve City priorities for environmental sustainability and housing affordability

ERASE Redevelopment Grant (ERG) Program

- Modifying grant amounts and duration based on whether a development incorporates environmental sustainability achievements or affordable housing units
- Proposal would identify projects as either a 'Brownfield Project' or an 'Enhanced Brownfield Development'. An enhanced development would mean achieving one of the following:



Key Proposals

Option #1

Achieve an eligible environmental sustainability certification

- Canadian Home Builders Association Net Zero Home Labelling where Net Zero/Net Zero Ready levels of efficiency are achieved
- Passive House Canada
- Natural Resources Canada (NRCAN) R2000
- Built Green to a Gold or higher standard in the Energy and Envelope category
- Leadership in Energy and Environmental Design (LEED) Gold or higher standard

Option #2

Connect (or be designed to connect) to a district energy system

- Providing space for the sole purpose of future equipment/thermal piping;
- Securing an easement between the mechanical room and the property line to allow for thermal piping; and
- Including two-way pipes in the building to carry the thermal energy from the district energy network to the section in the building where the future energy transfer station will be located

- These options are intended to support the Council approved Hamilton's Climate Action Strategy (HCAS) (Low-Carbon Transformation #2 – Transforming our Buildings)



Key Proposals

Option #3

Be approved under a CMHC, federal, provincial or City program for the purposes of creating affordable rental housing

- affordable housing units are to be integrated into an otherwise market-based, tax generating development for eligibility
 - set through the requirements and conditions of the prerequisite government funding support required for consideration as an Enhanced Brownfield Project
 - enforcement of affordability provisions would be undertaken by the provider of the prerequisite funding program with ERG grants being cancellable where affordability terms/requirements of the prerequisite funding support are not met.
- This option is intended to support the Council approved Housing and Homelessness Action Plan (HHAP) (Outcome Area 1 – Supply)



Key Proposals

Grant Parameter		Current Program (all development)	Proposed Program	
			Brownfield Development	Enhanced Brownfield Development
Maximum Eligible Costs Permitted For:	the transportation and disposal of contaminated soil at a licensed landfill facility	100%	80%	80%
	In-situ remediation methods or the transportation and treatment of contaminated soil so as to enable reuse	100%	100%	100%
	all other environmental remediation and DSHM eligible costs unless otherwise specified	100%	80%	100%
Maximum Potential Annual Grant Payments		10	10*	13*
Maximum Annual Grant as a Percentage of Actual Tax Increment Realized		80%	80%	100%

* Or until eligible remediation costs have been recovered, whichever comes first



Key Proposals

4. Incentivize more environmentally sustainable remediation practices

- 'Dig and dump' is the most common form of remediation as its efficient and relatively easy in ensuring contamination is removed
- 'Dig and dump' requires long-distance trucking to licensed landfills and uses existing landfill capacity leading to unintended negative environmental impacts
- Proposal would reduce the City's portion of eligible 'dig and dump' costs from 100% to 80%; the remaining 20% would be the responsibility of the applicant
- All other forms of remediation which minimize the need for excavation/trucking of soils (in-situ, risk assessments etc.) would continue to be supported at 100% of cost
- Incentivizes consideration of other more environmentally sustainable forms of remediation and reduces potential grant amounts
- Proposal does not impact the level of remediation required to be achieved, only the amount of remediation costs the City would provide grants towards



Next Steps

Should Committee/Council support staff's proposals:

- Staff will prepare the required implementing CIP and CIPA by-laws reflecting the proposed changes
- These by-laws will be brought forward to Planning Committee for a statutory public meeting and Committee/Council consideration in accordance with the requirements of the *Planning Act*
- Staff are targeting a Planning Committee before the end of Q2 2023





THANK YOU