



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

TO:	Chair and Members Planning Committee
COMMITTEE DATE:	December 7, 2021
SUBJECT/REPORT NO:	Water and Wastewater Infrastructure Support Community Improvement Plan Amendment (PED21214/FCS21097) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Christine Newbold (905) 546-2424 Ext. 1279 John Savoia (905) 546-2424 Ext. 7298
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

RECOMMENDATION

That an amendment to the Water and Wastewater Infrastructure Support Community Improvement Plan (2020) to add the revised Water Leak Adjustment Program described in Report PED21214/FCS21097 be **APPROVED** on the following basis:

- (i) That the draft By-law attached as Appendix "A" to Report PED21214/FCS21097 which has been prepared in a form satisfactory to the City Solicitor be enacted by City Council;

- (ii) That the amended Water and Wastewater Infrastructure Support Community Improvement Plan is consistent with the Provincial Policy Statement (2020), conforms to A Place to Grow Plan (2019, as amended), conforms to the Greenbelt Plan (2017), and complies with the Urban and Rural Hamilton Official Plans.

EXECUTIVE SUMMARY

The purpose of this Report is to amend the 2020 Water Wastewater Infrastructure Support Community Improvement Plan (WWW CIP) to add the City's approved Water Leak Adjustment Policy as a financial assistance program under the CIP. Addition of this program under the WWW CIP enables the City to provide limited financial relief to all eligible residential water customers to address abnormally high water and wastewater / storm bills associated with plumbing failures for all forms of property ownership and tenure.

City Council at their October 13, 2021 meeting considered Report FCS21087/LS21037-Revised Water Leak Adjustment Policy and approved the following recommendation:

- “(e) That staff be directed to undertake an amendment to the Water and Wastewater Infrastructure Support Community Improvement Plan so the revised Water Leak Adjustment Policy attached as Appendix “A” to Report FCS21087/LS21037 can be incorporated in the Community Improvement Plan to extend water leak adjustments for residential rental properties and report back at a future Planning Committee meeting.”

The 2020 WWW CIP was approved by Council on August 13, 2020 (refer to Report PED20120/FCS20055/PW20047). The 2020 WWW CIP Project Area was also amended to include the entire City of Hamilton and permit owners of rental residential properties who are on municipal services to access two financial assistance programs:

- 1) Grants and/or loans under the Residential Protective Plumbing Subsidy Program (3P). This program provided funding to homeowners to modify private plumbing systems to prevent sewer back-up into basements and release of untreated effluent during extreme weather events.
- 2) Loans under the Lead Water Service Replacement Loan Program (LWSRLP). This program provided funding to homeowners to replace private lead water service lines to reduce the potential risk of exposure to lead in tap water.

A formal amendment to the WWW CIP is required to introduce any new financial incentive programs under the CIP. The amendment recommended through this Report establishes Council's Water Leak Adjustment Policy as a program under the WWW CIP, allowing owners of rental residential properties to access the Program.

Alternatives for Consideration – See Page 8

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: Amending the Community Improvement Project Area follows legal advice previously given to Council in the Revised Water Leak Adjustment Policy report (FCS21087/LS21037).

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.

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

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.

In 2020, the Council passed By-laws 20-171 (Project Area) and By-law 20-172 (CIP) to designate the project area and adopt an updated WWW CIP which enabled established programs to provide grants/loans to owners of rental properties in addition to owner-occupied residential dwellings.

The approval of the 2020 WWW CIP permitted the Residential Protective Plumbing Program (3P) to be extended to owners of residential rental properties within the City. 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.

Additionally, the updated WWW CIP permitted the Lead Water Service Replacement Loan Program (LWSRLP) be extended to owners of residential rental properties within the City. This program provided funding to encourage homeowners to replace private lead water service lines to reduce the potential risk of exposure to lead in tap water.

Water Leak Adjustment Policy

In 2007, the City established the Water Leak Adjustment Policy. The purpose of the Policy is to provide limited financial relief to eligible water customers to address abnormally high water and wastewater / storm bills associated with plumbing failures. City Council, at its meeting of October 13, 2021, through Report FCS21087/LS21037, approved a revised Water leak Adjustment Policy to be effective January 1, 2022. The Policy was revised to extend qualifying leak adjustments to property owners of rental properties.

Through the approval of Report FCS21087/LS21037, City Council also approved the following recommendation:

- “(e) That staff be directed to undertake an amendment to the Water and Wastewater Infrastructure Support Community Improvement Plan so the revised Water Leak Adjustment Policy attached as Appendix “A” to Report FCS21087/LS21037 can be incorporated into the Community Improvement Plan to extend water leak adjustments to residential rental properties and report back at a future Planning Committee meeting.”

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

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.

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.

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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 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.*"

Provincial Policy

The Growth Plan for the Greater Golden Horseshoe (2019, as amended)

The Growth Plan for the Greater Golden Horseshoe (2019, as amended) 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.

Greenbelt Plan (2017)

The Vision of the Greenbelt Plan speaks to the protection of water resource systems and building resilience to and mitigating climate change. The Plan recognizes that infrastructure is important to human health, quality of life and economic well-being. There are no specific policies in the Greenbelt Plan that address housing stock but the Plan also recognizes that existing infrastructure must be maintained. Section 1.2.2 Protected Countryside Goals in the Plan includes a Climate Change Goal for integrating climate change considerations into planning and managing the Water Resource System (which includes discharge areas) to improve resilience.

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.

Existing programs with the WWW CIP that support installation of backflow valves and sump pumps and the replacement of lead water service lines promotes health and safety. Similarly, addition of the Water Leak Adjustment Program supports plumbing repairs, promote the efficient use of potable water, and safeguards the health of Hamilton residents.

The amendment to the WWW CIP is consistent with the Provincial Policy Statement (2020), conforms to the Growth Plan for the Greater Golden Horseshoe (2019, as amended) and the Green Belt Plan (2017).

Urban and Rural Hamilton Official Plans

Both the Urban and Rural Hamilton Official Plans (UHOP and RHOP respectively), 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”.

Policy B.3.2.4.6 (UHOP) and B.3.2.2.2 (RHOP) identify that existing housing stock “shall be retained, wherever possible and kept in a safe and adequate condition through the use of the City Demolition Control By-law, Property Standards By-law, and incentive programs financed by the City or by senior levels of government.”

The addition of the Water Leak Adjustment Program to the WWW CIP promotes the health of those living in rental and owner-occupied dwellings and helps to maintain the quality of the City's housing stock, including rental housing units.

Section F.1.15 - Community Improvement Plans of Volume 1 in both Official Plans provide the authority to prepare CIPs.

The proposed amendment complies with the Urban and Rural Hamilton Official Plans.

RELEVANT CONSULTATION

Notice of the Public Meeting was given by way of a newspaper advertisement in the Hamilton Spectator, in accordance with the requirements of the *Planning Act*, on November 19, 2021.

ANALYSIS AND RATIONALE FOR RECOMMENDATIONS

The purpose of this Report is to amend the 2020 Water and Waste Water Infrastructure Support Community Improvement Plan (WWW CIP) to incorporate the City's approved Water Leak Adjustment Policy as a program in the CIP. Adding the program to the WWW CIP extends the program to rental residential properties. The Water Leak Adjustment Program will be the third program of WWW CIP, joining the Residential Protective Plumbing Program (3P) and Lead Water Service Replacement Loan Program (LWSRLP).

The Water Leak Adjustment Program is attached as Appendix "B" to By-law 21-XXX (attached as Appendix "A" to Report PED21214/FCS21097).

Community Improvement Plans (CIPs)

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. To enable the extension of this financial assistance to owners of rental properties, the Water Leak Adjustment Program must be included within the WWW CIP.

Water Wastewater Infrastructure Support CIP and the Water Leak Adjustment Program

The addition of the Water Leak Adjustment Program into the WWW CIP expands the programs offered to residential rental properties. Joining the Residential Protective Plumbing Subsidy Program (3P) and the Lead Water Service Replacement Loan Program (LWSRLP) already contained within the WWW CIP, Hamilton is building a suite of programs to address aging infrastructure and sustain existing building stock, including rental buildings.

The Water Leak Adjustment Program can assist home owners, and potentially tenants through passing on of financial relief, with housing affordability challenges when faced with unusually high water bills. The water bill adjustments of up to \$2,500 in a 24-month rolling period assists to pay suddenly large water bills resulting from plumbing leaks. The Program ensures that leaks are fixed as claims must be accompanied by proof that the leak has been repaired before an adjustment will be made.

By ensuring that water leaks are repaired, the Water Leak Adjustment Program helps conserve water through the repair of leaks and the replacement of leaking plumbing fixtures to avoid unnecessary flow from residential plumbing leaks into the municipal

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

sanitary storm system. Reducing flows into the wastewater system frees up capacity to hold flows from storm events and avoiding discharges to the environment. Thus, this program can assist in adapting to the impacts larger storm flows due to climate change.

Repairing leaks helps maintain the quality of the housing stock and supports the health and safety of residents by avoiding water damage to existing structures and potential exposure to mould that can develop in consistently wet areas and impact indoor air quality.

ALTERNATIVES FOR CONSIDERATION

Council could choose to not incorporate the financial assistance program under the Water Leak Adjustment Policy into the CIP. This option is not recommended as City Council at their October 13, 2021, meeting approved a recommendation to extend the Water Leak Adjustment Policy to rental residential properties. If the Policy is not included as a program in the WWW CIP, the Water Leak Adjustment Policy cannot be offered to rental residential properties as it may constitute a bonusing situation under the *Municipal Act*.

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” to Report PED21214/FCS21097 - By-law to Amend the Water and
Wastewater Infrastructure Support
Community Improvement Plan