




Hamilton

INFORMATION REPORT

TO:	Chair and Members Open for Business Sub-Committee
COMMITTEE DATE:	July 16, 2024
SUBJECT/REPORT NO:	Update on Financial Assistance and Incentive Programs Supporting Community Revitalization and Investment (PED24121) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Phil Caldwell (905) 546-2424 Ext. 2359
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SIGNATURE:	

COUNCIL DIRECTION

Not applicable.

INFORMATION

On June 12, 2024, Council received staff information Report PED24082 which reported key metrics and successes in 2023 through Council approved Community Improvement Plans and associated financial incentive and assistance programs administered by the Economic Development Division. This Report further builds upon PED24082 by outlining the recent, current and future actions Economic Development staff are taking to modernize the City's Community Improvement Plans and programs to continue supporting community revitalization and realize new investment in the City.

Background

The Economic Development Division of the Planning and Economic Development Department develop and administer financial assistance and incentive programs intended to support development/redevelopment, building improvements and businesses in the City that align with and reinforce key Council and community priorities including:

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.

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- Increasing assessment and new property tax generation on underutilized, vacant, or derelict properties within existing urban areas and commercial districts/corridors;
- Reducing the need for greenfield/agricultural lands to accommodate future growth by incentivizing development in strategic urbanized areas;
- Promoting development that efficiently utilizes existing infrastructure;
- Maintaining and growing resident populations to support existing and new commercial businesses;
- Supporting population and employment concentrations that will better utilize existing transit and support new demand and investment in higher-order transit;
- Enabling new housing supply and economic development opportunities; and,
- Retaining, rehabilitating, and supporting the adaptive reuse of significant cultural heritage resources.

Community Improvement Plans

Under Provincial legislation, financial assistance and incentive programs can only be provided by a municipality through the creation of an authorizing Community Improvement Plan. These plans are authorized under Section 28 of the *Planning Act* and used to establish the purpose, goals and Provincial/City policy framework supporting the programs to be provided. Programs solely intended for not-for-profit organizations, or which support the rehabilitation of building/features designated under the *Ontario Heritage Act* do not require the use of a Community Improvement Plan.

Programs administered by the Economic Development Division are authorized under the following City Community Improvement Plans:

- The Revitalizing Hamilton's Commercial Districts Community Improvement Plan - intended to provide financial incentive programs that will support the revitalization of strategic urban commercial districts by minimizing financial barriers to, and stimulating new private sector investment in, the development of under-utilized properties and/or improve the appearance, functionality, marketability, usability and/or safety of existing buildings;
- The Environmental Remediation and Site Enhancement Community Improvement Plan - Intended to provide financial assistance programs and other strategies that will help overcome the physical and financial barriers associated with the remediation and redevelopment of underutilized, derelict, or vacant contaminated

properties, also known as brownfields; and,

- The Hamilton 'LEED'ing the Way (Leadership in Energy and Environmental Design) Community Improvement Plan – Intended to provide an economic catalyst for the development/redevelopment of sustainable industrial, commercial, mixed-use, and multi-unit residential buildings certified under the Leadership in Energy and Environmental Design rating system by the Canadian Green Building Council.

In addition to the above, the City has two additional Community Improvement Plans, the Housing for Hamilton Community Improvement Plan and the Water and Wastewater Infrastructure Support Community Improvement Plans. Programs under these Plans are currently administered by staff in the Healthy and Safe Communities and Public Works departments respectively.

Recent Reviews and Program Updates

Every five years, staff undertake a comprehensive review of each Community Improvement Plan and its associated assistance/incentive programs to ensure that programs remain current and impactful towards achieving their goals while also ensuring programs are responding to evolving market conditions and Council and community priorities.

In recent years the following reviews have been completed by Economic Development Division staff:

- Updates to the Revitalizing Hamilton's Commercial Districts Community Improvement Plan approved by Council in September 2021 via Report PED21035(a) which included:
 - Modifying the grant amounts provided under the Hamilton Tax Increment Grant Program to provide a greater financial incentive to incorporate housing affordability and/or environmental sustainability and climate change measures into developments;
 - Added eligibility for laneway housing units in strategic commercial districts, where permitted, under the Commercial Corridor Housing Opportunities Loan Program;
 - Expanding the scope of the Office Attraction Program to include new incentives to attract start-up businesses and incubators to Hamilton;
 - Permit environment/climate focused exterior building/property improvements under the Commercial Property Improvement Grant Program;

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- Extending commercial corridor focused incentive programs to include under-utilized, commercially zoned properties on Cannon Street between Emerald Street North and Wentworth Street North;
 - The creation of a temporary grant program to assist prospective commercial tenants with permanent interior improvements to a vacant commercial space; and,
 - Increasing flexibility respecting the location of new permanent outdoor patios/decks in order to be eligible for assistance under Property Improvement Grant Programs.
- Updates to the Environmental Remediation and Site Enhancement Community Improvement Plan approved by Council in May 2023 via PED23076(a) which included:
 - The creation of a new Environmental Remediation and Site Enhancement Affordable Housing Grant Program to provide grants towards site remediation for not-for-profit housing developments on brownfields;
 - Expansion of select programs to Rural Settlement Areas;
 - Modifying grant amounts to leverage additional Council and community priorities in brownfield projects including housing affordability and/or environmental sustainability and climate change;
 - A reduction in the eligibility of ‘dig and dump’ remediation costs in order to incentivize the use of remediation practices and methods which reduce or eliminate the need for disposal of contaminated soil at landfills; and,
 - Expansion of the existing Remediation Loan Program to support remediation in strategic urban commercial districts and corridors.
 - Updates to the Housing for Hamilton Community Improvement Plan were approved by Council in February 2024 via Report PED23143(c) and primarily intended to incorporate new housing focused incentive programs funded through the City’s successful application to the Canadian Mortgage and Housing Corporation’s Housing Accelerator Fund. Note these programs are now administered by the Housing Secretariat in the Healthy and Safe Communities Department.

In addition to the comprehensive reviews outlined above, staff also amend programs on an as needed basis in response to Council direction or staff initiatives, where

appropriate. Recent updates to programs supporting the revitalization of strategic commercial districts and corridors include:

- 2019/2021 - Amendments to various housing incentive programs to mitigate potential tenant displacement or “renoviction” of units subject to renovation;
- 2023 - Making permanent the Commercial Vacancy Assistance Program originally introduced as a two-year pilot in 2021 that provides cost-sharing grants of up to \$10,000 for interior renovation of vacant commercial space for new permanent or pop-up commercial businesses; and,
- 2023 - Amending the Commercial District Revitalization Grant Program to provide grants of \$200 per instance of graffiti (maximum of \$1,000/per registered property per calendar year) for the removal of graffiti until March 31, 2025, as well as simplifying eligibility criteria for property owners seeking support for improvements arising due to vandalism.

Current and Upcoming Reviews

As of March 2024, staff have initiated the comprehensive review of the Hamilton LEED’ing the Way (Leadership in Energy and Environmental Design) Community Improvement Plan which was identified as a work plan item through the Council approved 2021-2025 Economic Development Action Plan. Stakeholder and public consultations are currently underway including:

- The establishment of the project’s Engage Hamilton page at www.engage.hamilton.ca/LEEDCIPReview where the public can learn more about the review, its goals, fill out a survey, ask questions and make suggestions to the project team as well as keep apprised of scheduled public consultation events and project milestones; and,
- A virtual public workshop held on June 18, 2024, to present initial ideas and to hear community and stakeholder feedback.

Staff currently anticipate bringing recommendations for program changes forward for Council consideration in late 2024.

Beginning in late 2025 staff will initiate the next comprehensive review of the Revitalizing Hamilton’s Commercial Districts Community Improvement Plan with staff recommendations for programs changes tentatively planned for 2026.

APPENDICES AND SCHEDULES ATTACHED

Not Applicable.