

Date: 2020-10-06

Subject: **Recommendation Report: Designated Heritage Property Incentive Grant Increase and Update to the Designated Heritage Property incentive Grant By-Law and Application Kit**

Contact: Cassandra Jasinski, Heritage Planner, Planning, Building and Economic Development, cassandra.jasinski@brampton.ca

Report Number: Planning, Building and Economic Development-2020-224

Recommendations:

1. That the report from Cassandra Jasinski, Heritage Planner, Planning, Building and Economic Development, dated, 2020, to the Brampton Heritage Board Meeting of 2020, re: **Recommendation Report: Designated Heritage Property Incentive Grant Increase and Update to the Designated Heritage Property incentive Grant By-Law and Application Kit**, be received;
2. That the increase in the Designated Heritage Property Incentive Grant to a maximum matching grant of \$10,000 be approved;
3. That the Designated Heritage Property Incentive Grant funds be moved to a capital account in the Policy Planning budget; and
4. That Council pass the by-law amending By-law 266-2011, attached as Appendix D.

Overview:

- **The purpose of this report is to recommend changes to the Designated Heritage Property Incentive Grant Program, including an amendment to By-law 266-2011 and revisions to the Designated Heritage Property Incentive Grant (“Heritage Incentive Grant”) Application Kit.**
- **Currently owners of designated properties can apply to receive a matching grant of up to \$5,000 for eligible heritage conservation work.**
- **Heritage staff recommend that the maximum matching grant funds per application be raised to \$10,000 in order to provide property owners with more financial support in undertaking heritage conservation projects.**

- **Heritage staff have recommended a number of changes to By-law 266-2011 and the associated Heritage incentive Grant Application Kit.**
- **The changes proposed will be delivered within the existing Heritage Incentive Grant budget.**
- **Heritage staff also recommend that the Standard Agreement, to be signed by delegated City staff and the Owner, to ensure that the Owner is in agreement with the requirements of the application process and is eligible to apply for the grant.**
- **The amending by-law is being presented now but will come into effect on January 1, 2021.**

Background:

Sections 39 and 45 of the *Ontario Heritage Act* (the “Act”) authorize a municipality to pass by-laws providing for the making of a grant or loan to the owner of a property that has been designated under Part IV of the *Act* or located in a Heritage Conservation District designated under Part V of the *Act* for the purpose of paying in whole or any part of the cost of the alteration of such property on such terms and conditions as the council of the municipality may prescribe.

In 2011, Council adopted By-law 266-2011 (Appendix A) to establish a Designated Heritage Property Incentive Grant (the “Heritage Incentive Grant”) Program. The grant in its current form is a matching grant of up to \$5,000 that owners of designated heritage properties can apply for every two years for eligible conservation work, as set out in the by-law.

The grant in its current form has been in place for nearly 10 years. As part of public engagement related to various heritage projects, including the Main Street South Heritage Conservation District, and through interactions on heritage permit and incentive grant applications, property owners have communicated to Heritage staff that the Heritage Incentive Grant in its current form does not sufficiently offset the cost of conservation work.

Heritage staff have reviewed the by-law and grant program by compiling statistics on the grant’s functionality over that period of time. Heritage staff also reviewed the heritage grant programs of other municipalities including Mississauga, Markham, Kitchener, Toronto, Kingston, Burlington, and Oakville. The benchmarking indicates that several municipalities have more substantial grants than that currently offered by the City of Brampton, most notably Mississauga, which has recently increased the scale of its grant program to provide support for larger heritage conservation projects. The statistics and benchmarking results have been summarized in Appendix B.

Current Situation:

The comments and suggestions by heritage property owners prompted Heritage staff to review the Heritage Incentive Grant Program, including the Heritage Incentive Grant statistics from 2012-2019. Heritage staff also investigated the heritage incentive programs of other municipalities in Ontario to compare with the existing Heritage Incentive Grant offered by Brampton.

Benchmarking indicates that the average grant amount offered by municipalities for heritage conservation projects is \$10,900. Most significantly, Mississauga, a neighbouring municipality, has recently expanded their grant program, which is three tiered, offering grants of \$5000, \$10,000 and \$25,000 depending on the scope of the conservation project. Mississauga's budget for their incentive grant program is \$75,000 per year.

The statistics also support the request of designated heritage property owners. Since 2012, seventy percent (70%) (sixteen (16) of twenty-three (23)) grants which were paid out had final costs over \$10,000. Four of the grant projects had final costs above \$20,000. These numbers indicate that providing a higher value grant would have assisted a large proportion of applicants.

Additional incentives are also offered by some municipalities to support heritage conservation projects, such as density bonusing, reduction in development charges, and tax rebates. Heritage staff will explore the possibilities for a broader incentive strategy and report back to Council at a later date.

It should be noted as well that designated heritage properties qualify for higher amounts of funding under the Central Area Façade and Building Improvement programs. The expansion of this already existing program to all commercial designated heritage properties would result in investment in designated properties beyond the downtown and recognize that these resources are just as important to their neighbourhoods and the creation of complete communities.

Heritage Incentive Grant Recommended Changes

City of Brampton Heritage staff recommend a number of changes to the Heritage Incentive Grant By-law (Appendix D) and Heritage Incentive Grant Application Kit (Appendix E). The most substantial change proposed are as follows:

- Increase in the amount of the matching grant to a maximum \$10,000;
- Inclusion of a standard agreement (Appendix E), to be signed by delegated City staff and the Owner, to ensure that the Owner is in agreement with the requirements of the application process and is eligible to apply for the grant; and,
- Exclusion of interior heritage attributes for grant consideration, as heritage conservation is for the benefit of the public.

Heritage staff recognize that, in general, the cost of living has increased over the years following the passing of by-law 266-2011, and that during this time the maximum matching grant amount of the Heritage Incentive Grant has not increased. In order to provide proactive support for owners of designated heritage properties, Heritage staff are proposing to increase the maximum amount of the matching Incentive Grant from \$5,000 to \$10,000. Successful applicants will receive a matching grant up to a maximum of \$10,000. Property owners are still welcome to submit applications for conservation projects that do not necessarily meet the \$20,000 cost threshold that would result in a maximum matching grant of \$10,000.

In order to ensure that the heritage conservation partially funded by the City is in the public interest and to provide further clarity and consistency for the grant application program, Heritage staff also propose that the definition of Heritage Attributes in the Heritage Incentive Grant by-law be revised to exclude interior heritage attributes, as these are not visible to the public. Numerous other changes are also proposed to ensure that the by-law contains consistent language (i.e. all references to Heritage Coordinator will be changed to City of Brampton Heritage staff).

Heritage staff recommend that the Brampton Heritage Board, Planning & Development Committee and Council support and approve the proposed changes to the Heritage Incentive Grant. The changes will increase the amount of support provided to property owners of designated properties, will ensure that the conservation work funded by the grant is undertaken in the public interest, will provide further clarity regarding eligible conservation work and ensure that the City is protected through the requirement of a standard agreement.

Budget

There is currently \$50,000 in the annual Heritage budget for the Heritage Incentive Grant Program. The current Heritage budget can fund five grants of \$10,000 per year. No additional increase to the incentive grant budget is recommended as part of this report but this is an option that Council can consider now or in the future.

At this point in time, the Heritage Incentive Grant funds are part of an annual budget. Grants are paid to property owners following the successful completion of the approved conservation work. Typically, as visible in the statistics for the program, the grant monies are paid out to the property owner the year after the conservation work is approved by Council. The time difference in when a grant is approved and monies awarded can cause strain on the amount of grant funds available per year to property owners. Heritage staff have considered a deadline for applications; however, limiting the time frame in which applications can be submitted would make the program less responsive to the needs of property owners and their conservation efforts. Instead, Heritage staff recommend that the budget for the Heritage Incentive Grant Program be shifted to a capital account in the Policy Planning budget so that the payment of grants approved in one year does not detrimentally affect the number of potential applications in the next.

As this increase will double the maximum grant amount offered to owners of designated properties, Heritage staff also want to ensure that the City is covered from a risk perspective and have proposed the inclusion of a standard agreement (Appendix C) to be signed by City staff and the Owner. The standard agreement will foster a common understanding between the City and property owners as to what applications are eligible for the Heritage Incentive Grant Program and what will be required for grant funds to be released. The standard agreement is similar in wording and purpose to that which owners sign for Building and Façade Improvement Program applications.

Corporate Implications:

Financial Implications:

There is currently \$50,000 in the annual Heritage budget for the Heritage Incentive Grant Program. The current Heritage budget can fund a maximum five grants of \$10,000 per year. No additional funding is required at this time.

Other Implications:

The requirement for a standard agreement as part of Heritage Incentive Grant applications reduces the City's risk exposure during the administration of the Heritage Incentive Grant applications.

Term of Council Priorities:

This report meets the Term of Council Priorities by contributing to complete communities, adding incentives for community investment, and preserving and protecting heritage environments with balanced, responsible planning.

Conclusion:

Based on an evaluation of the Heritage Incentive Grant program statistics and benchmarking of the grant programs of other municipalities, numerous changes are being proposed to the Heritage Incentive Grant program. The increase in the maximum matching Heritage Incentive Grant amount from \$5,000 to \$10,000 recognizes the conservation efforts of the property owners who have applied for the grant thus far and provides more support for conservation projects in the future. Other proposed changes to the by-law and Grant application kit ensure consistency in language and application of the by-law, and, through the requirement of a standard agreement, foster a common understanding between the City and property owners as to what applications are eligible for the Heritage Incentive Grant Program and what will be required for grant funds to be released. Heritage staff recommend that the changes as outlined herein be approved by Brampton Heritage Board, Planning & Development Committee and Council and that the amending by-law be passed.

Authored by:

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Attachments:

Appendix A – By-law 266-2011

Appendix B – Summary of Incentive Grant Review and Benchmarking

Appendix C – Proposed Standard Agreement for all Designated Heritage Property Incentive Grant applications

Appendix D – By-law Amending By-law 266-2011

Appendix E – Revised Designated Heritage Property Incentive Grant Application Kit

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