

Committee of the Whole (Working Session) Report

DATE: Wednesday, October 9, 2024

WARD(S): ALL

TITLE: VAUGHAN PILOT DESIGNATED HERITAGE PROPERTY
GRANT PROGRAM

FROM:

Haiqing Xu, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To Seek Council Support to implement a pilot designated heritage property grant program to assist heritage property owners in the maintenance and restoration of their heritage properties as per the attached guidelines (Attachment 1).

Report Highlights

- The proposed Vaughan pilot designated heritage property grant program would work with a grant amount of \$100,000 per year,
- The pilot program would be implemented for two years.
- Applicants can submit proposals for a one-time per year grant funding of up to \$8,000 covering 50% of the cost of eligible work.
- Grant to be awarded on a first come first serve basis.
- At the end of the two-year program staff will provide a report to Council detailing the results of the program, the lessons learned and seek Council direction regarding the potential continuation and/or modification of the program as a permanent program.

Recommendations

1. THAT Council approve the Vaughan Pilot Designated Heritage Property Grant Program and associated Guidelines;

2. THAT Council direct staff to prepare a By-law in accordance with Council's approval of the recommendations in the report;
3. THAT Council approve creating a reserve fund for the program with an initial \$200,000 from tax revenue plus any potential Letter of Credit posted for Heritage Property Preservation/Rehabilitation/Relocation that City would withdraw if the obligations were not met; and
4. THAT Council approve the delegation of the grant approval authority to Deputy City Manager, Planning and Growth Management.

Background

Cultural Heritage staff has been investigating current incentives programs in several Ontario municipalities to examine the feasibility of Heritage Grants and other possible heritage incentives. The goal of this program is to assist heritage property owners in maintenance and restoration of their heritage properties.

Policy Overview

There are three main legislative sources that empower Ontario municipalities to provide incentives to heritage properties and communities: Heritage Grants Loans (under the *Ontario Heritage Act*), Heritage Tax Relief (under the *Ontario Municipal Act*) and Community Improvement Programs (under the *Ontario Planning Act*).

The Vaughan Official Plan 2010 does include the following policy:

6.1.3.1. To support and enhance efforts to conserve Vaughan's cultural heritage by (c.) exploring and implementing financial assistance programs for owners of cultural heritage resources including property tax reductions, coordinating and supporting access to loans, grants and other specialized funding programs, and participating with other levels of government in financially assisting such owners.

To date, the City of Vaughan has not explored any of these potential programs, which makes it the only municipality among York Region municipalities for not implementing such program (Attachment 2).

Previous Reports/Authority

Not applicable.

Analysis and Options

Heritage Grants – *Ontario Heritage Act*

Municipal councils can establish by-laws to create grant and loan programs for Part IV (designated) and Part V (within HCDs) properties. A survey of Ontario municipalities found that Grant Programs are widely preferred over Loan program, with only 4 known Loan programs confirmed; further investigation indicated that Loan programs are not

used very often. In comparison, there are currently over 25 Ontario municipalities that offer Heritage Grant programs.

Based on heritage grant programs in 10 municipalities, the average maximum granted amount was \$6,900 typically covering up to 50% of the cost (one municipality covered only up to 25% of the cost). This money is drawn from a reserved pool of money determined by Council. In all cases, the Heritage Grant is applied for as a specific project on a property that must be approved through the Heritage Permit process and is provided as a lump sum payment, after the approved works have been completed and the property owner has submitted their final invoice of eligible costs to the satisfaction of the Manager of Urban Design and Cultural Heritage. Municipalities researched included pool amounts ranging from \$11,000 to \$150,000 and dependent on specifics of the program – for instance, some municipalities have two sub-programs which allow applicants to specifically apply for rebates on foundation work.

The economic impact of this tool can be easily measured, from a finite pool of money that can be set aside annually.

Investigation/Research

Cultural Heritage staff has reached out to multiple municipalities for specifics on their respective programs: applications, interviews, by-laws, and other information. This research found that it was not uncommon for municipalities to offer different approaches – Toronto, for instance, offers heritage grants to residential properties, but offers project-based tax rebates to commercial/industrial properties.

Heritage Grants were by far the most popular incentive in terms of being actively used. This may be because individual property owners can address specific elements of ongoing conservation/restoration work (within their comfort zone) and can encourage overall maintenance and conservation. As the heritage properties are restored, overall property values increase, and the overall streetscape also tends to improve.

Responsibility of Staff

Heritage staff will outline and determine eligibility of proposed projects as per the attached guidelines. To ensure the success of the program, staff will monitor the type of project requests submitted during the pilot program duration to determine the most efficient long-term strategy and will provide a report to Council at the end of the two-year program outlining the results.

Details of the Program

The Guidelines (Attachment 1) present the full details of the Program, which includes the following highlights:

- a) Amount of Assistance:
Support to the owner is in the form of a grant representing 50% of eligible work, up to a maximum limit of \$8,000 per property, for eligible work.
- b) Heritage Property Eligibility:
Properties must be designated under Parts IV or V of the Ontario Heritage Act. In the case of Part V (Heritage Conservation Districts), only properties identified in a district plan as being 'contributing' to the cultural heritage value or interest of the HCD (as identified in the HCD Inventory) are eligible.
- c) Eligible Projects:
Work that primarily involves the repair, restoration or re-creation of heritage features or components including, but not limited to cornices, parapets, doors, windows, masonry, siding, woodwork, and verandas.
- d) Ineligible Projects:
- The property is subject of a contravention including offences under a municipal by-law, work order or outstanding municipal requirements.
 - Existing use is not in conformity with applicable zoning by law regulations and other relevant planning controls.
 - The work that is not related to heritage attributes of the property.
- e) Timing and Number of Grants:
- Grants are to be awarded on an annual cycle following a request for applications with an established deadline.
 - Only one grant per calendar year per property.
 - First time applicants will get priority each year and repeat applicants will be considered only if the annual cap is not reached by first time recipients.
- f) Eligible Costs:
The cost of materials, equipment and contracted labour, but not donated labour or materials or labour performed by the applicant.
- g) Cost Estimates:
Two separate estimates of work (due to the specialized nature of the work) are to be provided by a licensed contractor (other than the owner) for consideration.
- h) Review Process:
Applications are reviewed by City (Heritage Section) staff and Heritage Vaughan Committee, and recommended submissions are forwarded to Council for approval.
- i) Timeframe for Completion of Work:
Grant commitments are valid for one year and expire if the work is not completed within that time period (an extension of one year may be granted).
- j) Receipt of Grant Assistance:
Grants are paid upon submission of receipts, to the satisfaction of the City.

- k) **Prior Work:**
Approved work commenced since last year's deadline for applications can be considered eligible for grant funding.
- l) **Written Agreement:**
Approved applicants will be required to enter into a Letter of Understanding with the City.

Financial Impact

The program requires an initial fund of \$200,000 from tax revenue.

Operational Impact

There are no additional Operational Regional impacts or considerations.

Broader Regional Impacts/Considerations

There are no broader Regional impacts or considerations.

Conclusion

A review of existing policies and existing heritage incentives in other Ontario municipalities has demonstrated that it is possible to create heritage incentives unique to the City of Vaughan and support its cultural heritage legacies.

This program provides much needed assistance to heritage property homeowners to maintain and restore the property and aligns with the Council's Strategic Priorities by working to preserve resources and features of cultural heritage value in order to foster community well-being.

For more information, please contact: Katrina Guy, Cultural Heritage Specialist, ext. 8115.

Attachments

1. City of Vaughan Designated Heritage Property Grant Program Guidelines.
2. Comparison of Heritage Incentive Programs in Ontario.

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