

## **COMMUNICATION 133050**

Received From: Niki Dwyer, MCIP RPP, Director of Development Services  
Addressed To: Committee of the Whole  
Date: May 10, 2022  
Topic: Heritage Grant Program By-law and Policy

### **SUMMARY**

The Town of Carleton Place has approved a funding envelope of \$25,000.00 in the 2022 budget for the provision of grants to owners of heritage properties in Town.

The purpose of this report is to bring forward an enabling By-law and policy to administer the program.

The recommendations in this report have been generated in consultation and with the contributions of the Municipal Heritage Committee in order to establish eligibility criteria and prioritization of projects.

### **BACKGROUND**

Municipalities in Ontario have the option to provide grant funding and/or tax rebates to property owners of heritage properties. There are three (3) separate provincial Acts which provide the authority to issue such programs, all of which recognize “heritage properties” as those which are designated structures under Part IV (individual properties) and Part V (heritage districts). Properties listed as “Properties of Interest” would not qualify for funding.

The Town of Carleton Place currently recognizes 21 designated Part IV properties and does not have a recognized Heritage District under Part V. To the best of staff’s knowledge, there are no properties recognized by easements under Section 22 or Section 37 of the Ontario Heritage Act.

#### ***Ontario Heritage Act***

Section 38 of the Act permits municipalities to pass a by-law to make grants or loans (priority lien) available for “the purpose of paying for the whole or any part of the cost of alteration of such designated property” in accordance with terms as prescribed by Council.

This Section does not recognize the issuance of grants or loans for properties designated under Part V.

While not required, it would be recommended that an accompanying policy be adopted which provides specifications about priorities for qualifying work, how the funds will be distributed (i.e. as a percentage of the value of the work), and application requirements.

For example:

- *Funding could be offered on a first come, first served basis for up to \$2,500.00 or 50% of the costs for the repair or restoration of heritage features as identified*

*in the designation By-law. Applicants could be asked to submit estimates for the material and labour costs to qualify the cost of the project.*

### **Municipal Act**

Section 365.2 of the Act allows municipalities to establish a program to provide a tax reduction or refund for eligible heritage properties. The Act recognizes eligible properties broadly as those designated under Part IV, Part V or through an easement.

The Act specifies that the amount of the reduction/refund must be between 10 and 40% of the taxes for the municipal and school levies. School portions of the taxes are refunded by the Province to the Municipality and upper-tier taxes are refunded to the Municipality by the respective County, if the County passes a similar enabling By-law. Reductions would be shared proportionally to the share of revenue generated from the property.

In order to offer such a program, the Municipality (and County) must pass a By-law describing the following details:

- The percentage used in calculating the reduction/refund;
- The percentage used based on the property classification (i.e. residential versus commercial);
- Minimum and maximum amounts for a reduction notwithstanding the percentage value;
- Additional criteria to be satisfied in order to qualify;
- A procedure for applications for one or more years.

For example:

- *The municipality could offer a 40% refund for residential properties and a 20% reduction for commercial properties up to \$1,500.00.*
- *Property owners would be eligible for funding for up to three consecutive years.*
- *For illustration purposes – if a single detached house at “123 Carleton Street” has an assessed value of \$333,000 and pays \$2,360.57 in municipal residential taxes, they are eligible for a refund of \$944.00 a year for a total refund of \$2,832.00 over three years.*

Administratively, this option generates more work to track and coordinate with Finance Departments in other agencies and does not necessarily relate directly to the enhancement of the heritage attributes of the property. That said, there is some discretion to establish certain “qualifiers” in the enabling By-law – i.e. the property is occupied and in compliance with all applicable law.

### **Planning Act**

Section 28 of the Act permits the Municipality to recognize a “community improvement project area”. The Town presently recognizes the entire Town as a community improvement area in the Official Plan and staff are undertaking a Community Improvement Plan (CIP) to establish certain funding programs to create incentives for “better development”.

“Community Improvement(s)” are defined in the Act to include the following:

*“the planning or replanning, design or redesign, resubdivision, clearance, development or redevelopment, construction, reconstruction and rehabilitation, improvement of energy efficiency, or any of them, of a community improvement project area, and the provision of such residential, commercial, industrial, public, recreational, institutional, religious, charitable or other uses, buildings, structures, works, improvements or facilities, or spaces therefor, as may be appropriate or necessary”*

The Town's Official Plan further prioritizes the use of CIP's to:

- *ensure the maintenance of the existing building stock*
- *preserve heritage buildings through rehabilitation, renewal and re-use*
- *enhance the visual appearance of Community Improvement Areas*
- *revitalize the Central Business District as a mixed-use area and a vibrant shopping destination*

Typically, CIP grants, loans and tax rebates are utilized at the time of a substantial renovation or redevelopment.

For example:

*The redevelopment and restoration of the Rideau Hotel, a Part IV heritage building in Smiths Falls, applied for and received \$50,000.00 in grants and forgivable loans for façade improvements and interior renovations with an additional request for a tax rebate equal to 100% of the residential taxes generated through the increase in assessed value resulting from the improvements of the site.*

*More information on this project can be found at the Town of Smiths Falls [website](#).*

## **COMMENTS**

The recommendation of the Municipal Heritage Committee is to proceed with a program under Section 38 of the Ontario Heritage Act for a grant program with specific eligibility criteria for restoration-based projects which specifically enhance and rehabilitate the heritage attributes of designated properties.

The Committee subsequently researched various programs offered by municipalities in Ontario and generated a list of eligible (and ineligible) projects to prioritize applications. Eligible projects will still require a heritage permit (to be reviewed by the Committee) and where projects have been approved by the Committee, grant funding will be issued by the Director of Development Services by delegated authority.

## **STAFF RECOMMENDATION:**

THAT the Council pass a By-law under Section 38 of the Ontario Heritage Act to authorize a grant program and implementation policy for heritage designated properties; and

THAT Council approve an amendment to Delegation of Authority By-law 94-2020 to delegate the approval of Heritage Grant applications to the Director of Development Services.