

Proposed Updates to the Community Heritage Fund By-Law: Summary of Best Practices Review

The Community Heritage Fund was established in 1985 by By-law 128-1985. Since its first enactment, it has been amended by By-law 16-1993 and most recently by By-law 67-2014. To make the desired updates to the mechanics of the Community Heritage Fund, it is recommended that all three in-effect bylaws be repealed and replaced with a new By-law. Below is a summary of key changes proposed for this updated By-law:

Proposed Updates to Community Heritage Fund By-law (repeal and replace current in-effect by-laws)
<p>Increase available grant funding from 25% to up to 50% of eligible project costs based on a best practice review of other municipalities (see Table 1).</p> <p>Remove loan portion to make it strictly a grant program (see Table 2 for budget allocation and replenishment strategies in other municipalities).</p> <p>Add the following as the program description:</p> <ul style="list-style-type: none">• The City of Burlington Community Heritage Fund is a matching program to assist owners of properties designated under Part IV of the Ontario Heritage Act with the cost of undertaking approved conservation or restoration projects. <p>Add the following as the program objectives (see Table 3 for overview of Heritage Burlington survey responses):</p> <ul style="list-style-type: none">• To encourage the conservation of Burlington's built heritage resources and cultural heritage landscapes by providing financial assistance to support conservation initiatives, and to ensure that these valued heritage resources exist as reminders of Burlington's history for years to come;• To incentivize and encourage community-supported designation of cultural heritage resources under the <i>Ontario Heritage Act</i>.

The sections below summarize the best practices research that support the above recommended updates to the Community Heritage Fund By-law. Amendments to the eligibility guidelines will follow upon further research and consultation.

Heritage Grant and Loan Programs in Other Municipalities

Table 1 summarizes the types of programs that exist within various municipalities largely within the Greater Toronto and Hamilton Area (GTHA). The research reveals that most municipalities exclusively offer grants to support eligible heritage conservation work. Further, most programs offer matching grants of up to half (50%) of eligible costs rather than 25% as is offered in Burlington.

Notably, however, the maximum grant allowance varies across municipalities. For example, some offer different available grant amounts depending on the nature of the proposed project (i.e. Mississauga offers matching grants from \$500 to \$5,000 for work pertaining to heritage attributes, and \$500 to \$10,000 in grants for structural work for heritage properties). The City of Ottawa also offers grants to cover the cost of technical studies up to a maximum of 50% of total costs or \$1,500, whichever is less.

Burlington currently does not specify whether the costs of technical studies are eligible for financial assistance.

Table 1: Overview of heritage grant and loan programs offered in other municipalities.

Municipality	Grant Program Only	Loan Program Only	Grant/Loan Program
Burlington			X
Brampton	Matching grants up to 50% of eligible conservation work to a maximum of \$5,000.		
Caledon	Matching grants up to 50% of eligible costs to a maximum of \$4,000 per property.		
Clarington	Matching grants up to 50% of the costs per building to a maximum of \$3,000 per owner including a maximum of \$2,000 for exterior work or \$1,000 for interior work.		
Halton Hills	Matching grants up to \$3,000 per year to help with property improvements related to home's heritage features.		
Hamilton			Loan – interest free up to \$20,000, five-year term. Grant – up to \$20,000 in matching grants for conservation of heritage elements.
Kingston	Grant provided up to 50% of the total cost of an eligible project to maximum of \$5,000 once every two years.		
Markham			Loan – up to maximum of \$15,000. Grant – up to maximum of 50% of eligible costs with

			maximum limit of \$5,000 in grants per property (or \$7,500 in case of replacement of an existing cedar shingle roof in Markham Heritage Estates).
Mississauga	Matching grants from \$500 to \$5,000 for work pertaining to heritage attributes, and \$500 to \$10,000 for structural work.		
Oakville	Matching grants up to 50% of eligible costs to a maximum of \$15,000.		
Ottawa	Matching grant up to 50% of total eligible costs up to a maximum of \$5,000 and a minimum of \$1,000. The maximum grant for technical studies is 50% of the total cost of the consultant fees to a maximum of \$1,500, whichever is less.		
Richmond Hill	Grant provided up to 50% of eligible costs to a maximum of \$5,000.		

*Research conducted during January-April 2019.

Budget Allocation and Replenishment Strategies for Other Municipal Programs

Currently, the Community Heritage Fund offers both grants and loans to support heritage property owners. However, the loan portion of the program is notably underutilized. Based on a review of other municipalities and consultation with Finance staff, staff recommend that the loan portion of the program be removed, and all funds be directed to support heritage conservation projects exclusively via grants. In order to ensure the maintenance of adequate funding as a result of this proposed change, Table 2 highlights budget allocation and replacement strategies for programs in other municipalities.

Table 2: Funding allocation and sources of replenishment for other municipal heritage grant and loan programs.

Municipality	Budget Allocation	Replenishment Strategies/Comments
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City of Oakville	\$90,000	Some occasional contributions received from developers (usually resulting from a charge under the OHA for completing work without a heritage permit), but not a reliable source of income. The program is often oversubscribed.
Town of Richmond Hill	\$30,000	Prior to 2013, the maximum per application had been \$2,000, a number that was established in 1996. The grant account was funded through donations and was down to \$3,000 in 2012. The maximum amount was revised and increased to \$5,000 per application after reviewing the grant programs of similarly sized municipalities (Markham, Brampton, Kingston), and the grant account received regular funding by the Town. Funds are taken from Community Enhancement and Economic Vitality Reserve Fund. These funds are allocated annually to the Heritage Grant account.
City of Markham	Loan Program: approx. \$200,000 base funding	No one has used the loan program is about 15 years. The base funding has been earning a lot of interest over the years.
	Designated Heritage Property Grant: \$30,000	<p>The total allocated is \$30,000/year. This amount was determined based on what was available from the City's funding source, which was approx. \$90,000 in interest earned on the loan program monies. The City proposed a three-year program using the interest (\$30,000/year).</p> <p>The City is currently at the end of the three-year allocation in 2019. For 2020 and beyond, Markham has identified options to explore: 1) the interest from the Loan Account has been depleted, so a recommendation could be made for Council to use some of the capital base (\$200,000) to offer future grants over a three year time horizon (2020-2022) of \$30,000/year; or, 2) the City could also request tax based funding on an annual basis to fund the program.</p>
	Commercial Façade Improvement Grant: \$15,000 (for 2019, decreased amount due to lack of demand)	The total amount allocated per year has been decreasing due to declining demand. Money is replenished via tax-based funding and the allocated amount is determined based on general demand over the last two years. They will continue to request an allocation on an annual basis using tax-based funding.

City of Clarington	\$5,000 to \$7,000	Funding for program is 100% based on Council funding through the budget process each year. The funds can therefore fluctuate but generally Council has been supportive of \$5,000-\$7,000. If there are many applications, the funding is distributed equally to all qualifying projects based on the type of work (interior vs. exterior). A report is made back to Council each year to help inform budget requests for the program.
City of Mississauga	\$75,000	Budget allocated by Council each year for grant application, with no changes to this amount (\$75,000) in the foreseeable future. This amount is typically not fully distributed, and the City is currently undergoing changes in how to manage the fund allocation in order to use up more of these funds. They are looking at changing the deadline from one that is fixed in March to a rolling deadline in order to catch more eligible applications and support additional projects.
City of Kingston	\$50,000	Budget allocated by Council each year for grant applications. Staff asks Council each year during budget talks for funding based on the interest and success of the program, but not always successful. Staff have not had an opportunity to investigate other options for increasing the program budget, but have discussed hypothetical scenarios where they may want to ask Council to grant more monies to a certain project, but have as of yet had to take that plunge (they specify that it would have to be a really special project that has extensive benefit to the public, or perhaps is on the brink of collapse).
Town of Caledon	\$65,000	Lobby for funding every year to ask for more money. Recently updated their by-law to reflect new Heritage Conservation District eligibility and to introduce a deadline for a second round of applications in the fall (funding permitting).

*Research was conducted by connecting with heritage planners in other municipalities via email and phone March-April 2019.

In consulting with other municipalities, two common situations emerged with regard to the ways in which funds are distributed: 1) the program is overprescribed and more applications are consistently received than there is funding available to support (e.g. City of Oakville, City of Kingston); and, 2) the program is underutilized, and the municipality is attempting to reconfigure the application process to incentivize and provide funding to additional applications (e.g. City of Mississauga). Burlington's Community Heritage Fund program is currently underutilized. Looking to the City of Markham as an

example (as the municipality also operates an underutilized loan program), some options that Burlington may wish to explore include the following: 1) Continue to deplete the interest from the program account, after which a recommendation could be made to Council for the use of some of the capital base funding to offer future grants over a specified time period (e.g. \$30,000/year for three years), or 2) request tax-based funding on an annual basis to fund the program if additional monies were required. Most municipalities with heritage grant programs were funded via budget allocations from Council.

Community Heritage Fund Program Objectives

Heritage Burlington was consulted via an online survey (circulated February 2019) regarding high-level objectives for the program (Table 3). Based on the feedback received, the following themes emerged as key values and high-level objectives:

- Provide financial assistance to heritage property owners who intend to undertake heritage conservation projects on their properties;
- Encourage high-quality and heritage-sensitive repair work for these projects through the financial assistance;
- Incentivize further designation of heritage resources within Burlington; and,
- Generate further awareness of the Community Heritage Fund among all Burlington residents, particularly heritage property owners.

In order to capture these themes, the following revised objectives are proposed to guide Burlington's updated Community Heritage Fund: **1) to encourage the conservation of Burlington's built heritage resources and cultural heritage landscapes by providing financial assistance to support heritage conservation initiatives, and to ensure that these valued heritage resources exist as reminders of Burlington's history for years to come; and, 2) to incentivize and encourage community-supported designation of cultural heritage resources under the *Ontario Heritage Act*.**

Table 3: Overview of themes identified for each online survey question.

	Q1: What is your vision for the Community Heritage Fund?	Q2: What do you think is working well with Burlington's current Community Heritage Fund program?	Q3: Do you have any concerns with the program? Are there areas that could use improvement?	Q4: Do you have any additional comments to share about the Community Heritage Fund program?
Major Themes	<ul style="list-style-type: none"> • Provide financial assistance to heritage property owners to offset costs related to owning a heritage home • Encourage high-quality / sensitive repair work • Incentivize designation of heritage properties • Generate greater awareness of the program and the support available to heritage property owners • Expand program to include non-designated Register-listed properties 	<ul style="list-style-type: none"> • No response/unaware there was a program • Flexible approach to work with owner • Reduced cost of renovation/maintenance to offset additional costs • Motivation for owner to review designation by-law associated with their home • Support local heritage projects and events in the City • Encourage authentic conservation work 	<ul style="list-style-type: none"> • Broaden criteria for eligible conservation work (e.g. structural work, roofing, etc.) • Introduce different levels of funding for different types of proposed work • Increase flexibility for building materials eligible for coverage • Generate further awareness of the program • Incentivize owners to replace (where necessary) with replicas as close to the original as possible • Remove loan portion of the program entirely 	<ul style="list-style-type: none"> • Generate further awareness of the program • Expand criteria to interior elements of heritage homes • Expand program to non-designated Register-listed properties (as incentive for designation) • Continue to educate and inform Burlington residents about local heritage • Ensure funds are allocated for greatest impact • Promote program as incentive to designate property

	<ul style="list-style-type: none">• Distribute funds for greatest benefit to the community			
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