



MEMORANDUM

TO: Heritage Markham Committee

FROM: Regan Hutcheson, Manager-Heritage Planning
Peter Wokral, Senior Heritage Planner

DATE: December 11, 2019

SUBJECT: Designated Heritage Property Grant Program 2020-2022

Program: To extend the Designated Heritage Property Grant Program from 2020-2022 based on an allocation of \$30,000 per year for a total commitment of \$90,000. This matter is to be considered by the Development Services Committee on December 9, 2019.

BACKGROUND:

Ontario Heritage Act allows Council to provide grants

Sections 39 and 45 of the Ontario Heritage Act allow a Council of a municipality to provide grants to owners of property designated under the Act for the purpose of paying (in whole or in part) the cost of alteration of such designated property on terms and conditions as Council may prescribe.

Council approved the creation of the Markham Designated Heritage Property Grant Program in 2010

On January 19, 2010, Markham Council approved the Markham Designated Heritage Property Grant Program to encourage the preservation, restoration and enhancement of heritage buildings in Markham by providing a financial incentive to private owners of designated properties for the repair and restoration of existing heritage features and the restoration of missing heritage features. The Program was approved and funded for a four year period (2010-2013) using accrued interest generated from the Heritage Loan Fund Reserve as the funding source. The Program was extremely well received by property owners who appreciated the direct financial assistance from the City.

Council extended the program for 2014-2016 and 2017-2019

Council has extended the Designated Heritage Property Grant Program twice for an additional six years in the amount of \$30,000 per year. For the period 2014-2016, the \$90,000 funding for the Program was obtained from the accrued interest generated from the Heritage Loan Fund

Reserve, and unused grant money from previous years of the program. For the period 2017-2019, the funding was comprised of accrued interest and capital from the Heritage Loan Fund Reserve and unused grant money from previous years.

Details of the Heritage Property Grant Program

The full details of the program are presented in the Guidelines document and the By-law.

Highlights include:

- Total funding in the amount of \$300,000 was allocated to the program over a 10 year period (2010-2019) based on a targeted allocation of \$30,000 per year;
- Assistance to the owner is in the form of a grant representing 50% of eligible work up to a maximum limit of \$5,000 per property for eligible work;
- Minimum amount of eligible work - \$500;
- Properties must be designated under the Ontario Heritage Act (Part IV or Part V). In the case of Part V (Heritage Districts), only properties identified in a district plan as being of cultural heritage value or interest (contributing properties) are eligible;
- Ineligible Projects- Commercial façade projects (front elevation) in heritage districts as there is a separate program and also buildings in Markham Heritage Estates which have been in place for less than 20 years as these owners had received a financial incentive through reduced lot prices;
- Grants are awarded on an annual cycle following a request for applications with a spring deadline established;
- Only one grant is permitted per calendar year per property;
- Subject property has to be in conformity with municipal by-laws and regulations;
- Eligible work primarily involves the repair, restoration or re-creation of heritage features or components (cornices, parapets, doors, windows, masonry, siding, woodwork, verandas, etc.);
- Eligible costs included the cost of materials, equipment and contracted labour (but not donated labour or materials). A grant of up to 50% for architectural/ design/ engineering fees to a maximum of \$1,000 (as part of the maximum permitted grant of \$5,000) is available;
- 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;
- Applications are reviewed by City (Heritage Section) staff and the Heritage Markham Committee, and recommended submissions are forwarded to Council for approval;
- Grant commitments are valid for 1 year and expire if the work is not completed within that time period (however an extension can be granted);
- Grants are only paid upon an inspection by staff of the work and submission of receipts to the satisfaction of the City;
- Approved applicants are required to enter into a Letter of Understanding with the City.

Council has also created a number of other heritage financial assistance programs to address specific issues

Council currently offers the following financial assistance programs to the heritage community:

Heritage Property Tax Program - offers an annual property tax refund to help offset the additional maintenance costs associated with conserving the heritage features on a

designated property. Municipal and education tax components can be reduced by 30%. Requires a Heritage Easement with the City.

Heritage Loan Fund - Offers a short term loan (5 years) of up to \$15,000 at a reduced interest rate to restore heritage features or replicate lost features on a designated property. The program was created in 1981 and was initially funded in the amount of \$200,000 from the tax base.

Commercial Façade Improvement/Signage Grant - provides matching grants of up to \$15,000 to assist in restoration or improvement to the front elevation exteriors of commercial properties in heritage districts (\$10,000 maximum for non-heritage properties). Assistance up to \$1,000 to replace inappropriate commercial signage in a heritage district is also available.

The Program has been well used and has generated private investment

Over the last ten years, Markham Council has approved 88 applications for funding assistance as part of the Designated Heritage Property Grant Program totaling \$354,396. Of these approvals, 64 applications have been completed to date representing \$253,097 in grant assistance (See chart below and Appendix “A”).

Year	Approved Applications	Grant Commitment	Abandoned Applications	Completed Applications	Applications Underway	Grant amount paid
2010	9	29,560	3	6	0	20,635
2011	9	28,630	1	8	0	26,642
2012	12	55,398 *	2	9	0	36,834
2013	13	47,013 *	3	10	0	34,859
2014	5	25,000	0	5	0	25,000
2015	13	51,656 *	1	10	0	40,838
2016	5	21,792	0	0	0	0
2017	11	44,547 *	1	10	0	43,025
2018	6	27,024	2	4	0	18,988
2019	5	23,776**	0	2	3	6,276
Total	88	354,396	13	64	3	253,097

* Council approved a transfer of funds from the Commercial Façade Improvement Grant Program to this program to allow additional applications to be funded above the original annual commitment of \$30,000

**Council approved a transfer of funds from the Designated Heritage Grant Program to the Commercial Façade/Signage Improvement to allow funding above the original commitment of \$25,000

Thirteen projects associated with the grant assistance have been abandoned, while three are still in process. The approved work has included: chimney and veranda reconstructions, reintroducing historic shutters, repainting in historic colours, window and door restoration and replication, production of wooden storm windows, and restoration of masonry walls.

Investing in heritage conservation also helps the local economy by increasing property values, employing local contractors, purchasing supplies from local businesses, and preserving our local

heritage resources for future generations. Over the last ten years, on average, every grant dollar awarded has resulted in \$3.88 in private investment. To date, the grants have generated over \$957,080 in private investment in the local economy (see chart below and Appendix “A” for details on the economic impact of this grant assistance program from 2010-2018).

Year	Grant Amounts	Total Private Project Amounts	Multiplier Effect
2010	20,635	116,737	\$1 to \$5.66
2011	26,642	107,700	\$1 to \$4.04
2012	36,834	125,855	\$1 to \$3.42
2013	34,859	126,482	\$1 to \$3.63
2014	25,000	77,134	\$1 to \$3.09
2015	40,838	144,915	\$1 to \$3.55
2016	0	0	0
2017	43,025	195,497	\$1 to \$4.54
2018	18,988	62,760	\$1 to \$3.31
Total	246,821	957,080	\$1 to \$3.88

Staff Comment

The continuation of the Program is recommended for an additional three years

- As per the Development Services staff report of June 7, 2016 which recommended the continuation of the Program (2017-2019), staff was to report to Council in the final year of the program (2019) on the potential extension of the Program.
- Staff has recommended that the Designated Heritage Property Grant Program be extended for an additional three years in the amount of \$30,000 per year for a total expenditure of \$90,000. It is recommended that the administration and procedures of the Program remain the same.

Heritage Markham

Heritage Markham has consistently supported the continuation of this program.

Funding the Program

It has been recommended by staff that \$90,000 of the required funding for this grant program be funded as follows:

- Prior year unused grant funding in the Designated Heritage Property Grant Reserve Fund in the amount of \$56,090;
- A transfer of \$33,910 (\$90,000 - \$56,090) from the Heritage Loan Reserve Fund, which has a current balance of \$160,695.

The loan fund was established in 1981 with an allocation of \$200,000 (tax based) and has been invested successfully for many years when interest rates were high. The current balance is \$160,695.

To use a portion of the principal from the Heritage Loan Fund will require an amendment to the Heritage Loan Fund By-law. This amendment reduces the principal amount from as identified in the By-law from \$183,101.00 to \$138,221 by the end of 2022.

Suggested Recommendation for Heritage Markham

THAT Heritage Markham Committee supports the continuation of the Designated Heritage Property Grant Program from 2020-2022 based on an allocation of \$30,000 per year for a total commitment of \$90,000.

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