

# Staff Report



Development Services Department

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**REPORT TO:** Heritage Kitchener

**DATE OF MEETING:** August 6, 2024

**SUBMITTED BY:** Garett Stevenson, Director of Development and Housing Approvals,  
519-741-2200 ext. 7070

**PREPARED BY:** Jessica Vieira, Heritage Planner 519-741-2200 ext. 7291

**WARD(S) INVOLVED:** All Wards

**DATE OF REPORT:** July 10, 2024

**REPORT NO.:** DSD-2024-332

**SUBJECT:** Proposed Update to the Designated Heritage Grant Program

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## RECOMMENDATION:

**That staff be directed to finalize the draft revised Designated Heritage Grant Program and associated guidelines, attached as Appendix B to DSD-2024-332; and**

**That staff be directed to finalize changes to the Designated Heritage Grant Program and associated guidelines with Kitchener City Council as part of the 2025 Budget.**

## REPORT HIGHLIGHTS:

- The purpose of this report is to consult and seek support to update the City's Designated Heritage Grant Program (DHG Program) and implement new administration and operation guidelines as outlined in the draft Program Guidelines for the Designated Heritage Property Grant, attached as Appendix B to this report.
- The key finding of this report is that the Designated Heritage Grant Program is intended to support the conservation efforts of property owners within the City. However, average project costs have increased. Recent City's undertakings have also led to the identification and designation of more cultural heritage resources. As such it is an appropriate time for the existing program to be reviewed and updated.
- There is a \$60,000.00 yearly increase to the Capital Budget. This must be approved by Kitchener City Council as part of Budget 2025 for some of the proposed changes to take effect.
- Community engagement included informing residents by posting this report with the agenda in advance of the Heritage Kitchener Committee meeting and consulting with Heritage Kitchener.
- This report supports the delivery of core services.

## **BACKGROUND:**

### ***History of the Designated Heritage Grant Program***

Kitchener's Designated Heritage Grant Program was first established on July 2, 2002, when Council passed By-law 2002-134. The program was updated three years later on July 4, 2005, when Council repealed the original by-law and passed By-law 2005-139 which altered the administrative procedures and operating guidelines of the program. The changes included minor housekeeping items as well as established the minimum grant value, notification requirements, and types of eligible work.

The intent of the Designated Heritage Grant program is to provide funding for owners of properties designated under Part IV or Part V of the *Ontario Heritage Act*, to be used towards the conservation or restoration of their cultural heritage resource. The protection and care of the of cultural heritage resources within the City of Kitchener is an important part of planning for the future. Kitchener has its own unique culture and heritage. Our places, spaces, and stories are integral to our identity. There are economic, environmental, and informational values as well to cultural heritage. Heritage conservation is capable of enhancing property value and assessments, attracting investments, and creating opportunities for tourism and other specialized industries. The most sustainable and environmentally friendly buildings are ones that already exist; heritage buildings contain embodied carbon, and their use or reuse reduces the release of emissions and material consumption while keeping waste material out of the landfill.

It should be recognized that our heritage resources are a finite and non-renewable resource. The City plays a critical role and has a responsibility towards the conservation of cultural heritage properties. The Official Plan contains objectives and policies which require the City's cultural heritage resources be conserved in such a way that their heritage values, attributes, and integrity are retained. The administration of the Designated Heritage Grant Program is one such way in which the City can fulfil or support the fulfillment of this responsibility.

### ***Program Statistics and Performance***

The existing administrative and operating guidelines set out criteria for eligible conservation work and establishes the process for applicants to follow in making a submission. At present, the DHG Program may award applicants up to 50% of total eligible project costs, from a minimum of \$500 to a maximum of \$3000 per property per calendar year.

Table 1 provides an overview of the statistics of the Designated Heritage Grant Program in the past 10 years, while Table 2 provides an overview of its performance.

**Table 1: Statistics of the Designated Heritage Grant Program**

<b>Program Year</b>	<b>Number of Applications Applied For</b>	<b>Number of Applications Issued</b>	<b>Total Project Costs</b>	<b>Average Project Costs</b>
2014	20	13	\$ 99,555.40	\$ 7,658.11
2015	12	10	\$ 99,358.11	\$ 11,039.79
2016	20	13	\$ 176,854.28	\$ 13,604.18
2017	17	14	\$ 195,988.87	\$ 13,999.21
2018	24	14	\$ 177,050.56	\$ 12,646.47
2019	13	9	\$ 403,076.28	\$ 44,786.25
2020	13	10	\$ 89,156.53	\$ 8,915.65
2021	16	8	\$ 188,520.17	\$ 23,565.02
2022	21	16	\$ 256,954.24	\$ 16,059.64
2023	17	14	\$ 199,609.80	\$ 14,257.84

In summary, since 2014 an average of 17 grant applications are made every year and an average of 12 grants are issued. Grant applications that are submitted may not have been awarded due to several reasons, including being ineligible as per the criteria set out by the administrative operations and guidelines, being withdrawn by the applicant, or funding being unavailable. Overall projects have seen a general increase in cost in the past ten years, with the exception of 2020 which may be attributed to the start COVID-19 pandemic. The median project costs in the past ten years have ranged from a minimum of \$4,923.98 to a maximum of \$14,228.16. In the most recent grant year (2023) the median project cost was \$10,790.45.

**Table 2: Performance of the Designated Heritage Grant Program**

<b>Program Year</b>	<b>Grant Program Revenue</b>	<b>Grant Amount Issued</b>
2014	\$8,865.00	\$19,617.20
2015	\$23,803.00	\$35,821.18
2016	\$30,739.00	\$36,254.00
2017	\$30,673.00	\$27,497.48
2018	\$30,607.00	\$25,335.35
2019	\$32,470.00	\$22,096.14
2020	\$32,470.00	\$13,493.09
2021	\$32,539.00	\$29,995.48
2022	\$32,539.00	\$33,698.46
2023	\$33,120.00	\$38,381.62

Every year since 2016, \$30,000 is added to the Heritage Grant Fund (capital account) annually, and the total grant amount issued generally exceeds the amount which is added. This is feasible only due to previous years in which the full grant funding available was not used.

## ***Municipal Heritage Register Review Project***

On October 25, 2022, the Provincial government introduced More Homes, Built Faster: Ontario's Housing Supply Action Plan 2022–2023 and subsequently Bill 23, the *More Homes Built Faster Act, 2022* to amend existing provincial legislation, including the *Ontario Heritage Act*. This was done to pursue the goal of increasing housing supply to address affordability in the Province of Ontario. One of the amendments to the Ontario Heritage Act contained in Bill 23 was the introduction of a two-year time-limit for the listing of non-designated properties on the Heritage Register. Prior to Bill 23, non-designated properties could be recognized and protected indefinitely on the Heritage Register. This amendment has eliminated the Heritage Register as a viable method of long-term recognition and protection of properties that are listed but not designated.

As a result of Bill 23, Heritage Planning staff created a workplan that was presented to and endorsed by the Heritage Kitchener Committee on February 7<sup>th</sup>, 2023. The workplan, titled the Municipal Heritage Review Project, committed Heritage Planning staff to the review of 80 listed properties, to determine if they met sufficient criteria for designation. Implementation of the work plan has now commenced and is anticipated to continue until the end of 2026. As of the date of this report, a review has been complete for 78 properties. 10 properties are before the Committee as of the date of this report to be considered for designation. 26 properties have fully undergone the designation process. 27 properties are currently undergoing the designation process and are at various stages of completion. 15 properties have been reviewed and determined that no action should be taken at this time.

It should be noted that Heritage Planning staff anticipate the review of more than 80 properties to be complete, due to an extension introduced by Bill 200, the *Homeowner Protection Act, 2024* which received royal assent on June 6, 2024. Bill 200 extended the original timeline from January 1, 2025 to January 1, 2027.

As a result of the Municipal Heritage Review Project, the number of heritage resources identified and designated within the City is anticipated to increase significantly. This, in combination with rising project costs, has prompted Heritage Planning staff to undertake a review of the Designated Heritage Grant Program.

### **REPORT:**

#### ***Proposed Updates***

A review and comparative analysis of other municipal heritage programs as well as an analysis of the performance of the Designated Heritage Grant Program in the past 10 years (since 2014) has led staff to recommend that changes be made to the Designated Heritage Grant Program. The recommended changes are as follows:

1. The existing maximum grant value which can be awarded to a successful applicant is proposed to be increased from \$3000 to \$5000 per property per year, subject to the availability of funding. This amount was chosen as it reflected a former Provincial Heritage Grant Program.

2. An increase to the annual capital budget allocation per year from \$30k to \$90k to fund increased grants and introduce a new two-tiered system, which would permit two \$15k grants per year for *Special Projects*.

Work may be classified as a *Special Project* if it has multiple components and demonstrates that best conservation practices are being used, and thus by extension has a higher cost than the average application. This may include the repair or restoration of structural elements, should it be demonstrated that such work is required to conserve and stabilize original buildings and/or structures on the property. Work must be approved as a *Special Project* by Heritage Planning staff prior to applying, and additional criteria will be considered in the awarding of this type of grant. This includes giving priority to projects where the integrity of the cultural heritage resource may be threatened if work is not undertaken, and/or projects which seek to restore existing original elements over replacement or include the maximum retention of historic fabric. Preference will also be provided to properties that have not previously been awarded a *Special Project* grant.

If the proposed changes to the programs are endorsed then, by association, the administrative procedures and guidelines for the program must be amended. The revised Guidelines for the Designated Heritage Grant Program includes the proposed updates outlined in this report and is attached as Attachment B to this report. The amendments also include minor changes to wording and formatting to improve legibility and ease of understanding for readers and to comply with the requirements of the Accessibility for Ontarians with Disabilities Act.

### ***Heritage Grant Programs in Other Municipalities***

Table 3 summarizes the heritage grant programs available in fifteen different municipalities across Ontario. The research indicates that most programs offer matching grants of up to half (50%) of eligible costs. Notable, however, is the range in maximums permitted. They vary between \$5,000 to \$20,000, with Hamilton offering as much as \$150,000 plus \$20,000 for certain types of buildings in specific identified areas. Seven of the fifteen municipalities offer maximums of \$5,000 for all work or general work, while one offers a maximum of \$6,000.

Four of the fifteen municipalities utilize tiered systems where the maximum allowed is dependent on certain criteria being met. These criteria may relate to the type of work proposed, scope of work proposed which classifies the projects as being either “General” or “Special”, or the use or location of the subject property.

**Table 3: Comparison of Other Municipal Heritage Grant Programs**

Municipality	Program Description
Brampton	Matching grant up to 50% of project cost, for a maximum of \$10,000.

Brantford	Matching grant up to 50% of project cost, for a maximum of \$20,000.
Burlington	Grant up to 25% of project costs, for a maximum of \$15,000.
Caledon	Matching grant up to 50% of project cost, for a maximum of \$6,000 for General Conservation Projects and \$15,000 for Special Projects.
Cambridge	Matching grant up to 50% of project cost, for a maximum of \$5,000.
Centre Wellington	Matching grant up to 50% of project cost, for a maximum of \$10,000.
Guelph	No Heritage Grant Program
Hamilton	Matching grant up to 50% of project cost between \$1,000-\$5,000 or for structural work for commercial, institutional, industrial, or multi-residential buildings within specific identified areas, up to a maximum of \$150,000 plus \$20,000 for applicable studies or reports.
Kingston	Matching grant up to 50% of project cost, for a maximum of \$5,000 once every two years.
Markham	Matching grant up to 50% of project cost, for a maximum of \$5,000, or for commercial properties for a maximum of \$15,000.
Mississauga	Matching grant up to 50% of projects costs, for a maximum of \$5000 for general works, \$10,000 for structural works, and \$25,000 for special projects.
Oakville	Matching grant up to 50% of project cost, for a maximum of \$15,000.
Richmond Hill	Matching grant up to 50% of project cost, for a maximum of \$5,000.
St. Catherines	Matching grant up to 50% of project cost, for a maximum of \$5,000.
Waterloo	No Heritage Grant Program

#### **STRATEGIC PLAN ALIGNMENT:**

This report supports the delivery of core services.

## **FINANCIAL IMPLICATIONS:**

### ***Capital Budget***

The review of the Designated Heritage Property Grant Program is being undertaken in two steps. The first step involves reviewing the existing program and its Administrative Procedures and Operating Guidelines (the subject of this report). A second step will involve a report addressing the Capital Budget allocated to the program.

Changes to the administrative procedures and operating guidelines which are financial in nature include:

- Establishing a two-tiered system which will categorize projects as either “General” or “Special”;
- Increasing the maximum grant value for General Projects from \$3000 to \$5000 per property per year; and
- Adding the opportunity for two Special Projects to be awarded a maximum of \$15,000 per property per year.

Under the existing program, which provides just over \$30,000 from the Capital Budget to the Designated Heritage Grant Program annually, if all applicants are eligible for the maximum \$3000 grant than the City could award 10-11 designated properties. Assuming the same parameters, the changes recommended in this report would result in an increase in the dollar value of the grants awarded but a decrease in the number of grants awarded. As such, Heritage Planning staff are requesting Council consideration to increase the existing Capital Budget for this program as part of its 2025 Capital Budget deliberations. If an additional \$60,000 is granted to Capital Budget for the DHG Program, creating a total annual allocation of \$90,000, then this would allow for 12 General Project grants be awarded at the maximum of \$5,000 and two Special Project grants be awarded at \$15,000 per program year. The program would then be able to perform at the same capacity as it historically has, while providing greater assistance to property owners completing conservation or maintenance to their heritage resource.

### ***Operating Budget***

The recommendation has no impact on the Operating Budget.

## **COMMUNITY ENGAGEMENT:**

**INFORM** – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**CONSULT** – If applicable.

**COLLABORATE** – If applicable.

**ENTRUST** – If applicable.

**PREVIOUS REPORTS/AUTHORITIES:**

There are no previous reports/authorities related to this matter.

**APPROVED BY:** Justin Readman, General Manager, Development Services Department

**ATTACHMENTS:**

Attachment A – Draft Guidelines for the Designated Heritage Grant Program