TO: Chair and Members
Economic Development and Planning Committee

WARD(S) AFFECTED: WARD 2

COMMITTEE DATE: April 20, 2010

SUBJECT/REPORT NO:
Hamilton Community Heritage Fund Loan (HCHF2009-004), Fall 2009 Loan Application for 122 MacNab Street South, Hamilton (PED10093) (Ward 2)

SUBMITTED BY:
Tim McCabe
General Manager
Planning and Economic Development Department

PREPARED BY:
Joseph Muller
(905) 546-2424, Ext. 1214

SIGNATURE:

RECOMMENDATION:

That approval be given to Hamilton Community Heritage Fund Loan Program Application (HCHF2009-004), for property located at 122 MacNab Street South, Hamilton, as shown on Appendix “A” to Report PED10093, subject to the following:

(a) That a loan commitment of $17,220 be approved, in accordance with the terms and conditions of the Hamilton Community Heritage Fund Loan Program, for restoration of the rubblestone north end-wall of the designated building, as approved under Heritage Permit Application HP2009-068.

(b) That the property owner and the City shall enter into a Heritage Conservation Easement Agreement.

(c) That the Mayor and Clerk be authorized and directed to execute the loan agreement and security documentation with respect to (a), in a form satisfactory to the City Solicitor.
(d) That the General Manager of the Planning and Economic Development Department be authorized to amend the loan agreement provided that the terms and conditions of the Hamilton Community Heritage Fund Loan Program are maintained.

(e) That the applicant shall comply with the conditions of Heritage Permit HP2009-068, as approved by the Director of Planning, as advised by the Heritage Permit Review Sub-committee of the Hamilton Municipal Heritage Committee.

(f) That Report PED10093 be forwarded to the Hamilton Municipal Heritage Committee for information.

EXECUTIVE SUMMARY

The Hamilton Community Heritage Fund was established by the former City of Hamilton during the mid-1980’s. In 2001, Council authorized that this fund be made available to all eligible heritage property owners within the newly amalgamated municipality. The original maximum loan amount was set at $20,000, but an increase to the maximum loan amount to $50,000 was authorized by Council in 2005 (Report PED05091). The loan is only available to properties designated under the Ontario Heritage Act.

The owner of the subject property, located at 122 MacNab Street South, Hamilton (see location map attached as Appendix “A”), within the MacNab-Charles Heritage Conservation District designated under Part V of the Ontario Heritage Act, has applied for a $17,220 loan under the program in order to restore the rubblestone north end-wall of the designated building, as approved under Heritage Permit Application HP2009-068. The total budget for the proposed work is $17,220, and the loan of $17,220 is being recommended.

Alternatives for Consideration - See Page 7.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Funding is provided under the terms of the Hamilton Community Heritage Fund Loan Program, as approved by City Council on September 14, 2005. The loan monies are to be advanced from the City of Hamilton’s line-of-credit with the foregone interest being charged to Account Number 52901-812040. Any costs incurred for the HCHF Loan program are to be funded from the HCHF Reserve 102049.

Staffing: Administration of this loan can be accommodated within the Community Planning and Design Section (Heritage and Urban Design) of the Planning and Economic Development Department, as well as within the Corporate Services Department.
Legal: Review of all documentation associated with the loan will be appropriately undertaken by the City Solicitor to protect the City’s interests. In certain cases, as projects move forward, it is sometimes necessary to make minor amendments to previously approved loan commitments and agreements. Therefore, staff is recommending that the General Manager of Planning and Economic Development be authorized (with the input from the General Manager of Finance and Corporate Services and the City Solicitor) to amend loan commitments/agreements without further Council approvals, provided that the terms and conditions of the Hamilton Community Heritage Fund Loan Program are maintained.

Under Section 42 of the Ontario Heritage Act, Heritage Permit HP2009-068 has been approved for the work, within the scope of this loan application.

HISTORICAL BACKGROUND

The former City of Hamilton established the Hamilton Community Heritage Fund in 1985 (By-law No. 85-120) as part of the Province of Ontario’s Building Rehabilitation and Improvement Campaign, commonly referred to as the “BRIC” program. The grant agreement entered into by both parties (the Province of Ontario and the former City of Hamilton) established a fund that originally comprised $441,666.67. Of this total amount, $250,000 (57%) was from the Province, and $191,666.67 (43%) was from the former City of Hamilton.

The intent of the Hamilton Community Heritage Fund, as established by the grant agreement, was to establish a permanent fund for the purpose of investing in architectural conservation. Specifically, the fund was to be used:

- For loans for the purchase and/or conservation of heritage property;
- To guarantee loans for the purchase and/or conservation of heritage property; and,
- For grants to owners of designated heritage property for the conservation of that property.

Heritage property was defined in the agreement as a property designated under the Ontario Heritage Act. The former City of Hamilton operated the fund solely for the purpose of low or no-interest loans. Since 1985, approximately 60 loans have been approved, accounting for approximately $530,000.
The Hamilton Community Heritage Fund was originally established as a revolving fund, with the former City of Hamilton offering low-interest loans for eligible conservation work on buildings designated under the Ontario Heritage Act. As interest rates declined during the 1990’s, the program was revised to permit interest-free loans, and the former City of Hamilton continued to offer loans of up to $20,000, repayable over a ten-year period and secured by a lien. The agreement with the Province of Ontario stipulated that loans of $15,000 or more required a Heritage Conservation Easement Agreement between the property owner and the City. This HCHF application (HCHF2009-004) is for $17,220: if approved, the property owner and the City shall enter into a Heritage Conservation Easement Agreement prior to release of the monies.

After municipal amalgamation, Council agreed to maintain the Hamilton Community Heritage Fund Program as a permanent reserve to provide loan assistance to all designated heritage properties within all of the former municipalities (Report PD00151(A), Item (f)). In 2005, Council approved an increase in the maximum loan amount to $50,000 (Report PED05091), and under the current terms of the program, the loan is registered as a mortgage on the property and repayable over a period of up to ten-years with no accumulated interest.

The current terms of the program, approved by Council in 2005, stipulate that to be eligible for a loan, the property must be designated either individually under Part IV of the Ontario Heritage Act, or as part of a Heritage Conservation District, under Part V of the Ontario Heritage Act. Funding is available only for work that conserves or restores the historic fabric and significant architectural elements of a building. Interior features are only eligible for funding if specifically mentioned in the Reasons for Designation or Description of Heritage Attributes of a property designated under Part IV of the Ontario Heritage Act. Routine maintenance and repair is not eligible.

This property falls within the MacNab-Charles Heritage Conservation District, which is designated under Part V of the Ontario Heritage Act through By-law 88-298.

To date, a total of $220,144.00 (8 projects) have been approved under HCHF since municipal amalgamation (see Appendix “B”), excluding the loan recommended for approval in this report.

**POLICY IMPLICATIONS**

**Ontario Heritage Act**

Section 42 of the Ontario Heritage Act requires that the owner of a designated property shall not alter the property, or permit the alteration of the property, unless the owner applies to the Council of the municipality and receives consent, in writing, to the alteration. The owner has applied for and received a Heritage Permit for the proposed work.
Sections 39(1) and 45 of the Ontario Heritage Act enables the Council of a municipality to pass By-laws to provide for paying grants or loans to the owner of a property designated under the Ontario Heritage Act for the purpose of paying for the whole or any part of the cost of alteration of such designated property on such terms and conditions as the Council may prescribe. This application is consistent with the Council approved terms and guidelines of the HCHF.

City of Hamilton Official Plan

Section C.6 - Heritage Resources of the former City of Hamilton Official Plan applies and encourages the preservation, maintenance, reconstruction, restoration, and management of property considered to have historic, architectural, or aesthetic value (6.1).

Urban Hamilton Official Plan

Section 3.4 - Cultural Heritage Resources Policies of the Council approved Urban Hamilton Official Plan (adopted July 9, 2009) provides for the City to “encourage the rehabilitation, renovation, and restoration of built heritage resources in order that they remain in active use” (3.4.1.4). The Plan further states that the City shall “protect and conserve the tangible cultural heritage resources of the City, including archaeological resources, built heritage resources, and cultural heritage landscapes” (3.4.2.1), and “support the continuing use, reuse, care, and conservation of cultural heritage resources and properties by encouraging property owners to seek out and apply for funding sources available for conservation and restoration work” (3.4.2.1 (f)). Although, the Urban Hamilton Official Plan has not been approved by the Ministry of Municipal Affairs and Housing, and is not in effect, these policies demonstrate Council’s commitment to the identification, protection, and conservation of the cultural heritage resources.

City of Hamilton Corporate Strategic Plan

The approval of this loan is consistent with the 2008-2011 City of Hamilton Corporate Strategic Plan - Strategic Themes of promoting the City’s image and of creating jobs. Specifically, the approval of this application is consistent with several of the Focus Areas, such as promoting effective inter-governmental relations, providing work for skilled labourers, protecting public health and safety, conserving resources, and managing the built environment in a sustainable manner.

RELEVANT CONSULTATION

Heritage Planning staff has been informed by staff of the Building and Licensing Division that HCHF applications not requiring a building permit do not require review by Building and Licensing. The work on the north wall is such an application.
Pursuant to Sections 28(1), 33(4), and 42.4 of the Ontario Heritage Act, the Hamilton Municipal Heritage Committee advises and assists Council on matters relating to Part IV and Part V of the Ontario Heritage Act. The Hamilton Municipal Heritage Committee has been consulted on the approved Heritage Permit Application (HP2009-068) through its Heritage Permit Review Sub-committee. The Hamilton Municipal Heritage Committee shall be advised of the decision regarding this loan by copy of this report and recommendations at its May 27, 2010 meeting.

ANALYSIS / RATIONALE FOR RECOMMENDATION

Staff has reviewed the submitted HCHF application and is of the opinion that it satisfies the program requirements and guidelines. The location of the subject property is contained in Appendix “A” of this report.

Project Recommended for Funding Commitment

<table>
<thead>
<tr>
<th>Property</th>
<th>Loan Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCHF2009-004 122 MacNab St. S., Hamilton</td>
<td>$17,220.00</td>
</tr>
<tr>
<td>Total City Loan</td>
<td>$17,220.00</td>
</tr>
<tr>
<td>Total Estimated Construction Costs</td>
<td>$17,220.00</td>
</tr>
</tbody>
</table>

Due to the urgency of the required repairs, the work took place in the early winter of 2009 under the approvals granted by Heritage Permit HP2009-068 as follows:

HCHF2009-004
122 MacNab Street South, Hamilton (Ward 2)

122 MacNab Street South, Hamilton, comprises the northern unit of a three-unit stone terrace encompassing 122-124-126 MacNab Street South. The two southern units were constructed in 1853, while #122 was constructed in 1857. The front façades are built of coursed limestone ashlar, with side and rear façades of rubblestone. Parapets, with double-end chimneys, are located between the units and at the northernmost wall: the roof is side-gable, hipped at the south end. The first storey is raised, with a sill-course. The architectural style is a vernacular classical revival: each unit is three-bays wide at the ground-floor.

The proposed work comprises (refer to photos attached as Appendix “A”) the restoration of the rubblestone north end-wall of the terrace, including:

- Spot repair of north end-wall of terrace, with qualified mason reinstalling the spalled cobbles and repointing the rubblestone wall, where needed.
All elements of the proposed work were reviewed through the Heritage Permit application process (Heritage Permit Application HP2009-068) and approved with delegated approval authority by the Director of Planning, as advised by the Heritage Permit Review Sub-committee of the Hamilton Municipal Heritage Committee.

The rubblestone north end-wall is both a heritage resource, identified within the Ontario Heritage Act Part V designation of the MacNab-Charles Heritage Conservation District cultural resource inventory, and a structural component of the building fabric that is critical to the integrity of the heritage value of the building. Accordingly, restoration of the rubblestone north end-wall of the terrace is important to the conservation of the structural integrity of the building. In addition, the proposed restoration methods are consistent with accepted principles and practice of the conservation and management of heritage fabric. Aside from being retroactive for work recently carried out due to an immediate need, the application meets the intent and eligibility criteria of the Hamilton Community Heritage Fund Loan Program, and staff recommends approval of the requested loan.

**ALTERNATIVES FOR CONSIDERATION:**

Funding for the conservation or maintenance of features related to the cultural heritage values of properties designated under Part V of the Ontario Heritage Act is a discretionary activity on behalf of Council. Council, as advised by staff, may consider two alternatives: agree to fund the applications, or decline to fund the applications.

**Decline to Fund**

By declining funding, the municipality would be refusing applicants that meet the criteria and budget for the HCHF program, as approved by both the Council and Hamilton Municipal Heritage Committee. Refusal of funding will not encourage owners of commercial properties designated under Part V of the Ontario Heritage Act to undertake the appropriate restorations and repairs necessary for the long-term conservation of these heritage resources.

Accordingly, staff does not consider declining funding for this HCHF application to be an appropriate conservation alternative.

**CORPORATE STRATEGIC PLAN**

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
Values: Honest, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork

**Skilled, Innovative & Respectful Organization**
- Council and SMT are recognized for their leadership and integrity.
- The approval of this loan demonstrates commitment to previously Council-approved policies and programs.

**Financial Sustainability**
- Generate assessment growth/non-tax revenues.
- The proposed conservation work will improve the condition of a private property, and may result in a higher assessment value of the subject property and adjacent properties.

**Intergovernmental Relationships**
- Maintain effective relationships with other public agencies.
- The approval of this loan demonstrates a commitment to conserving cultural heritage resources, as directed by provincial and federal level policy.

**Growing Our Economy**
- Newly created or revitalized employment sites.
- A skilled and creative labour pool that supports new employers.
- A visitor and convention destination.
- The proposed conservation work will create work for skilled and specialized trades people, and will enhance the condition of private commercial property.

**Healthy Community**
- Plan and manage the built environment.
- The proposed conservation work will improve the safety and appearance of private property.

**APPENDICES / SCHEDULES**

Appendix “A”: Location Map and Photographs
Appendix “B”: HCHF Previous Loans

:JPM
Attachs. (2)
122 MacNab Street South, Hamilton – East (front) Elevation
North wall with spalled cobbles

Close-up of deteriorated pointing
Close-up of deteriorated parapet wall

Close-up of spall-off location
Close-up of deteriorated parapet cap

Close up of deteriorated flashing to stone wall
The Hamilton Community Heritage Fund (HCHF) was established by the former of City of Hamilton in 1985 (By-law No. 85-120). After Municipal amalgamation, the Council revised the scope of the original HCHF to apply City-Wide (Report PD01141(a)), and in 2005, revised the terms and maximum loan amount of the HCHF (Report PED05091).

Projects that have previously been approved for funding are as follows:

<table>
<thead>
<tr>
<th>Application</th>
<th>Location</th>
<th>Status</th>
<th>Amount</th>
<th>Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>HCHF2007-001</td>
<td>St. Paul’s Presbyterian Church, Hamilton</td>
<td>Completed</td>
<td>$50,000.00</td>
<td>Protective Glazing</td>
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<tr>
<td>HCHF2008-001</td>
<td>1059 Highway 8, Stoney Creek</td>
<td>Completed</td>
<td>$50,000.00</td>
<td>Windows, Woodwork</td>
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<tr>
<td>HCHF2008-002</td>
<td>153 Saint Clair Avenue, Hamilton</td>
<td>Completed</td>
<td>$14,999.00</td>
<td>Pointing, Porch</td>
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<tr>
<td>HCHF2008-003</td>
<td>235 Bowman St, Hamilton</td>
<td>Completed</td>
<td>$50,000.00</td>
<td>Roof</td>
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<tr>
<td>HCHF2009-001</td>
<td>957 Governor’s Road, Dundas</td>
<td>Completed</td>
<td>$ 5,145.00</td>
<td>Roof</td>
</tr>
<tr>
<td>HCHF2009-003</td>
<td>108 James Street North, Hamilton</td>
<td>In Progress</td>
<td>$50,000.00</td>
<td>Roof</td>
</tr>
<tr>
<td><strong>Total 2007-2009</strong></td>
<td></td>
<td></td>
<td><strong>$220,144.00</strong></td>
<td></td>
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