SUBJECT: Delegated Authority – Commercial Property Improvement Grant Program, Hamilton Heritage Property Grant Program and Main Street Housing Loan and Grant Program – (PED10016) (Wards 1,2,3,4,6,7,8,9,11,12, 13,15)

RECOMMENDATION:

(a) That the General Manager of Planning and Economic Development be authorized to approve loans/grants, to a maximum of $200,000 per loan/grant, to applicants under the following financial incentive programs administered by the Downtown and Community Renewal Division:

   i) Commercial Property Improvement Grant Program
   ii) Hamilton Heritage Property Grant Program
   iii) Main Street Housing Loan and Grant Program;

(b) That staff from the Downtown and Community Renewal Division be directed to report back to Council on a quarterly basis on details of the loans/grants that have been approved by the General Manager of Planning and Economic Development;

(c) That the General Manager of Planning and Economic Development be authorized to sign loan documents for the Main Street Housing Loan and Grant Program and documents ancillary thereto, in a form satisfactory to the City Solicitor;
(d) That the Director of Downtown and Community Renewal, Planning and Economic Development Department, be authorized to approve a maximum extension period of one (1) year to applicants under the Commercial Property Improvement Grant Program and Hamilton Heritage Property Grant Program for the completion of works, over and above the one (1) year period applicants are given that will commence the date the General Manager of the Planning and Economic Development approves their grant.

(e) That the appropriate policy reflecting recommendation (a) be incorporated into the Downtown and Community Renewal Community Improvement Plan.

__________________________
Tim McCabe
General Manager
Planning and Economic Development Department

[**EXECUTIVE SUMMARY:**]

Report PED10016 recommends authorizing the General Manager of Planning and Economic Development to approve loans/grants, to a maximum of $200,000.00 per loan/grant, to applicants under the Commercial Property Improvement Grant Program, the Hamilton Heritage Property Grant Program and the Main Street Housing Loan and Grant Program. Delegated authority will shorten the turnaround time from time of submission of an application, to final approval, thereby allowing a property/business owner to address any urgency in the implementation of improvements to their property.

[**BACKGROUND:**]

The Downtown and Community Renewal Division administers, at this time, five (5) financial incentive programs namely the: Commercial Property Improvement Grant Program, the Hamilton Heritage Property Grant Program; the Main Street Housing Loan and Grant Program; the Enterprise Zone Grant Program and the Hamilton Downtown Property Investment Program.

The Division monitors the effectiveness of the programs through tracking the number of applications; the grant/loan amounts provided as a percentage of the total investment in the property; and, the increase in the property assessment and ultimately municipal taxes. This information is contained in the Division’s Annual Report presented each year to the Economic Development and Planning Committee.

Customer satisfaction is monitored through surveys to applicants; discussions with applicants and, through the Hamilton Association of Business Improvement Areas for programs that affect their members.
A criticism of the programs is the length of time it takes between submitting an application and receiving final approval. Applicants cannot commence improvements until Council has approved a loan/grant as the programs are not retroactive. Situations that arise include: new businesses that want to install a sign prior to opening; work that needs to be undertaken to improve the safety of a property’s occupants; or, a person considering how much they can invest in a property and need to know in a timely manner whether they have been approved for funding.

Presently, upon receiving an application under the financial incentive programs staff undertake due diligence that includes confirming the zoning; heritage status; status of taxes; inspection by a building inspector. Once staff has confirmed all terms and conditions have been met, a report is prepared to Committee and Council recommending approval of the loan/grant six (6) weeks before it will be considered by Council. By authorizing the General Manager of Planning and Economic Development to approve individual loan/grants, to a maximum of $200,000.00, to applicants under the Commercial Property Improvement Grant Program; the Hamilton Heritage Property Grant Program and the Main Street Housing Loan and Grant Program the length of time to approve an application will be reduced by six (6) weeks.

**The Commercial Property Improvement Grant Program**

The Program offers financial assistance to commercial property owners/authorized tenants within existing Business Improvement Areas for façade improvements. Funding under the Program is in the form of a grant based on 50% of the total cost of improvements to a maximum of $400.00 per linear foot of frontage of a building, to a total maximum of $20,000.00 per property or $25,000.00 for corner properties.

**The Hamilton Heritage Property Grant Program**

The Program offers financial assistance in the form of a grant for structural/stability work required to conserve and restore heritage features of properties; and, the conservation and restoration of heritage features of properties that are designated under Parts IV or V of the Ontario Heritage Act. Eligible properties must be located within the Downtown Hamilton Community Improvement Project Area or within a Business Improvement Area. The maximum grant is based on 25% of the cost of redevelopment of a property to a maximum of $150,000.00. The Program also offers up to a $20,000.00 grant for a heritage assessment or other studies/reports required to conserve the heritage building.

**The Main Street Housing Loan and Grant Program**

The Program offers financial assistance for converting existing built commercial space into residential units, renovations to existing residential units or construction of new units via building additions. The Program is also intended to provide assistance for the costs of creating new residential units on vacant land within Downtown Hamilton, Hamilton’s Community Downtowns, Business Improvement Areas and “main street” corridors as identified in the Downtown and Community Renewal Community
Improvement Project Area By-law. Funding under the Program is in the form of a loan based on $10,000.00 per unit to a maximum of $200,000.00 per property. The Program also offers a $5,000.00 grant per property for professional fees.

**Remaining Incentive Programs**

Due to their nature and significance, all applications under the Hamilton Downtown Property Investment Program and the Enterprise Zone Grant Program will continue to be forwarded to Committee and Council for approval.

**ANALYSIS/RATIONALE:**

Delegated authority to the General Manager of Planning and Economic Development for approving loans/grants to a maximum of $200,000.00 to applicants under the Commercial Property Improvement Grant Program; the Hamilton Heritage Property Grant Program, and the Main Street Housing Loan and Grant Program will shorten the length of time between an applicant submitting an application and receiving final approval. The change in the approval process is anticipated to increase customer satisfaction as well as the number of applications received.

Staff will report back to Committee and Council on a quarterly basis on the loans and grants approved by the General Manager of Planning and Economic Development.

**ALTERNATIVES FOR CONSIDERATION:**

An alternative is not to delegate authority to the General Manager of Planning and Economic Development. Therefore, all applications will continue to be forwarded to Committee and Council for approval. In order to improve the administrative process and increase customer satisfaction this alternative is not recommended.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial** – There are no financial implications to the City relative to the recommendations.

**Staffing** – Applications under the financial incentive programs are processed by the Downtown and Community Renewal and Taxation Divisions. There are no additional staffing requirements.

**Legal** – Legal Services will continue to provide counsel to staff when required on applications received under the financial incentive programs. Relevant loan/grant documentation will also continue to be developed in consultation with staff from Legal Services.
SUBJECT: Delegated Authority – Commercial Property Improvement Grant Program, Hamilton Heritage Property Grant Program and Main Street Housing Loan and Grant Program (PED10016) (Wards 1,2,3,4,6,7,8,9,11,12,13 15) Page 5 of 5

POLICIES AFFECTING PROPOSAL:

Report PED10016 relates to processing applications under the Commercial Property Improvement Grant Program and the Main Street Housing Loan and Grant Program which are contained within the City’s Downtown and Community Renewal Community Improvement Plan. The Community Improvement Plan will be amended to reflect the procedure recommended in Report PED10016.

The report also relates to the processing of applications under the Hamilton Heritage Property Grant Program which are administered under the Heritage Act.

RELEVANT CONSULTATION:

Comments from the Legal Services Division of the Corporate Services Department have been incorporated within Report PED10016. The recommendations within this report are in a form satisfactory to the City Solicitor.

Staff attended the December 8, 2009 Hamilton Association of Business Improvement Areas (HABIA) meeting to discuss the potential of seeking delegated authority for the three (3) financial incentives. The initiative was unanimously endorsed by HABIA.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Partnerships are promoted.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
Human health and safety are protected.
The rehabilitation of the building stock and the development of properties make efficient and effective use of City services as well as protect human health and safety.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Investment in Hamilton is enhanced and supported.

Downtown and Community Renewal programs lead to effective partnerships with community stakeholders and the development community. Developers and property owners invest in eligible properties leading to property assessment increases through the rehabilitation of buildings and properties.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No

Hamilton continues to lead initiatives related to renewal. Such initiatives are professionally stimulating and result in Hamilton being a choice for employment to those interested in bettering community life.

HM:vk