SUBJECT: Expansion of the Main Street Housing Loan and Grant Program PED07123(c) (Wards 1, 2, 3, 4, 7, 8)

EXECUTIVE SUMMARY:

Report PED07123(c) identifies recommended locations for expansion of the Main Street Housing Loan and Grant Program. The program currently provides financial assistance to renovate existing residential units, to convert existing built commercial space into residential units, and to create new residential units within the City’s five (5) community downtowns and eligible Business Improvement Areas. In order to expand the program...
to other areas, the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and companion Community Improvement Project Area must be amended. As part of the amendment process, and prior to Council’s approval of the amendments, the City will consult with the Ministry of Municipal Affairs and the public.

The goal of the existing Main Street Housing Loan and Grant Program is to increase the population of community downtowns and BIAs which are generally characterized by a mix of land uses predominated by ground-floor commercial uses. The proposed expansion areas include other main streets that exhibit similar characteristics, but which are not located within community downtowns or BIAs. The expansion is proposed primarily in the lower, inner City where the population has been declining, and in areas close to McMaster University and Mohawk College so as to provide potential student housing alternatives outside of established residential neighbourhoods. The expansion areas, identified on Appendix A to Report PED07123(c), will be refined to precise boundaries in the future amendment to the Community Improvement Plan and Project Area.

**BACKGROUND:**

The Main Street Housing Loan and Grant Program is the newest of four (4) financial incentive programs administered by the Downtown and Community Renewal Division. It came into effect after Council’s adoption of the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan on February 28, 2007, and finally approved on March 29, 2007.

The program currently applies to Hamilton’s five (5) community downtowns (i.e. Ancaster, Binbrook, Dundas, Stoney Creek and Waterdown), and nine (9) of the City’s twelve (12) Business Improvement Areas (i.e. Barton Village, Concession Street, Dundas, Locke Street, Main West Esplanade, Ottawa Street, Stoney Creek, Waterdown and Westdale). The program does not apply to the Downtown Hamilton Community Improvement Project Area, which contains the Downtown Hamilton, International Village, and King Street West Business Improvement Areas, due to the availability of other incentives to that area, including the Hamilton Downtown Residential Loan Program, the Enterprise Zone Municipal Realty Tax Incentive Grant Program, as well as a development charge exemption.

As part of the 2007 Budget deliberations, City staff presented the expansion of the Main Street Housing Loan and Grant Program as one of five project options for Downtown Capital Block funding. Council directed staff to report back with a cost analysis and project details on four of the five options, including expansion of the Main Street Housing Loan and Grant Program. It had been noted in the presentation that the four (4) options were at the preliminary stage of discussion and would require further reports to Committee and Council on details should they be approved for funding. Report PED07123(b)/FCS07068 provides the cost analysis and recommended funding structure. The purpose of this report (PED07123(c)) is to identify appropriate locations for expansion of the Main Street Housing Loan and Grant Program, and to outline the planning process that will be followed in order to expand the program.
ANALYSIS/RATIONALE:

Determining where to expand the Main Street Housing Loan and Grant Program first requires an understanding of the program’s main goal, which is to increase the population in community downtowns and BIAs in order to realize the following objectives and benefits:

- to make efficient use of existing but vacant or underutilized buildings and infrastructure (e.g. water and sewer);
- to reverse declining population, particularly in the inner City, required to support existing schools and other community uses such as churches;
- to stimulate reinvestment and private property maintenance needed to revitalize areas in decline;
- to improve the local business environment by providing a resident market for commercial uses; and,
- to support residential intensification targets established by the Province.

To meet the goal of fostering residential development, the program provides financial assistance to renovate existing residential units, to convert existing built commercial space into residential units, and to create new residential units either on vacant land or through building additions. The maximum loan per unit is $10,000 to a maximum of $100,000 per property. The loan is registered against the property as per the terms of the program. A grant portion to a maximum of $5,000 per property is also available for professional fees. The grant portion is offered in recognition of the many small, independent business operators who own individual commercial buildings along main streets with underutilized upper floors. These small business operators are not usually involved in the development process and may therefore lack experience with the technical matters that can be provided by professionals such as architects, engineers and surveyors. The grant may also fund the legal fees for the requisite loan documents. As with all of the incentive programs administered by the Downtown and Community Renewal Division, eligible projects must conform with relevant City policy and regulations, such as the Official Plan, Zoning By-law, and Urban Design Guidelines where applicable.

In the context of the community downtowns and BIAs, the traditional “main street” areas generally have a mix of land uses predominated by ground-floor commercial uses, in buildings situated close to the street upon relatively small properties. The residential component typically includes upper-floor dwelling units, as well as duplexes, and multiple dwellings which contain three or more units (e.g. triplexes, apartment buildings). In some locations, single- and semi-detached houses and townhouses may also be present.

It is recognized that other “main streets” of the City exhibit similar characteristics, although they are not located within a designated community downtown or organized in a BIA. It is in these areas where the expansion of the Main Street Housing Loan and Grant Program is appropriate.
The following main streets, illustrated in Appendix A, are proposed to be added to an expanded Community Improvement Project Area for the Main Street Housing Loan and Grant Program. The precise boundaries of these areas to the detail of individual properties will be defined in a future Community Improvement Project Area By-law to be approved by Council.

**East of Downtown**

- **King Street East** between Main Street at the Delta and Victoria Avenue
- **Main Street East** between Victoria Avenue and Rosewood Road
- **Queenston Road** from the Main Street traffic circle to Reid Avenue, just west of the Red Hill Valley
- **Barton Street East** between Sherman Avenue and Walter Avenue
- **Kenilworth Avenue** between Main Street and Barton Street
- **Parkdale Avenue** between Queenston Road and Barton Street

**Rationale:**
Properties along Main Street, King Street, Barton Street, Kenilworth Avenue and Parkdale Avenue collectively exhibit “main street” characteristics although they are located outside of designated downtown or BIA. They are dominated by ground floor commercial uses, and are all located within the lower, inner City where the population has been declining.

The corridors are arterial roads presently served by HSR transit. Further, the recently completed city-wide Transportation Master Plan (May 2007) identifies these sections of King Street, Main Street and Queenston Road as proposed Primary Bus Rapid Transit Corridors. These sections of Barton Street (west of Kenilworth) and Kenilworth Avenue are identified as proposed Transit Priority Corridor/Future Bus Rapid Transit Routes.

**West of Downtown**

- **King Street West** between Queen Street and Breadalbane Street
- **York Boulevard** (south side) between Queen Street and Dundurn Street

**Rationale:**
These streets are located in the Strathcona Neighbourhood to the west of Downtown Hamilton between Queen Street and Highway 403. A new secondary plan is being prepared for this area. A consistent theme in the three options prepared as part of the secondary planning process includes a mixed use designation along King Street West, Main Street West, and the south side of York Boulevard. (The north side of York Boulevard is addressed in the Setting Sail Secondary Plan for West Harbour and is discussed below). The Mixed Use designation envisions multiple dwellings and/or upper floor apartment units. These streets also warrant special attention as they are the main, highly visible routes between Highway 403 and Downtown Hamilton. These sections of King and Main Streets also identified as proposed Primary Bus Rapid Transit Corridors in the City-wide Transportation Master Plan.
It should be noted that Main Street West between Queen and Dundurn Streets is already eligible for the Main Street Housing Loan and Grant program as part of the Main West Esplanade Business Improvement Area.

North of Downtown

- **James Street North** between Strachan Street and Guise Street
- **Barton Street East** between James Street and the west limits of the Barton Village BIA (Ferguson Avenue)
- **Cannon Street** (north side) between Railway Street and Hughson Street
- **York Boulevard** (north side) between Queen Street and Inchbury Street

**Rationale:**
These streets are all located within the Setting Sail Secondary Plan for the West Harbour area, which identifies James Street as the area’s main commercial street. It is intended to provide a broad mix of uses and connect Downtown Hamilton to the waterfront. The land use designations along these streets are primarily Mixed Use, Prime Retail and Local Commercial, all of which permit residential development. For example, in Mixed Use areas, “apartment buildings and apartment buildings with ground-floor, street-related commercial and/or community uses are permitted and encouraged”. In Prime Retail areas, “the range of uses permitted on upper floors shall include residential, live/work and office”. In Local Commercial areas along the above-noted section of Cannon Street, “residential [uses] are permitted and encouraged above the ground floor.”

These sections of James Street and Barton Street are also identified in the City-wide Transportation Master Plan as as proposed Transit Priority Corridor/Future Bus Rapid Transit Routes.

It should also be noted that properties within the Setting Sail Secondary Plan area fronting on either side of James Street between Cannon Street and the CN Railway Corridor are part of the Downtown Hamilton Community Improvement Project Area, to which other Downtown incentive programs already apply. The Barton Village BIA also extends into the area, and is already eligible for the Main Street Housing Loan and Grant Program.

**Ainslie Wood-Westdale**

- **King Street West** between Highway 403 and the Westdale BIA
- **Main Street West** between Highway 403 and Osler Drive

**Rationale:**
The Ainslie Wood Westdale Secondary Plan was approved by Council on July 13, 2005. It directs medium and higher residential densities and mixed use commercial/residential development to locate along major roads, designating the above-noted sections of King Street and Main Street as primarily Mixed Use or Commercial. The “Mixed Use” designation permits residential, commercial, or institutional uses, either as a stand alone development or in a mixed use building (e.g. ground floor commercial with apartments on
upper floors). The “Commercial” designation also permits residential uses, limited to the upper floors of mixed use buildings.

By promoting opportunities for intensification and redevelopment along King Street West and Main Street West, the Secondary Plan aims to decrease the conversion of single detached housing to student rental accommodation within the adjacent neighbourhoods. It also recognizes the opportunity to intensify or redevelop the one and two-storey commercial properties that currently predominate along King Street West from Highway 403 to Westdale BIA, and along Main Street West between Longwood Road and Osler Drive.

The companion Ainslie Wood Westdale Community Strategy document outlines strategies to address various issues related to off-campus housing for McMaster University students, parking and property standards. It goes beyond those land use matters which can be addressed by the Secondary Plan. The Community Strategy recognizes that the Main Street Housing Loan and Grant Program (which was under development when the Community Strategy was prepared), would help to encourage the conversion of upper floors of commercial buildings along major roads to residential, and help to provide student rental units in areas other than the interior neighbourhoods. It notes that the program would be consistent with the mixed use commercial and residential land uses proposed in the Secondary Plan for major roads.

In addition, the City-wide Transportation Master Plan (May 2007) identifies these sections of King Street and Main Street (to McMaster University) as proposed Primary Bus Rapid Transit Corridors. Main Street to the west of McMaster is identified as proposed Transit Priority Corridor/Future Bus Rapid Transit Route.

Upper James Street

- **Upper James Street** between Queensdale Avenue and Fennell Avenue

*Rationale:*

This portion of Upper James Street also exhibits “main street” characteristics although it is located outside of a designated downtown or BIA. It is included in order to address the need to provide housing alternatives for Mohawk College students, in a similar consideration to the anticipated community improvement benefit sought in the Ainslie Wood-Westdale area.

**ALTERNATIVES FOR CONSIDERATION:**

The Main Street Housing Loan and Grant Program would continue to operate within community downtowns and eligible BIAs if the program boundaries as they are currently defined in the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and companion Community Improvement Project Area By-law are left unchanged.

Another alternative is to expand the program to a broader area than proposed in this report, such as to all of the residential intensification areas identified in the City’s Growth
Related Integrated Development Strategy (GRIDS). Staff do not recommend this alternative at this time. GRIDS conceptually identifies areas for residential intensification, generally within nodes and corridors. Not all of these areas are necessarily suited to the scope of the Main Street Housing Loan and Grant Program, as they may not have, or be planned to have, the characteristics of traditional “main streets” for which the program is designed and intended. It would be more appropriate to consider the expansion of the Main Street Housing Loan and Grant Program to a broader area, or even creation of a new program for other areas, once the new Official Plan policy is completed.

The new Official Plan is required by the Province’s Places to Grow legislation to identify intensification areas and a related implementation strategy. In this regard, the upcoming Official Plan urban structure amendment will refine the various nodes and corridors identified in GRIDS, with the subsequent phase of the Official Plan and secondary planning to define the anticipated density and scale of development. It will also prioritize areas targeted for residential intensification. When areas are prioritized, loans and/or grants provided through a community improvement program can be directed to the priority areas. This approach would result in a more efficient use of resources. It would also provide an opportunity to tailor future programs to the type of development anticipated by the new Official Plan. For example, the potential redevelopment and intensification of larger shopping centre nodes and auto-oriented arterial commercial corridors may be better served by a program that provides a larger incentive than the Main Street Housing Loan and Grant Program.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial – The financial implications of expanding the Main Street Housing Loan and Grant Program as contemplated in this report are addressed in Report PED071239(b)/FCS07068. Failure to appropriately fund this program as recommended in Report PED071239(b)/FCS07068 would result in the inability to fund the program beyond its current limits.

Staffing – Expansion of the Main Street Housing Loan and Grant Program can be accommodated within the existing staff complement of the Downtown and Community Renewal Division who administer the program within its current limits.

Legal – Section 28(7) of the Planning Act permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the Municipal Act, to registered/assessed owners and tenants of lands and buildings within a designated Community Improvement Project Area. Expanding the Main Street Housing Loan and Grant Program requires an amendment to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and Community Improvement Project Area.
EXPANSION OF THE MAIN STREET HOUSING LOAN AND GRANT PROGRAM TO NEW AREAS WILL REQUIRE COUNCIL TO APPROVE AN AMENDMENT TO THE EXISTING DOWNTOWN HAMILTON, COMMUNITY DOWNTOWNS AND BUSINESS IMPROVEMENT AREAS COMMUNITY IMPROVEMENT PLAN. THE PLAN STATES THAT A CHANGE TO THE CORRESPONDING COMMUNITY IMPROVEMENT PROJECT AREAS WILL REQUIRE A FORMAL AMENDMENT TO THE PLAN, WHICH REQUIRES CONSULTATION WITH THE MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING. IN ACCORDANCE WITH SECTION 28 OF THE PLANNING ACT, COUNCIL WILL ALSO HAVE TO PASS A BY-LAW THAT DEFINES THE EXPANSION AREAS AS COMMUNITY IMPROVEMENT PROJECT AREAS.

THE HAMILTON-WENTWORTH OFFICIAL PLAN CURRENTLY IN EFFECT INCLUDES POLICIES RELATING TO COMMUNITY IMPROVEMENT, INCLUDING THE DESIGNATION OF COMMUNITY IMPROVEMENT PROJECT AREAS, WHICH MAY BE DESIGNATED ANYWHERE WITHIN THE URBAN AREA. THE OFFICIAL PLAN CITES SEVERAL CHARACTERISTICS FOR COMMUNITY IMPROVEMENT PROJECT AREAS WHICH ARE RELEVANT TO THE MAIN STREET HOUSING LOAN AND GRANT PROGRAM AND ARE REFLECTED IN THE EXPANSION AREAS PROPOSED IN THIS REPORT, INCLUDING: BUILDING STOCK OR PROPERTY IN NEED OF REHABILITATION; POTENTIAL FOR INCLUSION IN A BUSINESS IMPROVEMENT AREA DESIGNATION; BARRIERS TO THE IMPROVAL OR REDEVELOPMENT OF UNDERUTILIZED LAND OR BUILDINGS; AND, ANY OTHER ENVIRONMENTAL OR COMMUNITY ECONOMIC DEVELOPMENT REASONS FOR DESIGNATION. THIS LAST CHARACTERISTIC COULD INCLUDE THOSE AREAS WHERE INCREASING THE POPULATION THROUGH THE MAIN STREET HOUSING LOAN AND GRANT PROGRAM WILL PROVIDE THE BENEFITS DISCUSSED EARLIER IN THIS REPORT.

THE HAMILTON-WENTWORTH OFFICIAL PLAN ALSO PROVIDES PROVISIONS RELATING TO PUBLIC PARTICIPATION AND NOTIFICATION FOR COMMUNITY IMPROVEMENT PLAN AMENDMENTS WHICH WILL BE FOLLOWED THROUGH THE AMENDMENT PROCESS, AND ALSO IN ACCORDANCE WITH THE PLANNING ACT.

STAFF OF THE LONG RANGE PLANNING DIVISION WERE CONSULTED IN THE PREPARATION OF THIS REPORT.

CITY STRATEGIC COMMITMENT:

BY EVALUATING THE "TRIPLE BOTTOM LINE", (COMMUNITY, ENVIRONMENT, 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

ENVIRONMENTAL WELL-BEING IS ENHANCED. ☑️ YES ☐ NO

PARTNERSHIPS ARE PROMOTED THROUGH IMPLEMENTATION OF THE MAIN STREET HOUSING LOAN AND GRANT PROGRAM.

THE INITIATIVES HELP TO IMPROVE THE QUALITY OF LIFE OF RESIDENTS. THE REHABILITATION OF THE BUILDING STOCK AND THE DEVELOPMENT OF PROPERTIES IN HAMILTON MAKE EFFICIENT AND EFFECTIVE USE OF CITY SERVICES AND PROTECT HUMAN HEALTH AND SAFETY.
Economic Well-Being is enhanced.  ☑ Yes  ☐ No
Investment in Hamilton is enhanced and supported. Property owners invest in their properties leading to property assessment increases through the rehabilitation of buildings.

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 rewarding and attract high performing public servants with an interest in improving community life.

RM:AW
Attach. (1)
Legend

- Proposed Main Street Housing Loan and Grant Program Expansion Areas
- Downtown Hamilton Community Improvement Project Area
- Business Improvement Areas
- Niagara Escarpment

Note: The Main Street Housing Loan and Grant Program currently applies to the community downtowns of Ancaster, Birtsmoor, Dundas, Stoney Creek and Waterdown, in addition to the BIA’s illustrated on this map located outside of the Downtown Hamilton Community Improvement Project Area.

Scale: N.T.S
Date: July, 2007

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Proposed Main Street Housing Loan and Grant Program Expansion