



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.4.1
Halifax Regional Council
March 23, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

For Jenny Lugar, Chair, Heritage Advisory Committee

DATE: February 25, 2021

SUBJECT: **Case H00455: Heritage Conservation Districts Incentives Program for
Schmidtville and Old South Suburb**

ORIGIN

February 24, 2021 special meeting of the Heritage Advisory Committee, Item 11.1.

LEGISLATIVE AUTHORITY

Heritage Property Act, R.S.N.S. 1989, c. 199

- 17 (1) Municipal heritage property shall not be substantially altered in exterior or public-building interior appearance or demolished without the approval of the municipality.
- (2) An application for permission to substantially alter the exterior or public-building interior appearance of or demolish municipal heritage property shall be made in writing to the municipality.
- (3) Upon receipt of the application, the municipality shall refer the application to the heritage advisory committee for its recommendation.
- (4) Within thirty days after the application is referred by the municipality, the heritage advisory committee shall submit a written report and recommendation to the municipality respecting the municipal heritage property.
- (5) The municipality may grant the application either with or without conditions or may refuse it.
- (6) The municipality shall advise the applicant of its determination.

RECOMMENDATION

The Heritage Advisory Committee recommends that Halifax Regional Council adopt Administrative Order (2020-005-ADM) Respecting the Heritage Conservation Districts Incentives Program for Schmidtville and Old South Suburb as contained in Attachment A of the February 19, 2021 report.

BACKGROUND

The Heritage Advisory Committee received a staff recommendation report dated February 19, 2021, at a February 24, 2021 special meeting of the Committee respecting Case H00455.

For further information on the background of this item, refer to the staff report dated February 19, 2021.

DISCUSSION

The Heritage Advisory Committee reviewed the February 19, 2021 staff report and received a staff presentation at a February 24, 2021 special meeting.

Following a discussion of the item, the Committee approved the recommendation as outlined in the "Recommendation" portion of this report. The Heritage Advisory Committee approved the staff recommendation outlined above.

For further discussion on this item, refer to the staff report dated February 19, 2021 (Attachment 1) and draft minutes from the February 24, 2021 special meeting of the Committee respecting Case H00455 (Attachment 2).

FINANCIAL IMPLICATIONS

Refer to the staff report dated February 19, 2021.

RISK CONSIDERATION

Refer to the staff report dated February 19, 2021.

COMMUNITY ENGAGEMENT

Members of the public are permitted to submit correspondence and petitions to be circulated to the Committee. The agenda, reports, and minutes of the Heritage Advisory Committee are posted on Halifax.ca. For further information on Community Engagement as it relates to this item, refer to the staff report dated February 19, 2021.

ENVIRONMENTAL IMPLICATIONS

Refer to the staff report dated February 19, 2021.

ALTERNATIVES

The Committee did not discuss alternatives. Refer to the staff report dated February 19, 2021.

ATTACHMENTS

Attachment 1 – Staff Recommendation Report dated February 19, 2021

Attachment 2 – Extract from the draft minutes from the February 24, 2021 special meeting of the Committee respecting Case H00455.

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Simon Ross-Siegel, Legislative Assistant, Office of the Municipal Clerk, 902.490.6519



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Attachment 1
Heritage Advisory Committee
Special Meeting
February 24, 2021

TO: Chair and Members of the Heritage Advisory Committee

SUBMITTED BY: *-Original Signed-*

Kelly Denty, Executive Director, Planning and Development

-Original Signed-

Jacques Dubé, Chief Administrative Officer

DATE: February 19, 2021

SUBJECT: **Case H00455: Heritage Conservation Districts Incentives Program for
Schmidville and Old South Suburb**

ORIGIN

On July 17, 2018, Halifax Regional Council passed the following motion:

THAT Halifax Regional Council adopt the amendments to the Municipal Planning Strategy for Halifax and the Land Use By-law for Halifax Peninsula, as contained in Attachment C of the staff report dated March 6, 2018 and Attachment D of the supplementary staff report dated May 24, 2018, and the Schmidville Heritage Conservation District Plan and the Schmidville Heritage Conservation District By-law (H-700) as contained in Attachments A and B of the staff report dated March 6, 2018.

On January 14, 2020, Halifax Regional Council passed the following motion:

That Halifax Regional Council adopt the:

- 1. Old South Suburb Heritage Conservation District Plan and the Old South Suburb Heritage Conservation District By-law H-800 as contained in Attachments A and B of the staff report dated September 25, 2019.*

LEGISLATIVE AUTHORITY

Heritage Property Act, R.S.N.S., 1989, c. 199, section 22:

“Financial Assistance 22(1) ...council may provide financial assistance in respect of municipal heritage property or property located in a heritage conservation district to any person to assist in the restoration or renovation of such property upon such terms and conditions as the ... council, as the case may be, deems fit.”

RECOMMENDATION ON PAGE 2

HRM By-law No. H-200 - Heritage Property By-law

4. The [Heritage Advisory] Committee shall, within the time limits prescribed by Council or the [Heritage Property] Act, advise the Region respecting:

.....

- (n) financial incentives to heritage properties;

RECOMMENDATION

It is recommended that the Heritage Advisory Committee recommend that Halifax Regional Council adopt Administrative Order (2020-005-ADM) Respecting the Heritage Conservation Districts Incentives Program for Schmitdville and Old South Suburb as contained in Attachment A of this report.

BACKGROUND

Regional Council adopted the Schmitdville Heritage Conservation District (HCD) in 2018 and the Old South Suburb HCD in 2020. Both HCD plans include policy for Regional Council to consider a financial incentives program to encourage and support conservation work on buildings within these districts.

These plans include policies, which seek to encourage private property owners and non-profit organizations interested in carrying out conservation work on their heritage buildings. These policies seek to prioritize revitalization projects, especially rehabilitation work.

HRM Heritage Incentives Program

HRM's Heritage Incentives Program provides grants to registered municipal heritage properties in residential or commercial use throughout the region on a 50 per cent cost-shared basis, up to a maximum of \$15,000 for residential uses and \$25,000 for commercial uses. Since 2003, a total of 50 applications were made to this grant program for properties within the boundaries of the Schmitdville and Old South Suburb HCDs comprising a municipal contribution of \$284,307 in support of conservation work. As a cost-shared program that typically results in a 4 to 1 ratio of private to public investment, this figure represents a total private contribution of more than \$1 million in the exterior conservation of the registered heritage buildings within both HCDs over the past 16 years.

Barrington Street HCD Heritage Incentives Program (2009-2019)

Between 2009 and 2019, the Barrington Street Heritage Incentives Program supported the restoration and renovation of buildings located within the Barrington Street Heritage Conservation District boundaries to revitalize the commercial blocks on the street. The results of the incentives program are evident, with many buildings and storefronts on the street having been recently revitalized and restored. The program awarded \$1.36 million in grants and \$2.57 million in tax credits (total of \$3.9 million) for the conservation and rehabilitation of 23 heritage buildings over the life of the program. Grants were awarded on a 50% cost-sharing basis for eligible costs, while tax credits were calculated based on 15% of the value of eligible work, excluding HST for both. The average annual grant awarded in the last five years of this program was \$231,524 and the average annual tax rebate awarded was \$392,978 for a total average annual incentive award of \$642,502. The proposed Schmitdville and Old South Suburb incentive program is seeking a similar overall budget, but divided among many more properties, the majority of which are smaller residential or commercial buildings with comparatively smaller conservation costs.

During the eleven-year period from January 1st, 2009 to December 31st, 2019, a total of 207 construction permits were processed by HRM for a total value of \$47.7 million of private investment within the boundaries of the Barrington Street HCD. The financial incentives awarded represent only 8 per cent of the total private investment in this HCD over the past decade.

Public Investment in Heritage Conservation Programs

Financial Incentives for HCDs

In 2017, HRM retained Turner Drake & Partners Ltd. to carry out a study to identify factors that affect investment in heritage buildings, including an explanation of how specific financial incentives could encourage investment in heritage conservation within the two HCDs. The study acknowledged that significant benefits are generated by conserving built heritage.

Public financial incentives are an effective means of promoting conservation. The study recommends a combination of preferential tax treatment and direct funding to incentivise retention, renovation and maintenance of heritage buildings in the two HCDs. Tax credits create a strong economic force for development projects to retain and conserve heritage resources. Grants tend to support smaller-scale property maintenance and conservation projects geared primarily towards the needs of individual residential properties.

Estimated Cost of Conservation Work

In 2018, HRM hired DSRA Architects to carry out a study that provided an opinion of probable costs associated with repair work necessary to bring 144 heritage buildings within the Schmidville HCD from a poor or fair condition to a good condition. The study found that the necessary repair work on the exterior of the buildings totalled approximately \$4.2 million or \$29,000 for each building on average. Most of these buildings are from the mid-19th century and the majority were originally the homes of tradespeople, which are generally modest in scale. However, there are some grand masonry homes as well as some elegant wooden Victorian homes around the perimeter of the Schmidville HCD.

The study also examined 59 heritage buildings within the Old South Suburb HCD and found that the necessary repair work to bring the exterior of the heritage buildings to a good condition totalled approximately \$2.2 million or \$37,000 for each building on average. These buildings are generally larger than the buildings in Schmidville, constructed of masonry or wood from the 19th century and associated with significant individuals.

DISCUSSION

Best management practices in heritage planning maintain that any policy for protection of historic buildings be accompanied by a policy for revitalization¹. If private property owners are required to protect their properties, then financial incentives should be available to assist and encourage owners to conserve their properties.

To achieve this goal, Council should adopt a five-year financial incentive program that supports property owners within the Schmidville and Old South Suburb HCDs. This will encourage property owners to renovate and maintain their buildings. Staff have prepared an Administrative Order (see Attachment A) that creates such an incentive program for these two HCDs, which is based upon experiences with the Barrington Street Heritage Incentives Program, HRM's Heritage Incentives Program, and the results of the DSRA studies prepared for the Schmidville and Old South Suburb HCDs.

To establish a new incentive program, staff first utilized the studies by DSRA Architects (2018) on the probable conservation costs to bring heritage buildings within both HCD's to a good condition. The study determined that the necessary repair work on the exterior of the heritage buildings within both HCDs was approximately \$4.2 million in Schmidville and \$2.2 million in the Old South Suburb (Total \$6.4 million).

To support this vital exterior work, staff are proposing conservation grants to be cost shared with private property owners at 50% before HST, like the former Barrington Street HCD process. Therefore, \$3.2

¹ *Legal and Financial Aspects of Architectural Conservation*, by M. Denhez and S.N. Dennis, 1997

million would be required to cover half the cost of the \$6.4 million estimated investment needed for the exterior conservation work in both HCDs.

The program also aims to support functional improvements to all buildings within the two HCDs due to their age and current condition, like the Barrington Street HCD. Functional improvement grants will cover up to 15% of the costs of eligible work including the upgrading of plumbing, heating, and electrical systems and accessibility retrofits to meet current building code requirements. Therefore, staff is recommending that \$800,000 be made available to support functional improvements grants, above the \$3.2 million required to support conservation grants.

While the minimum amount of the total proposed funding dedicated to functional improvement grants for each year of the program is \$160,000, it is also proposed that any unused conservation grant funding will be used to expand the annual functional improvement grant budget. As conservation grants are limited to a maximum of \$50,000 per property, functional improvement grants can be used to support larger projects by allowing individual applications up to \$800,000.

The proposed new incentive program would result in a total municipal investment of \$4 million dollars over five years which translates to an annual financial commitment of \$800,000. A summary of the proposed incentive program is broken down as follows:

- \$4 million-dollar municipal investment over a five-year period split between Conservation and Functional Improvement Grants;
 - Conservation Grants: assist with projects that preserve, rehabilitate and restore character defining elements of the exterior of heritage buildings as follows:
 - 80% of the annual program budget is to be allocated to conservation grants;
 - \$640,000 in annual grants for exterior conservation work, cost-shared at 50 per cent with private property owners; and
 - maximum total conservation grant allowable for each building is \$50,000 over the five-year program.
 - Functional Improvement Grants: assist with projects that propose the installation or repair of integral building systems, including work that would bring these systems up to current building code requirements or improve their energy efficiency (including plumbing, heating, electrical, etc.):
 - 20% of the annual program budget is to be allocated to functional improvement grants;
 - \$160,000 would be available to property owners annually to cover 15 per cent of costs associated with material and labour for upgrades to building systems, including interior work such as plumbing, electrical, HVAC, etc.;
 - any unused funds of the annual budget allocated for conservation grants shall be applied to the functional improvement grants; and
 - maximum total functional improvement grant allowable for each building is \$400,000 per fiscal year and \$800,000 over the five-year program.
- Process:
 - Applications will be accepted between January 1st and March 1st of each year, with the exception of the 2021/22 fiscal year;
 - Projects must be completed within a four-year timeframe;
 - Priority will be based on a set of criteria, including buildings identified as heritage resources, conservation of publicly visible features and buildings in poor condition; and
 - Development and Building Permit fees are proposed to be waived within the District during the timeframe of the program. This will require an amendment to HRM By-law B-201, respecting the Building Code, which is currently being prepared by staff for consideration by Regional Council.

Eligibility Criteria Exception for 1320 Queen Street, Halifax

1320 Queen Street is a heritage property within the Schmidville Heritage Conservation District (HCD) that was purchased by the current owner in 2016, during the early stages of establishing the Schmidville HCD. An independent architectural assessment of the building’s condition determined that this non-registered heritage building was in very poor condition. Although the property owner had the legal ability to demolish the building, they chose to rehabilitate it and create an integrated development on the site that would conform to the draft HCD By-law and design guidelines at the time of construction. In 2019, the property owner made a formal request through the area Councillor, that an exception be considered to retroactively include any restoration work completed on his property between April 1st, 2019 and March 31st, 2021 within the proposed incentives program. Upon review by staff, the work proposed is consistent with the Schmidville Design Manual and the land use by-law, and a certificate of appropriateness and development permit have been issued for the proposed work. The required grant application for this property shall be subject to all other applicable requirements. This exception is addressed in Attachment A.

Conclusion

Policies within both the Schmidville and Old South Suburb HCD plans call for the provision of financial incentives to support the conservation and revitalization of these two significant heritage districts. In this case, staff are proposing an investment of \$4 million dollars over a five-year period, which is similar to the level of investment provided through the previous Barrington Street HCD program. These incentives, together with the land-use regulations implemented as a result of the HCD plans will help achieve the objective of supporting the traditional character of these areas, while encouraging private investment in rehabilitation, energy efficiency retrofits and building code compliance.

Based on the positive results of the annual heritage grants and the previous Barrington Street incentives, staff fully expect that this proposed new incentive program will encourage a level of private investment that is several times greater than the program budget. While this program is intended to provide a temporary, robust investment in the adaptive-reuse of buildings and address deferred maintenance.

FINANCIAL IMPLICATIONS

Staff are proposing that the Heritage Conservation Districts Incentives Program for Schmidville and Old South Suburb HCDs provide a \$4 million-dollar investment spread over five years. This represents an \$800,000 investment each fiscal year, for a total of five years. Waiving of development and building permit fees will also have a marginal impact on the revenue that HRM generates but it serves to incent development and conservation projects in the two HCDs. Fee exemptions for properties within these 2 heritage conservations districts will be brought to Council’s attention in a future report.

Planning and Development has accommodated \$550,000 of the program cost within it’s operating budget envelope and is included in the proposed 2021/22 operating budget. Planning and Development will be seeking the additional \$250,000 required for the desired level of investment of \$800,000, as an “over” ask, as part of the 2021/22 operating budget deliberations.

The 4-year estimated financial implications are summarized as follows:

Fiscal Year	2021/22	2022/23	2023/24	2024/25
Operating – Program Cost	\$800,000	\$800,000	\$800,000	\$800,000
Operating – C430 Proposed 21/22 Operating budget	\$550,000	\$550,000	\$550,000	\$550,000
Operating – Request for additional program funds	\$250,000	\$250,000	\$250,000	\$250,000

All other HRM costs associated with this program can be accommodated within operating budgets, subject to annual budget approval.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report.

COMMUNITY ENGAGEMENT

The community engagement process has completed all requirements of the Public Participation Program approved by Regional Council for the adoption of heritage conservation districts in Schmitdville and in the Old South Suburb. In accordance with this program, the municipality established stakeholder steering committees for both districts and held a series of meetings to review the community engagement process, issue and opportunity identification, draft policies, regulations and program elements. The community engagement processes included public meetings, community surveys, and several community workshops to discuss issues and opportunities, including financial incentives. Feedback from these community engagement activities served to shape the content of the Administrative Order respecting the Heritage Conservation Districts Incentives Program.

ENVIRONMENTAL IMPLICATIONS

The Administrative Order respecting the Heritage Conservation Districts Incentives Program for Schmitdville and Old South Suburb HCDs supports conservation and adaptive reuse projects for existing buildings, which conserves more energy than the alternative of demolition and reconstruction projects. The program also supports investments in energy efficiency improvements of older buildings.

ALTERNATIVES

1. The Heritage Advisory Committee may recommend that Halifax Regional Council adopt Administrative Order (2020-005-ADM) respecting the Heritage Conservation Districts Incentives Program for Schmitdville and Old South Suburb HCDs with changes.
2. The Heritage Advisory Committee may recommend that Halifax Regional Council refuse to adopt Administrative Order (2020-005-ADM) respecting the Heritage Conservation Districts Incentives Program for Schmitdville and Old South Suburb HCDs.

ATTACHMENTS

Attachment A: Administrative Order (2020-005-ADM) Respecting A Financial Incentives Program for the Schmitdville and Old South Suburb Heritage Conservation Districts

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Seamus McGreal, Planner III, 902.717.1568

Attachment A

HALIFAX REGIONAL MUNICIPALITY
ADMINISTRATIVE ORDER NUMBER 2020-005-ADM
RESPECTING A FINANCIAL INCENTIVES PROGRAM FOR THE SCHMIDTVILLE AND OLD
SOUTH SUBURB HERITAGE CONSERVATION DISTRICTS

WHEREAS pursuant to *Heritage Property Act*, RSNS 1989, c. 199, the Council of the Halifax Regional Municipality may provide financial assistance in respect of property located in a heritage conservation district to any person to assist in the restoration or renovation of such property upon such terms and conditions as the Council deems fit;

BE IT RESOLVED AS AN ADMINISTRATIVE ORDER of the Council of the Halifax Regional Municipality as follows:

Short Title

1. This Administrative Order may be cited as Administrative Order Number 2020-005-ADM, the *Incentives Program for Schmitdville and Old South Suburb HCDs*.

Purpose

2. This Administrative Order establishes a financial incentives program that provides financial assistance to property owners in the Schmitdville HCD and Old South Suburb HCD to support the conservation of contributing heritage resources and the revitalization of all existing buildings in the districts.

Interpretation

3. In this Administrative Order,
- a. “applicant” means the owner, or the representative of the owner, of a contributing heritage resource or an existing building;
 - b. “Building Code” means the *Building Code Act*, RSNS 1989, c. 46 and its regulations, as amended;
 - c. “Certificate of Appropriateness” has the same meaning of “certificate” as set out in the *Heritage Property Act*;
 - d. “contributing heritage resource” means a property identified as a contributing heritage resource on Map 2 in the Schmitdville Heritage Conservation District Plan or Map 1 in the Old South Suburb Heritage Conservation District Plan as amended from time to time;
 - e. “Council” means the Council of the Municipality;

- f. “existing building” means a property located in the Old South Suburb HCD or the Schmidville HCD that existed on [date of adoption of this Administrative Order];
- g. “Fire Code” means the Fire Code adopted pursuant to the *Fire Safety Act*, SNS 2002, c 6, as amended;
- h. “fiscal year” means the period from April 1st in one year to March 31st in the following year, including both dates;
- i. “Heritage Advisory Committee” means the committee established pursuant to By-Law H-200, the *Heritage Property By-law*;
- j. “Heritage Property Act” means the *Heritage Property Act* RSNS 1989, c199, and its regulations, as amended;
- k. “Municipality” means the Halifax Regional Municipality;
- l. “Old South Suburb HCD” means the heritage conservation district established by Regional Council in accordance with the *Heritage Property Act* through the Old South Suburb Heritage Conservation District Plan and By-law;
- m. “program” means the financial incentives program established by this Administrative Order;
- n. “Schmidville HCD” means the heritage conservation district established by Regional Council in accordance with the *Heritage Property Act* through the Schmidville Heritage Conservation District Plan and By-law.

Financial Incentives Program

- 4. The two categories of financial assistance administered by this program are:
 - a. A conservation grant applicable to projects that preserve, rehabilitate, and restore character defining elements of the exterior of contributing heritage resources; and
 - b. A functional improvement grant applicable to projects that improve the overall quality of existing building systems.

- 5. Subject to annual budgetary approval by Council, financial assistance may be approved through this program for five fiscal years, beginning with fiscal year 2021-2022 and ending in fiscal year 2025-2026.

Eligibility

6. Subject to Section 7, existing buildings and contributing heritage resources located within the Schmidville HCD and Old South Suburb HCD are eligible for consideration for financial assistance pursuant to this Administrative Order.

Ineligibility

7. An existing building or contributing heritage resource is ineligible for financial assistance pursuant to this Administrative Order if it is:
 - a. currently under investigation or prosecution for violations of any law or regulation, including, but not limited to: land-use, Building Code, Fire Code, or *Heritage Property Act* violations;
 - b. subject to an order to comply under any law or regulation; or
 - c. subject to any liens or property taxes outstanding, unless the amounts owing are part of a payment program of the Municipality.

Application Requirements

8. Subject to Section 9, applications will be accepted between January 1st and March 1st immediately preceding each fiscal year of the program.
9. In the 2021-2022 fiscal year, applications will be accepted prior to June 1st, 2021.
10. Applications may be submitted by mail, in person or by e-mail. The address for submission of applications will be posted on www.halifax.ca prior to each intake period.
11. Applications shall include:
 - a. a completed and signed application form;
 - b. recent photographs of all sides of the existing building or contributing heritage resource, including detailed photographs of the areas of work where the financial incentive is intended to apply; and
 - c. two professional contractor estimates for all proposed work and materials.
12. Upon request of the Municipality, applicants may also be required to submit:
 - a. design documents prepared by a professional architect or engineer, including plans, elevation drawings, and technical specifications for all aspects of the proposed work and materials;

- b. itemized breakdown of costs distinguishing between grant eligible and grant ineligible work and materials, in accordance with the eligibility criteria listed in this Administrative Order;
 - c. a completed and signed application for a Certificate of Appropriateness; and
 - d. where the applicant is a condominium corporation, a resolution from the board of the condominium corporation formally approving the submission of the application and evidencing an understanding of the conditions of this program.
13. Separate applications shall be made for each existing building or contributing heritage resource.
14. No more than one application per fiscal year shall be submitted in respect of any existing building or contributing heritage resource.
15. If an application has not been received on or before the application deadline set out herein, it will not be reviewed or considered.

Conservation Grant

16. For a contributing heritage resource, the following labour and materials are eligible for consideration for a conservation grant:
- a. conservation projects that preserve, rehabilitate, and restore character defining elements of the building exterior in accordance with the Standards and Guidelines for the Conservation of Historic Places in Canada, 2nd Edition;
 - b. conservation of historic outbuildings or landscape features, such as fences, walls or gates which form part of the original heritage value of the contributing heritage resource based on documentary or physical evidence;
 - c. costs associated with providing energy efficiency and renewable energy improvements to the contributing heritage resource based on an energy assessment report, that do not impact the exterior or structural integrity of the contributing heritage resource, including repairs and renovations to existing building envelope, windows, and doors;
 - d. costs associated with the installation of structures or equipment intended to achieve the accessibility requirements of the Building Code, including ramps and accessible entryways; and
 - e. for contributing heritage resources located within the Old South Suburb HCD only, the installation of special effects lighting to highlight character defining elements of the contributing heritage resources at night.

17. For an existing building, the following labour and materials are eligible for consideration for a conservation grant:

- a. maintenance and installation of wood and masonry materials on the exterior of the building;
- b. asbestos abatement, including identification and removal of material containing asbestos; and
- c. painting of wooden elements on the exterior of the building.

18. The following labour and materials are ineligible for a conservation grant:

- a. subject to the exception provided for in Section 41, work that has been commenced or completed prior to submission of the application;
- b. additions to buildings that are not part of a restoration project as defined under the Standards and Guidelines for the Conservation of Historic Places in Canada, 2nd Edition;
- c. modern materials such as vinyl or aluminium clad windows, steel doors, vinyl siding, wood composites, or Exterior Insulation Finishing System (EIFS) cladding;
- d. proposed work that is not in compliance with the Building Code; and
- e. labour undertaken by the property owner.

19. A conservation grant is awarded on a fifty percent (50%) cost-sharing basis for eligible costs, exclusive of HST. The maximum conservation grant allowable per fiscal year is fifty thousand (\$50,000) dollars.

20. Applicants may apply for one conservation grant each intake period per contributing heritage resource or existing building and may receive a maximum of two conservation grants per contributing heritage resource or existing building over the lifetime of the program. The maximum cumulative value of conservation grants over the lifetime of the program is fifty thousand dollars (\$50,000.00) per contributing heritage resource or existing building.

Functional Improvement Grant

21. For a contributing heritage resource, the following labour and materials are eligible for consideration for a functional improvement grant:

- a. conservation work on the building exterior which meets the eligibility requirements for a conservation grant, but exceeds the conservation grant \$50,000 maximum; and

- b. conservation of historic interior features or finishes located in common, accessible circulation areas, which will be evaluated for consistency with the *Standards and Guidelines for the Conservation of Historic Places in Canada, 2nd Edition*.

22. For existing buildings, the following labour and materials are eligible for consideration for a functional improvement grant:

- a. exterior elements including cladding, trim, windows, doors, and roofing, which may include contemporary design and materials approved under the applicable Heritage Conservation District Bylaw;
- b. energy efficiency improvements; and
- c. renovations, including the following when installed in accordance with the Building Code:
 - (i) plumbing to provide capped hot and cold water and sewer connections within the building shell and structure, including demising walls and roughed in plumbing to residential units, but not including water and sewer extension inside commercial tenant spaces beyond demising walls;
 - (ii) provision of roughed-in electrical and telecommunications wiring within the building shell and structure and demising walls, including roughed-in wiring inside residential and commercial units;
 - (iii) HVAC distribution system with diffusers in all common areas, unpartitioned commercial spaces, and residential units in the building;
 - (iv) sprinklers and fire alarms to provide a complete system, in all common areas, unpartitioned commercial spaces, and residential units in the building;
 - (v) interior structural repairs and improvements to the building, including those required for support of approved additions;
 - (vi) interior renovation of the building shell and structure, including demising walls between tenant spaces; and
 - (vii) renovation of common interior circulation areas including lobbies, hallways, stairs, common washrooms, and elevators to a finished condition, including fixtures and finishes.

23. The following labour and materials are ineligible for a functional improvement grant:

- a. subject to the exception provided for in Section 41, work that has been commenced or completed prior to submission of the application;

- b. additions to buildings that are not part of a restoration project as defined under the Standards and Guidelines for the Conservation of Historic Places in Canada, 2nd Edition;
- c. proposed work that is not in compliance with the Building Code; and
- d. labour undertaken by the property owner.

24. A functional improvement grant is awarded on a fifteen percent (15%) cost-sharing basis for eligible costs, exclusive of HST. The maximum functional improvement grant allowable per fiscal year is four hundred thousand (\$400,000) dollars.

25. Applicants may apply for one functional improvement grant each intake period per contributing heritage resource or existing building and may receive a maximum of two functional improvement grants per contributing heritage resource or existing building over the lifetime of the program. The maximum cumulative value of functional improvement grants over the lifetime of the program is eight hundred thousand dollars (\$800,000.00) per contributing heritage resource or existing building.

Annual Program Budget

26. Subject to Section 27, eighty percent (80%) of the annual program budget shall be allocated to conservation grants and twenty percent (20%) of the annual program budget shall be allocated to functional improvement grants.

27. In the event the annual program budget allocated for one category of financial assistance cannot be fully expended, the remaining budget for that category of financial assistance shall be reallocated to fund the other category of financial assistance.

Application Review Process

28. All applications shall be reviewed by staff for eligibility.

29. Applicants shall be notified if their application is ineligible.

30. Applications will be evaluated using:

- a. the project prioritization criteria set out in Appendix A;
- b. the Heritage Design Guidelines of By-law H-700 for contributing heritage resources and existing buildings in the Schmdtville HCD and the Heritage Design Guidelines of By-law H-800 for contributing heritage resources and existing buildings in the Old South Suburb HCD respectively; and
- c. Standards and Guidelines for the Conservation of Historic Places in Canada, 2nd Edition .

31. Staff shall prepare a report with recommendations for consideration by the Heritage Advisory Committee.
32. The Heritage Advisory Committee shall review the staff report, and provide recommendations to Regional Council.
33. Final approval of all applications for financial assistance, and their amount, is a decision of Regional Council. Regional Council may:
 - a. approve the application;
 - b. approve the application with conditions;
 - c. approve the application to be placed on a waiting list to be administered by staff in accordance with funds available in the program budget; or
 - d. refuse the application.
34. Notification of the decision of Regional Council shall be mailed to applicants.

Issuance of Financial Incentives

35. The amount of the financial incentive shall be the amount approved by Regional Council or the amount supported by receipts and paid invoices, whichever is less.
36. Payment of the financial incentive is conditional on:
 - a. satisfactory completion of approved work in accordance with approved plans, specifications, and all applicable code requirements, including Building Code and Fire Code, and free of deficiencies;
 - b. final inspection by Municipality staff in consultation with the applicant or project manager;
 - c. photographic documentation of completed work;
 - d. submission by the Applicant to the Municipality of digital copies of all receipts and paid invoices associated with the approved work, and such documents shall be organized by type of work and presented in a manner that supports efficient review by Municipality staff;
 - e. issuance of all applicable permits, where required; and

f. for existing buildings or contributing heritage resources in receipt of financial incentives under this program which, individually or cumulatively, equal or exceed a value of \$50,000, issuance is conditional on the owner:

(i) entering into an agreement that provides:

(A) the owner will not apply for demolition or demolish the building to which the grant is applied for within twenty years from the date of execution of the agreement;

(B) the owner will maintain insurance against normal perils that are coverable on an all risk policy basis, including fire, in an amount equal to the replacement cost of the building; and

(C) the agreement shall run with the property; and

(ii) registering the executed agreement at the Land Registration Office prior to the deadline for project completion.

37. Projects shall be commenced in the fiscal year within which they are approved. The deadline for project completion and the submission of receipts and paid invoices, and, where applicable, the registration of an agreement, is three years from the last day of the fiscal year (March 31st) in which the project was approved.

38. Payment will be made no later than 90 days after satisfactory completion of the conditions listed in Section 36.

39. The applicant shall notify the Municipality of any changes to the approved work prior to it being undertaken and shall not proceed with the work without supplementary approval.

Permit Fee Waivers

40. Provided By-law B-201, the *Building By-law*, permits the waiver, fees for any Development Permit or Building Permit shall be waived within the Schmitville HCD and the Old South Suburb HCD but shall not apply to other development related fees or for demolition or de-registration of a building.

Exception

41. The contributing heritage resource located at 1320 Queen Street (PID #40177958), Halifax, is eligible for consideration for one conservation grant and one functional improvement grant for work commenced after April 1st, 2019 and completed prior to March 31st, 2021 without the requirement for two professional contractor estimates for all proposed work and materials.

42. Applications for the contributing heritage resource located at 1320 Queen Street (PID #40177958), Halifax shall be considered in accordance with all other applicable requirements of this Administrative Order.

General

43. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Regional Council's general discretion to provide financial assistance under the *Heritage Property Act*, or otherwise.

Done and passed in Council this day of , A.D. 20____.

Mayor

Municipal Clerk

APPENDIX A
Prioritization Criteria for Conservation Grant and Functional Improvement Grant

Criterion	Score	
Is the building identified in the application as a contributing heritage resource?	If no: no point	If yes: 1 point
Is this a first-time application?	If no: no point	If yes: 1 point
Is the application supported by a Building Conservation Plan prepared by an architect, or other qualified restoration professional which reasonably illustrates all work required for the building?	If no: no point	If yes: 1 point
Does the application propose preservation of structural building components, especially foundation and roof repairs, rather than cosmetic improvements?	If no: no point	If yes: 1 point
Is the application with respect to a rehabilitation or restoration project that improves the integrity of a building by introducing or revealing a more compatible building component through repair or alterations?	If no: no point	If yes: 1 point
Does the application propose conservation of features visible to the public?	If no: no point	If yes: 1 point
Is the application submitted as one of two or more applications for attached buildings on abutting properties?	If no: no point	If yes: 1 point
Is the application with respect to a building that is in poor condition and at greater risk of deterioration or loss?	If no: no point	If yes: 1 point
Total Points:		

These minutes are considered draft and will require approval by Heritage Advisory Committee at a future meeting.

**Heritage Advisory Committee Meeting
Draft Minutes
February 24, 2021**

11. ADDED ITEMS

11.1 Case H00455: Heritage Conservation Districts Incentives Program for Schmidville and Old South Suburb

The following was before the Committee:

- A staff recommendation report dated February 19, 2021
- A staff presentation dated February 24, 2021

Seamus McGreal, Planner III, Heritage Planning provided the presentation.

The Heritage Conservation District (HDC) Plans include policy which allow for the consideration of a financial incentive program; Policy 24 in the Schmidville Plan and Policy 18 in the Old South Suburb Plan. McGreal reviewed the existing incentive programs: HRM Heritage Incentives Plan and Barrington Street HCD Incentives Program and their effectiveness and value. In 2017 Turner Drake conducted a study on the various types of public investment in Heritage Conservation. It concluded that the use of Grants and Tax Relief were the most effective approaches. DSRA Architects also completed a study on the estimated repair costs to address buildings in poor or fair condition in these two districts.

The proposed HDC Incentive Program would include both a Conservation Grant for exterior conservation that would be cost shared at 50% as well as a Functional Improvement Grant for building retrofits aimed at supporting larger rehabilitation projects with a 15% cost sharing program. McGreal reviewed the program costs and budgets for these 5-year programs, noting an allocation of 80% of the budget for Conservation Grants and 20% for Functional Improvement Grants. It was noted that unused funds in any given year for Conservation Grants will be transferred over to the Functional Grants. The process for the program was reviewed. It is being proposed that Development and Building Permit fees would be waived during the timeframe of the program.

MOVED by Cassandra Baccardax, seconded by Luke Stock

THAT the Heritage Advisory Committee recommend that Halifax Regional Council adopt Administrative Order (2020-005-ADM) Respecting the Heritage Conservation Districts Incentives Program for Schmidville and Old South Suburb as contained in Attachment A of the February 19, 2021 report.

The Committee provided positive feedback about the program and appreciated the research and methodology used. McGreal noted that the Centre Plan contains policy language which supports new Heritage Conservation Districts. Incentive programs will follow, and these programs may evolve to a general program for all districts. It was confirmed that there would be a marketing and communication plan to support the program. It will likely follow what is used in the General Program which includes: program announcements, post cards and social media. There is an opportunity to share completed projects in the communication plan to support the program.

MOTION PUT AND PASSED.

12. DATE OF NEXT MEETING – March 24, 2021

13. ADJOURNMENT

The meeting adjourned at 4:50 p.m.

Sharon Chase
Legislative Support