



Subject: *Heritage Incentive Program*
To: CAO for Planning Advisory Committee, November 21, 2023
Date Prepared: November 8, 2023
Related Motions: None
Prepared by: Rachel Gilbert, Manager of Planning
Approved by: John Woodford, Director of Planning & Development

Summary

Staff are recommending amendments to the Heritage Incentive Program to increase the amount of money available to heritage property owners and to include commercial properties in the list of eligible properties. A jurisdictional scan has been undertaken identifying these changes are in line with other municipalities.

Financial Impact Statement

Staff propose an increase from the \$12,000 which has been budgeted for this grant program in this current and previous years to \$30,000 for the 2024/25 fiscal year which is an increase of \$18,000. No changes are proposed to increase this budget in the current 2023/24 fiscal year.

Recommendation

That changes be made to the heritage incentive program to increase the maximum amount of grant from \$2,000 to \$5,000 and to enable commercial properties to be eligible.

Recommended Motions

To be considered at the November 21, 2023 Policy Meeting:

Move that the Planning Advisory Committee, acting as Heritage Advisory Committee, recommend to Council, that Council gives notice of intent to approve the amendments to the Heritage Incentive Program Policy as outlined in the staff report dated November 8, 2023.

To be considered at the November 29, 2023 Regular Meeting of Council:

Move that the Planning Advisory Committee, acting as Heritage Advisory Committee, recommend to Council, that Council approves the amendments to the Heritage Incentive Program Policy as outlined in the staff report dated November 8, 2023.

Background

Beginning in April 2016, heritage property owners were able to apply for a grant to cover 50% of the costs of improvements to their heritage property, up to a maximum of \$2,000. Since 2016 there have been some minor amendments to the incentive program the most notable of which was an amendment regarding the de-registration or demolition of a heritage building within 3 years of receiving financial support through the grant program.

Eligible applicants are all owners of municipally registered heritage properties and all owners of properties located within the Maitland Heritage Conservation District. The following are not eligible for the heritage incentive grant:

- Government owned properties, except where the property is leased to a registered non-profit society which is partially or totally responsible for building maintenance;
- Properties within the Maitland Heritage Conservation District that were built in 1940 or later; and
- Properties which are assessed entirely for commercial purposes under the Assessment Act of Nova Scotia, unless the property is owned by a registered non-profit society.

The Heritage Incentive Program has been successful in enabling repairs or improvements to the exterior of heritage properties throughout the municipality. From 2016 to March 2023 a total of 31 heritage incentive grants have been provided. Just over 50% of the grants (total 16) have been provided to community groups/not-for-profit/churches. Almost \$60,000 has been provided to heritage property owners during this time period.

The majority of the grants have been provided for work to properties in or nearby the community of Maitland which is due to the large concentration of heritage properties in this area.

Between 2016 and March 2023 grants have been awarded for the following work:

- Re-painting - 8 grants
- Repair or new roofing material - 12 grants
- Windows - 8 grants
- One each for (a) work to the foundation, (b) headstone cleaning, and (c) professional study.

Other Jurisdictions

Planning staff undertook a jurisdictional scan of other municipalities in Nova Scotia to identify other Heritage Incentive Programs.

Halifax Regional Municipality (HRM)

HRM has two incentive programs relating to heritage properties (see below).

1. Financial Incentives Program - to support the restoration and renovation of buildings located within the boundaries of two of their Heritage Conservation Districts Old South Suburb HCD and the Schmidville HCD. All properties located in the HCD are eligible for the following two grants. However, if a property is not identified as a contributing heritage resource, the types of work which are eligible are limited.
 - Conservation Grants - 50% of the cost of materials and labour up to a maximum grant of \$50,000 to complete exterior conservation work.
 - Functional Improvement Grants - 15% of the cost for materials and labour up to a maximum grant of \$400,000 to install or repair integral building systems - bring systems up to code, improvements in their energy efficiency or improve accessibility.

- Heritage Incentives Program - grants and funding for municipally registered heritage properties. The program provides matching grants (50%) of up to \$15,000 for residential properties and \$25,000 for commercial properties to complete exterior conservation work.

Non-profit organizations and charities are not eligible for the Heritage Incentive Program but can apply through a community grant program for projects and these are not specific to heritage properties.

The Municipality of the District of Yarmouth

Program in effect for 5 years (2021 - 2026). The program offers a rebate for work to the exterior of the building for municipally registered properties.

The rebate per property per year is \$1,000. Applicants have the option of banking available rebates for up to 5 years to a maximum of \$5,000 per property over the 5 year period. The property owner does not have to match the amount offered by the municipality. A budget has been approved for each property owner to receive the maximum amount and is not processed on a first come first serve approach.

Grants are available only for work that will be carried out to the exterior of the building and that are necessary to either:

- Preserve the character defining elements
- Preserve the structural integrity of the building envelope
- Materials should be replaced with like materials. Alternative materials can be eligible if approved by the municipality.

Cape Breton Regional Municipality (CBRM)

All owners of municipally registered heritage properties and all owners of properties located within Heritage Conservation Districts, except: government owned properties unless leased by non-profit; properties within a Heritage Conservation District if it was built in 1940 or later.

The incentive is 50% of the cost of repairs or renovations to the exterior of the building up to a maximum of \$12,000 per property. For a roof replacement and/or repair, the maximum grant shall be 30% of the cost up to a maximum \$6,000. Work that is necessary to ensure the long-term viability of a structure may be considered for funding at a higher level in exceptional circumstances.

Municipality of Digby

The program runs from 2022-2026, Each Municipally Registered church is eligible to receive up to \$1,000 annually to support conservation work on exteriors and structural repairs. Church groups can bank the annual \$1,000 for future work that would need to be completed by March 2026.

Proposed Amendments to the Heritage Incentive Program

Planning staff have reviewed the current incentive program and are recommending some amendments.

Financial Incentive Amount

A financial incentive is a monetary benefit offered to encourage behaviour or actions which otherwise would not take place. Except for the 2022/23 fiscal year, the Heritage Incentive Program has not maxed out the amount budgeted, all other years there has been remaining money in the budget.

Staff consider that \$2,000 may not provide enough of an incentive to encourage owners of heritage properties to undertake maintenance work they were not already considering to undertake. One of the issues with

encouraging heritage property owners to undertake maintenance or improvement work to the outside of their buildings is that the cost for maintenance and improvement works has increased fairly significantly since 2016. A simple calculation using the Bank of Canada Inflation Calculator suggests an approximate 23% increase in costs in the consumer price index for Canada in the 7 years since the incentive grant program was introduced. The cost of maintaining all types of buildings has increased since 2016 and maintaining heritage buildings can also often be more expensive than non-heritage buildings due to the types of materials being used and the maintenance needs of those materials.

As can be seen from the jurisdictional scan there are a variety of financial amounts offered by the four different municipalities:

- HRM offers varying amounts with up to \$50,000 for properties in two of their conservation districts and \$15,000/\$25,000 for other heritage properties.
- CBRM offers up to \$12,000 or \$6,000 for work relating to a roof.
- The District of Yarmouth offer a rebate which does not need to be matched and is up to \$1,000 per year for 5 years.

Staff recommend that the financial incentive be increased from \$2,000 to \$5,000 per property owner. If Council approve this change the draft budget for 2024/25 will include an increase from \$12,000 to \$30,000 which will enable 6 grants at the maximum amount of \$5,000 be provided. At budget consideration time Council may decide not to increase the budget for this program and any outcome on this report does not prejudice the Council consideration of the budget.

Commercial Buildings

The Heritage Incentive Program currently excludes properties which are taxed entirely for commercial purposes. Commercial property owners experience the same challenges to maintaining their property as residential property owners. Staff recommend expanding the incentive program to include commercial properties. The intent of the Heritage Incentive Program is to improve the built heritage and expanding the program to include commercial properties will increase the potential for this goal to be achieved. For example, the Frieze and Roy store in Maitland is one of the most prominent buildings in this community but is currently ineligible.

As can be noted from the jurisdictional scan this is an approach taken in HRM, CBRM and the District of Yarmouth. In HRM the Heritage Incentive Program provides \$25,000 to commercial property owners compared to \$15,000 to residential property owners.

Policy Considerations

STRATEGIC ALIGNMENT

The 2021-2024 East Hants Strategic Plan identifies 'Strong Community' as one of the four areas of strategic focus. The value of heritage properties and the protection of those properties is that it helps to create a strong community where people feel a sense of pride.

LEGISLATIVE AUTHORITY

The Nova Scotia Heritage Property Act enables municipal council to 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.

FINANCIAL CONSIDERATIONS

If Council approve the increase to the heritage incentive grant staff will propose an increase to the budget for this grant program in the 2024/25 budget. The outcome of this report does not prejudice the budget process and Council could still decide not to increase the budget for the Heritage Incentive Program.

Alternatives

Planning Advisory Committee, acting as Heritage Advisory Committee could decide to recommend approval to either the increase to the amount of grant offered or enable the inclusion of the commercial properties into the program.

Attachments

- Appendix A - Proposed amended Heritage Incentive Program Policy.