



Heritage Building Rehabilitation Program Review

Date	March 9, 2022
To	Executive Committee
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	EX22-29

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve the amended Heritage Incentives Policy (Appendix A).
2. Direct Administration to initiate a call for applications, with funding and tax exemption recommendations returning to Council prior to October 2022.
3. Approve these recommendations at its meeting on March 16, 2022.

ISSUE

The City of Regina (City) continues to evolve its heritage conservation policies and programs to align with best practice and reflect the priorities of residents. A review of the Heritage Building Rehabilitation Program by Donald Luxton & Associates found opportunities to encourage increased conservation efforts, support neighbourhood character and promote greater public appreciation of heritage properties through expanded financial incentives and other program and policy changes.

This report focuses on several recommendations that are strongly aligned with public input to date and which Administration is prepared to implement immediately. There are other recommendations in the Review that require additional stakeholder engagement and implementation planning. Administration will report to Council on these additional recommendations in Q3, 2022.

IMPACTS

Financial Impacts

Additional ongoing resources for heritage conservation were approved in the 2022 Budget, and an additional request will be submitted in 2023 to bring funding for incentives in alignment with the consultant’s recommendations. The funding allocation is described in Table 1.

Table 1 – Financial impact of recommendations

	2022	2023	Comments
City Planner II	\$67,000	\$70,000	This position has been in place on a term basis since 2019 and required permanent funding. No change to service level.
Policy Analyst (CMM 5) (new FTE beginning Q2 2022)	\$53,000	\$110,000	To allow time for recruitment full funding was not requested through the 2022 budget process but will be required in 2023.
Community Investments	\$30,000	\$50,000	Support for programs focused on celebration, activation and education of heritage matters.
Consulting Services and Engagement	\$0	\$20,000	Required for third party reviews and heritage impact assessments, as well as stakeholder and community engagement.
Conservation and maintenance grants to property owners.	\$150,000	\$250,000	Based on recommended benchmark of \$1 per resident per year. Program uptake is expected to be slow in 2022, but to reach recommended budget levels in 2023.

If approved, the revised Heritage Incentive Policy will continue to allow for tax exemptions for heritage properties. The financial impact varies from year to year.

Table 2 – Tax Exemptions under the Heritage Incentive Policy 2017 - 2021

Year	Municipal Levy	Total Levies
2021	205,706	336,750
2020	177,996	297,843
2019	130,567	223,557
2018	128,699	224,087
2017	123,956	219,827
Total	766,923	1,302,065

Environmental Impacts

City Council set a community goal for the City of Regina of achieving net zero emissions and sourcing of net zero renewable energy by 2050. In support of this goal, City Council asked Administration to provide energy and greenhouse gas implications of recommendations so that Council can evaluate the climate impacts of its decisions.

Rehabilitating heritage properties prevents greenhouse gas (GHG) emissions that result from demolition of an existing structure and the embodied emissions that are created through construction of a new building. Additionally, heritage rehabilitation is an opportunity to improve energy efficiency in buildings such as older homes that are often the most energy inefficient. Renovating and rehabilitating create an opportunity to incorporate energy efficiency retrofits that can reduce energy consumption and improve energy efficiency in older homes. The Administration will ensure the Heritage Building Rehabilitation Program aligns with Regina’s goal to become renewable by 2050.

Policy/Strategic Impacts

The recommendations in this report and the full Heritage Building Rehabilitation Program Review in Appendix B are strongly aligned with the policies outlined in Part A of *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP):

Section D8: Culture

Goal 1 – Support Cultural Development and Cultural Heritage: Enhance quality of life and strengthen community identity and cohesion through supporting cultural development and cultural heritage.

- 10.1 Build partnerships and work collaboratively with community groups, other levels of government, and the private and voluntary sectors to encourage cultural development opportunities and conserve historic places.

- 10.4 Protect, conserve and maintain historic places in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada* and any other guidelines adopted by City Council.
- 10.5 Encourage owners to protect historic places through good stewardship and voluntarily designating their property for listing on the Heritage Property Register.
- 10.6 Leverage and expand funding, financial incentive programs and other means of support to advance cultural development, cultural resources and conservation of historic places.

The recommendations in this report are also consistent with the vision and objectives of *Regina's Cultural Plan*:

Goal 7.3 – Commemorate and Celebrate the City's Cultural Heritage

Objectives:

- Demonstrate Leadership through the Management of the Heritage Conservation Program.
- Conserve Cultural Heritage Resources.
- Ensure New Development contributes to Sense of Place

Other Impacts

None with respect to this report.

Accessibility Impacts

Accessibility upgrades are an eligible conservation expense under the revised Heritage Incentives Policy.

OTHER OPTIONS

1. Approve the recommendations with specific amendments.
2. Refer the Program Review and Heritage Incentives Policy back to Administration.
 - If City Council has specific concerns with the recommendations, it may refer the report back to Administration to address or make additional recommendations. It should be noted a referral back to Administration will delay implementation of the new Heritage Incentives Policy.

COMMUNICATIONS

A communications strategy will be developed to support awareness of changes to the Heritage Incentives Policy and expanded financial opportunities for conserving heritage properties. Administration will engage key stakeholders, including heritage property owners, in subsequent public consultation and implementation planning for the remaining recommendations outlined by

Donald Luxton & Associates.

DISCUSSION

City of Regina Heritage Building Rehabilitation Program Review (Program Review)

The Program Review attached as Appendix B provides a thorough assessment of the City's current approach to encouraging heritage conservation, including areas where the program has been successful and where there are opportunities for improvement. Highlights of the City's existing approach include a strong record of designation - Regina has 103 protected heritage properties that have been formally designated at the municipal or provincial level – and uptake of existing incentives. The number of designated properties continues to grow as typically one to three designation applications are received annually.

The Program Review identifies numerous ways that the City's approach to heritage conservation can be improved, starting with expanded incentives recommended in this report. Program Review recommendations, once implemented, will encourage property owners and the City to work collaboratively to meet conservation priorities, supported by expanded financial incentives and improved communication, education and capacity building.

Implementation Plan

Administration proposes to divide consideration, approval and implementation of the Program Review recommendations into three Phases:

Phase	Program Review Recommendation	Status & Next Steps
Phase 1	Recommendations to Council March 16	
	A. Expanded Incentives	If the revised Heritage Incentives Policy (Appendix A) is approved, Call for Applications for Heritage Incentives will be issued in March 2022 with a deadline of June. Recommendations will come back to Council as soon as possible, likely Q3. The Heritage Sector Reference Group is anticipated to begin meetings in March 2022.
	B. Information Accessibility and Transparency	New web content, forms and other resources are in development that respond to stakeholder requests for clarity and ease of access to critical information.
	D. Public Awareness and Education	Additional funding of \$30,000 in 2022 is directed towards this outcome in the Community

Phase	Program Review Recommendation	Status & Next Steps
		Investment Grant Program
Phase 2	Recommendations to Council Q3 <i>(if possible, align timing with Community Character (Lakeview/Cathedral) Project)</i>	
	C. Improved Heritage Building Maintenance	Administration has prepared draft standards that will be workshopped with the Heritage Sector Reference Group and other City departments to ensure standards will support heritage conservation objectives and can be enforced consistently.
	E. Ongoing Neighbourhood Heritage Planning	This recommendation has implications for the City's Neighbourhood Planning Program as well as alignment with the current Community Character project that is underway in the Lakeview and Cathedral neighbourhoods. Preliminary recommendations from that project will be presented to Administration in March.
	F. Building Code Updates	Internal discussions have begun on alignment of the City's Building Code review processes and heritage conservation objectives.
	G. Permit Application Processing	The process for pre-application meetings will be formalized. Building permit fees are an eligible cost under the revised Heritage Incentives Policy. Administration will provide an opportunity for input on a proposed zoning bylaw amendment to reflect permitted increase in unit numbers on designated properties.
	Heritage Evaluation and Nomination Recommendations (page 23)	Administration will review implications of the recommendations with the Heritage Sector Reference Group.
Phase 3 (Future)	H. Further Expansion of Targeted Incentives I. Heritage Commission J. Heritage Foundation K. HBRP Evaluation and Future Expansion	Phase 3 Recommendations are for future consideration. Administration will review the Heritage Incentives Policy bi-annually. Opportunities for expansion could be triggered by evidence that existing programs are not meeting conservation objectives.

Summary of revised Heritage Incentives Policy (Appendix A)

The City's heritage incentives have seen steady uptake for many years. The existing program provides up to 10 years of tax exemption or 50 per cent of eligible conservation costs, whichever is less. A cash grant of up to \$50,000 is currently available but only to tax exempt properties such as churches. The Program Review identified the opportunity to significantly expand both budget and eligibility for incentives beyond what exists currently, to support a variety of property types in conservation and maintenance activities.

In alignment with the Program Review, the recommended revisions to the Heritage Incentives Policy (Appendix A) include:

- Formalizing a single intake for applications each year to allow for prioritization, and establishment of an external committee (Incentive Review Panel) to review applications and make recommendations to Administration
- Significant expansion of use of cash grants to incentivize conservation:
 - New eligibility criteria include all properties, not just those that are tax exempt
 - Budget is increased from \$30,000 annually to \$150,000 approved in the 2022 Budget, and \$250,000 beginning in 2023, subject to budget approval
- Expansion of eligibility criteria for all incentives to include Heritage Inventory properties, at a lower level of funding or percentage of total eligible costs
- Addition of maintenance grants that support routine work that will prevent deterioration

Administration will monitor the new program to ensure that it meets the intended objectives. Performance indicators include application numbers, private investment in heritage conservation, and the number of designated properties that are identified as having potential maintenance concerns. The Program Review speaks to the importance of developing stronger relationships between the City and property owners. Expanded incentives provide a foundation for better communication and engagement with property owners, focusing dialogue on knowledge sharing and negotiation to achieve conservation outcomes that benefit both the property owner and the public

While the Program Review recommends delegation of incentive approval to the Administration, in alignment with other grant and incentive programs, the *Heritage Property Act* appears not to provide Council the ability to delegate decision-making on heritage incentives. As a result, incentive recommendations will be brought annually to Council for approval. Administration will continue to explore options for delegation of authority with the Province.

Heritage Stakeholder Engagement

The Program Review recommends establishment of a Heritage Sector Reference Group to improve dialogue and communication between the City and community heritage experts. Sector Reference Groups established in Culture and Accessibility areas since 2020 have strengthened relationships and ensured that policies and programs are impactful and focused on community priorities. The

Sector Reference Group process allows for ongoing stakeholder engagement on key issues and an efficient means to incorporate sector expertise within Administration's analysis and recommendations to Council.

The new Heritage Incentives Policy requires that an Incentives Review Panel be established to review applications and provide recommendations to Administration. The Sector Reference Group itself or a subcommittee will function as an Incentives Review Panel to review and prioritize incentive applications for Administration.

Addressing the Financial Viability of Heritage Conservation Projects

In preparing the Program Review, Luxton & Associates was asked to provide guidance on how to consider the condition and financial viability of rehabilitation of a property in situations where the owner is reluctant to invest. The Program Review suggests that the City undertake further study of the trade-offs between the value of conservation and the financial impact to the City/taxpayers and property owners, including local case studies where commercial, single and multi-family residential projects have benefitted from heritage conservation efforts.

In the interim, the Program Review recommends that incentives be accessed when Council is considering designating a property without the owner's express consent. To this end, the revised Heritage Incentives Policy outlines a process whereby the Incentive Review Panel may prepare a recommendation on incentives that would support viable conservation, when Council is considering designation of a property without the owner's consent, or issuance of a repair order for a property that is already designated.

Heritage Conservation Survey

The City ran a public survey from December 1 to 12, 2021 to learn more about the broad public interest in heritage matters. 698 responses were received. Just under one third of respondents see heritage as being "very important" while 17 per cent say it's not important. Respondents want to see the City focus on clear, well-resourced processes for designation and conservation, encouragement for rehabilitation and maintenance, and regulations that will ensure new construction reinforces existing neighbourhood character. Finances are seen as a barrier to conservation; respondents cited return on investment and the additional cost of restoration and maintenance as perceived barriers to conservation, as well as a lack of information on what heritage is. Incentives, regulatory tools, and public education are public priorities for the renewed program.

The survey findings reinforce feedback from stakeholder engagement in the Spring of 2021 that was outlined in the Program Review. The full results are attached as Appendix C.

DECISION HISTORY

Council adopted the Heritage Building Rehabilitation Program on August 25, 2014 (CR14-100).

Respectfully submitted,

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

2/16/2022



Autumn Lawson, Director, Planning & Development Services

2/18/2022

Prepared by: Emmaline Hill, Manager, Social & Cultural Development

ATTACHMENTS

Appendix A - Amended Heritage Incentives Policy 2022

Appendix B - City of Regina Heritage Building Rehabilitation Program Review

Appendix C - Heritage Survey Responses