

## Layer 1 Incentive Recommendations and Precedents Memo From O2 Planning + Design

### 1. Current Approach: Developer-Focused Incentives

Presently, the main approach to incentivize the retention of Character Homes and heritage (small “h”) resources within Bridgeland is to provide the opportunity to redevelop the property through the addition of structural density (in the form of Multi Residential Development). This is the main thrust of Bylaw 273D2017, and it is an incentive that would largely only apply to a potential real estate developer, as opposed to the current owner. To-date, no applications have been received by the City through this incentive program.

It is difficult to isolate a single variable leading to the lack of uptake on the Character Home Retention Incentives within Bridgeland. It is, however, likely that two contributing factors are: (1) the lots that contain the Character Homes are of a relatively small size to accommodate the requisite density to promote redevelopment; and (2) that the structure itself is located centrally in the parcel and is thus difficult to incorporate into an infill design. These factors, combined with the requirement to retain the Character Home structure, create challenging redevelopment scenarios.

Though some minor development permissions within Bylaw 273D2017 do exist (e.g. additions, conversion into multiple dwelling units, relocation of the home on the parcel, Live Work Units), it appears that they do not go far enough to incentivize existing owners.

### 2. Potential New Approach: Owner-Focused Incentives

As stated, the main thrust of Bylaw 273D2017 is the permission of Multi Residential Development on parcels where Character Homes were being retained. The effectiveness of this incentive may be reduced by future City initiatives and development goals which promote higher density residential forms more broadly across the city. Considering that the main incentive, which was a developer-focused initiative, is now reduced, and that uptake of that incentive was absent over a two-year period, it is clear that a new approach is needed.

Shifting Character Home retention incentives to focus on existing homeowners may be more effective. Promotion of adaptive reuse and context appropriate increases to density represent a more community-oriented approach to Character Home retention.

Potential incentives may be provided in a new or revised Character Home Retention Development Incentives program/Bylaw. This new program could be provided city-wide or tailored to specific neighbourhoods. Incentives are described below, and presented under two separate categories: Planning Tools, and Financial Tools.

#### 2.1 Planning Tools

These incentives include the broadening of potential uses and zoning relaxations that support complete communities and small, incremental, and contextually appropriate development activities. The application of these tools would not result in direct costs to the City. These tools are intended to be in addition to the current provisions within Bylaw 273D2017.

Expand Permitted Uses to Promote Adaptive Reuse and Minor Infill (No Structural Impacts to the Character Home):

- Backyard Suite – provided the Suite meets City design guidelines/regulations;
- Bed and Breakfast;
- Home Occupation – Class 2;
- Additional context appropriate Live Work Unit uses;
  - e.g. Gallery, Café, Catering, Instructional Facility, Neighbourhood Restaurant, etc.
- Context appropriate standalone non-residential uses to support small-scale commercial and retail activities.

#### Removal of Parking Minimum Standards for:

- All permitted and discretionary uses.

## **2.2 Financial Tools**

Financial incentives are proposed to both further encourage the uptake of Character Home Retention Development activities, and to support the listing of higher value heritage resources on the City's Inventory of Evaluated Historic Resources. The application of these tools would require some financial input from the City, either through direct grants or through the deferral of potential revenue.

#### Planning and Development-Related Fees

- For applications that include the uptake of Character Home Retention Development, provide a reduction to, or exemption from, the payment of planning and development-related fees that would otherwise be required by the City.

#### Incremental Tax Exemption

- Provide an exemption to the incremental property tax increase that would otherwise be due to the City as a result of the increase to the appraised property value associated with Character Home Retention Development activities.
  - e.g. Owner establishes a Live Work use and develops a Secondary Suite, while retaining their Character Home. Their property tax is set to increase by 5% from the previous year. The owner would be exempt from paying that 5% incremental increase to their taxes for a defined period of 'x' years.

#### Grant for the Planning, Restoration and Protection of Character Homes

- For Character Homes that have been identified as having significant Heritage potential by the City (a subset of the windshield survey), provide a grant for the development of a heritage plan and for the listing of the property on the City's Inventory of Evaluated Historic Resources (including municipal designation); and
- For Character Homes that are in the process of being listed on the City's Inventory, provide an additional grant for the restoration and maintenance of the property.

## **3. Precedent Research**

Through a scan of character retention incentive policies across Canada, the vast majority of municipalities appear to focus exclusively on the retention and restoration of existing Registered Heritage buildings. Incentives are typically in the form of grants for direct capital costs associated with restoration and maintenance work to conserve the structure of the Heritage resource in its present form.

Of the surveyed municipalities, only Vancouver offered broader incentives for non-registered/listed heritage assets.

The following briefly summarizes only those incentives from the precedent scan that have informed the recommendations:

### **3.1 Edmonton**

Rehabilitation and Maintenance Incentives:

- Non-Monetary Incentives may be considered, including transfer of land use density, relaxation of parking, loading and amenity requirements to support rehabilitation for buildings registered on the City's Inventory.

### **3.2 Vancouver**

Character Home Retention Incentives Program:

- Provides blanket provisions in all one-family residential zones to retain character homes (housing built before 1940 and considered to have heritage merit by City staff).
- Blanket provisions provide approval for additional infill units through additions and conversions, additional floor area, and relaxation of zoning provisions.
- City has noted that only a modest uptake in the incentive program has been observed, while applications for new single-family houses (many requiring demolition of existing Character Home) far exceeds the rate of uptake of incentives for retention.

Heritage Revitalization Agreements (HRA):

- Legally binding agreement negotiated and entered into by the City and the landowner.
- They are written to suit unique properties and situations (e.g. intention to subdivide a large property with an existing heritage asset).
- The terms supercede the land use regulations and may vary the use, density and siting regulations.
- They are tailored agreements to protect the heritage asset while also enabling the owner to reasonably develop/alter their land.

Heritage House Conservation Program:

- Support for privately owned single/two family buildings, small apartments that are primarily constructed with wood-frame structural assemblies and are otherwise ineligible for incentives under the Heritage Incentive Program.
- Available for buildings listed on the Vancouver Heritage Register or those that are pursuing addition to the Register.

- Applied city-wide.
- Incentives for both planning/study and execution of conservation work.

### **3.3 Winnipeg**

Heritage Conservation Grant Program:

- Incremental tax grants to encourage restoration and rehabilitation of vacant or underutilized listed Heritage properties.
- Grants are in the form of a rebate of 80% of the incremental tax increase of the property value due to restoration and use of the property.

### **3.4 Ottawa**

Community Improvement Plan encouraging restoration and adaptive reuse of designated buildings:

- Reimbursement of incremental increase in property tax for 10 years due to conservation and restoration work completed on designated property.