

Planning & Development Services Report to
Executive Committee
2024 June 11

ISC: UNRESTRICTED
EC2024-0383

Heritage Incentive Reserve Terms of Reference Update

PURPOSE

The purpose of this report is to recommend changes to the Heritage Incentive Reserve's Terms of Reference to make the Heritage grant funding more responsive to the needs of property owners, more effective in addressing urgent conservation concerns and more efficient to administer.

PREVIOUS COUNCIL DIRECTION

On 2012 July 03, through PFC2012-0159, Council approved a revised program for the Heritage Incentive Reserve, expanding eligibility to residential properties and creating the Terms of Reference which governs the administration of the grant program.

Additional previous council direction is listed in Attachment 1.

RECOMMENDATION:

That Executive Committee recommend that Council adopt, by resolution, the Terms of Reference for the Heritage Incentive Reserve (Attachment 2).

CHIEF ADMINISTRATIVE OFFICER/GENERAL MANAGER COMMENTS

Acting General Manager Debra Hamilton concurs with this report. Updating the Heritage Incentive Reserve will improve The City of Calgary's ability to support property owners in conserving our heritage for the benefit of Calgarians both today and long into the future.

HIGHLIGHTS

- Improving the flexibility and responsiveness of the Historic Resources Conservation grant program, Administration makes Municipal Historic Resource designation a more attractive option for heritage property owners.
- The proposed changes reflect the lessons learned by Administration from ten years of managing the Heritage Incentive Reserve.
- The updated Terms of Reference changes the formula which determines the maximum funding available to a heritage property by eliminating reference to assessed property values, which has had the unintended consequence of limiting grant amounts to deserving properties.
- Creating documents that separate the strategy and administration of the Heritage Incentive Reserve allows processes to be updated more frequently in alignment with other City programs.

DISCUSSION

The Heritage Incentive Reserve was established by Council to be the mechanism used by Administration to support the conservation of privately-owned Heritage Resources. Heritage Resources are sites that have been identified as possessing significant heritage value, and whose preservation is considered to be to the greater benefit of Calgarians. Most Heritage Resources are residential, commercial or industrial buildings, but they can also be landscaped

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features and open spaces. Heritage Resources are included on the Inventory of Evaluated Historic Resources, a list of evaluated Heritage Resources managed by civic partner Heritage Calgary. Inclusion on the Inventory of Historic Resources does not bar the renovation or demolition of a Heritage Resource. Only Heritage Resources whose owners have chosen to declare the resource a Municipal Historic Resource have legal protections in place to prevent demolition or major alterations.

The Terms of Reference supply the framework for how funds from the Heritage Incentive Reserve (the “Reserve”) may be used. Until this update, the Reserve has been the mechanism to provide the funding for projects under one grant, The Historic Resources Conservation Grant, with two grant streams under it: The Non-Residential Conservation Grant and the Residential Conservation Grant. Both grant streams are available only to owners of property designated as a Municipal Historic Resources under the Alberta Historical Resources Act and to Heritage Resources in the process of becoming municipally designated.

There are three key changes to the Terms of Reference introduced in this update.

Key change 1: Strategy and goals will be separated from administrative information.

Prior to this update, all information and guidelines pertaining to the Historic Resources Conservation Grant Program, and each of the grant streams, were included in the Heritage Incentive Reserve’s Conditions and Restrictions. This information has been removed from the Conditions and Restrictions and moved into two new documents: the Terms of Reference (Attachment 2 - Heritage Incentive Reserve Terms of Reference) and the Grant Guidelines (Attachment 3 - Grant Guidelines). The Terms of Reference is intended to be approved by Council and contains information on the strategic vision of the Heritage Incentive Reserve. The Grant Guidelines are intended to be approved by Administration and will contain information regarding the implementation of the grant streams. Creating two separate documents clarifies the roles of Council and Administration in managing the Heritage Incentive Reserve, enables continuous improvement, and allows the City to quickly respond to the needs of heritage property owners.

Key change 2: Allowing Administration to respond to urgent conservation concerns.

Like all buildings, heritage buildings are sometimes unexpectedly damaged and need unscheduled repairs or maintenance. The current Heritage Incentive Reserve Conditions and Restrictions state that grant funds cannot be used for work completed before a Grant Agreement is finalized. The application and agreement process requires advance planning, which is not suitable for situations requiring emergency repairs. This has curtailed Administration’s ability to provide financial assistance for urgent conservation work. The proposed changes allow Administration to exercise discretion to allow grant funding to be used for completed work.

Key change 3: Introduction of a new grant stream for Heritage Assets

A Heritage Asset is a privately-owned structure, typically constructed before 1945, that retains a significant portion of its original form, scale, massing, window and door pattern, style, design, architectural details, and/or construction materials, as determined by visual assessment by Heritage Planning. A Heritage Asset may also be a Heritage Resource, but not all Heritage Assets are Heritage Resources. The Heritage Asset Retention Grant targets properties at risk of demolition, as well as heritage building owners who need assistance with small-scale renovation

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and maintenance projects. The intent of the new Heritage Asset Retention Incentive Grant is to make the retention of heritage properties more financially feasible and attractive to owners. The introduction of this grant stream will help offset redevelopment pressures and broadens the reach of the Heritage Incentive Reserve's programs to property owners who have not previously engaged with local heritage recognition and/or conservation programs.

The summary table provided (Attachment 4) lists all changes that have been proposed for the governance of the Heritage Incentive Reserve.

Upon approval of the updated Terms of Reference, Administration will complete the Grant Guidelines for the Heritage Asset Retention Incentive.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|-------------------------------------|-----------------------------------------|-------------------------------------|-----------------------------------------------------|
| <input type="checkbox"/> | Public engagement was undertaken | <input type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input checked="" type="checkbox"/> | Public/interested parties were informed | <input checked="" type="checkbox"/> | Public communication or engagement was not required |

Heritage Calgary was informed of the proposed changes to the Terms of Reference and provided a letter of support (Attachment 5).

Engagement on various incentives and the needs of heritage property owners was previously undertaken for the separate Heritage Conservation Tools and Incentives Report PUD2020-0758, as well as through additional engagement on the development of 'Layer 1' incentives (known as the Heritage Incentive Area) through 2022-23. The Heritage Asset Retention Incentive Grant proposed in this update responds to feedback received during the engagement for PUD2020-0758.

No further external engagement was conducted for this report as the proposed changes are administrative in nature.

IMPLICATIONS

Social

Historic resources create a sense of place and strengthen the shared identity of Calgarians. They are key to fostering community and a feeling of pride and investment by community members. The proposed changes allow Administration to extend the benefits of the Historic Resources Conservation Grant program to a wider variety of properties in more areas of city.

Environmental

These recommendations will extend the reach of the Heritage Incentive Reserve, ultimately preserving more existing buildings and avoiding the environmental impacts associated with demolition, landfilling building material and construction of new buildings. Heritage conservation also helps retain embodied carbon and energy within our existing buildings, rather than requiring new carbon and energy to manufacture and transport building materials.

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Economic

Flexible grant programs will distribute financial support more efficiently and effectively and have a greater positive local economic impact. The updated Terms of Reference allow for greater discretion in responding to urgent conservation requests, thus directing more funds towards Heritage Resource owners with the greatest financial need. The Heritage Asset Retention Incentive Grant is intended to spur homeowners to consider small maintenance and renovation projects. Together, these changes will create a positive economic impact for the skilled trades and specialized companies providing services in the heritage conservation sector.

Service and Financial Implications

No anticipated financial impact

This report has no direct financial impacts. Funding for the Heritage Incentive Reserve will continue to be advanced through budget deliberations.

RISK

If the updated Terms of Reference are not approved, there is a risk that conservation projects meeting the spirit and intent of the Reserve will be rejected. This could result in the loss of Heritage Resources and Assets that would otherwise be conserved through the updated Terms of Reference.

If the updates are successful in increasing the interest and number of grant applications, requests for funds could outstrip the funds available by a significant margin. Recent funding for heritage conservation grants has been insufficient to keep up with existing demand and, while Administration will continue to monitor application volumes, the loss of Calgary's heritage is more likely if funding is not aligned with demand.

ATTACHMENTS

1. Previous Council Direction
2. Heritage Incentive Reserve Terms of Reference
3. Grant Guidelines
4. Summary of Changes Table
5. Heritage Calgary Letter of Support
6. Terms of Reference Presentation

Department Circulation

| General Manager/Director | Department | Approve/Consult/Inform |
|--------------------------|-----------------------------------|------------------------|
| Debra Hamilton | Planning and Development Services | Approve |
| Jill Floen | Law & Legislative Services | Consult |
| Carla Male | Chief Financial Officer | Inform |