

Agenda Including Addeds

Planning and Environment Committee

10th Meeting of the Planning and Environment Committee

June 12, 2023

4:00 PM

Council Chambers - Please check the City website for additional meeting detail information. Meetings can be viewed via live-streaming on YouTube and the City Website.

The City of London is situated on the traditional lands of the Anishinaabek (AUh-nish-in-ah-bek), Haudenosaunee (Ho-den-no-show-nee), Lūnaapéewak (Len-ah-pay-wuk) and Attawandaron (Add-a-won-da-run).

We honour and respect the history, languages and culture of the diverse Indigenous people who call this territory home. The City of London is currently home to many First Nations, Métis and Inuit today.

As representatives of the people of the City of London, we are grateful to have the opportunity to work and live in this territory.

Members

Councillors S. Lehman (Chair), S. Lewis, A. Hopkins, S. Franke, S. Hillier, Mayor J. Morgan

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Ecological Community Advisory Committee

Report

6th Meeting of the Ecological Community Advisory Committee
May 18, 2023

Attendance PRESENT: S. Levin (Chair), S. Evans, B. Krichker, K. Lee, K. Moser and S. Sivakumar and H. Lysynski (Committee Clerk)

ABSENT: P. Baker, E. Dusenge, T. Hain, S. Hall, M. Lima, R. McGarry, S. Miklosi, G. Sankar and V. Tai

ALSO PRESENT: S. Butnari, K. Edwards, K. Kys, M. Shepley and B. Westlake-Power

The meeting stood adjourned at 5:00 PM due to lack of quorum.

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Scott Mathers, MBA, P.Eng.
Deputy City Manager, Planning & Economic Development
Subject: ESA Lands Asset Plan and Data Management Tool – Contract
Award (RFP-2023-018)
Meeting on: June 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Development, the following actions **BE TAKEN** with respect to the appointment of consulting services for the completion of an ESA Lands Asset Plan and Data Management Tool:

- a) North South Environmental Inc. **BE APPOINTED** project consultants to prepare an ESA (Environmentally Significant Area) Asset Plan and Data Management Tool, in the total amount of \$179,394.00 (including contingency), excluding HST;
- b) the financing for the project **BE APPROVED** in accordance with the Source of Financing Report attached, hereto, as Appendix 'A';
- c) the Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- d) The approvals given, herein, **BE CONDITIONAL** upon the Corporation entering into a formal contract; and,
- e) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

Executive Summary

This report recommends the appointment of North-South Environmental Inc. as project consultants to prepare an Asset Management Plan and a Data Management Tool for the City's Environmentally Significant Areas (ESAs) to serve as a foundational element for ESA Conservation Master Plans for these lands and provide direction for capital project budgeting.

In accordance with the City's *Procurement of Goods and Services Policy*, North-South Environmental Inc. had the highest scoring submission through the Request for Proposal (RFP).

Linkage to the Corporate Strategic Plan

The appointment of consulting services for the preparation of an ESA Asset Management Plan will contribute to the advancement of Municipal Council's 2023-2027 Strategic Plan in several ways:

Municipal Council's 2019-2023 Strategic Plan identifies 'Wellbeing and Safety' and 'Climate Action and Sustainable Growth' as strategic areas of focus. The recommendations in this report will protect and enhance waterways, wetlands and natural areas by supporting strategies to 'protect the natural environment when building new infrastructure', 'improving natural areas when replacing aging infrastructure' and 'protecting natural heritage areas for the needs of Londoners now and into the future'.

Analysis

1.0 Background Information

1.1 Environmentally Significant Areas (ESAs)

Environmentally Significant Areas (ESAs) are considered as the largest, highest quality areas within the City's Natural Heritage System, and are identified by The London Plan as 'areas that contain natural features and perform ecological functions that warrant their retention in a natural state'. Publicly owned ESAs have a purpose and function distinct from all other publicly owned green space. Permitted uses, access, and the provision of recreational activities within ESAs are governed by the Environmental Policies of The London Plan, and the ecological integrity and ecosystem health of the ESA shall have priority in any use of design-related decision.

The City maintains twelve (12) Environmentally Significant Areas (ESAs) that together total over 750 ha of high-quality natural features having over 58,000 linear metres of trails and at least 350 built structures. Given the focus on ecological integrity, these lands are administered by the Ecologist Planners in Planning and Development, while the management of these lands is contracted to a specialized, cross-function team with the Upper Thames Conversation Authority.

1.2 Project Background

A Conservation Master Plan (CMP) is a tool identified by The London Plan that Council can adopt for the purposes of providing direction on the management of these areas. In developing these master plans, key matters to be addressed include feature boundary refinement, the identification of management zones based on ecological sensitivity, and details of access permitted to and within the area including formalized pathways and trail systems. Furthermore, budgets are to be prepared to implement the recommendations of conservation master plans.

Over the next couple of years, the City will be initiating and completing CMPs for the City's ESAs. When preparing CMP's, it is essential to have an inventory of the locations, conditions and value of all the built assets in the ESA to develop the necessary environmental management strategies, identify restoration opportunities and determine appropriate funding requirements for the long-term management of the lands.

Furthermore, in January 2018 the Province enacted O.Reg 588/17 *Asset Management Planning for Municipal Infrastructure* that requires specific content for Asset Management Plans including an analysis of the municipality's risks, asset performance, lifecycle management, and financial strategy to achieve the municipality's proposed levels of service. This is to be completed by July 1, 2025. While UTRCA maintains most City assets within ESA lands, these have yet to be evaluated for replacement cost, nor have they been incorporated into a long-term asset management plan that conforms to O. Reg 588/17.

To enable the advancement of CMP's for ESAs, to guide their long-term management, and to support the City's Corporate Asset Management (CAM) division in meeting this regulation and to inform the next iteration of the City's Asset Management Plan, the City requires an inventory, condition assessment, and replacement cost valuation of all city assets within twelve (12) managed ESA lands in the City.

1.3 Location Map

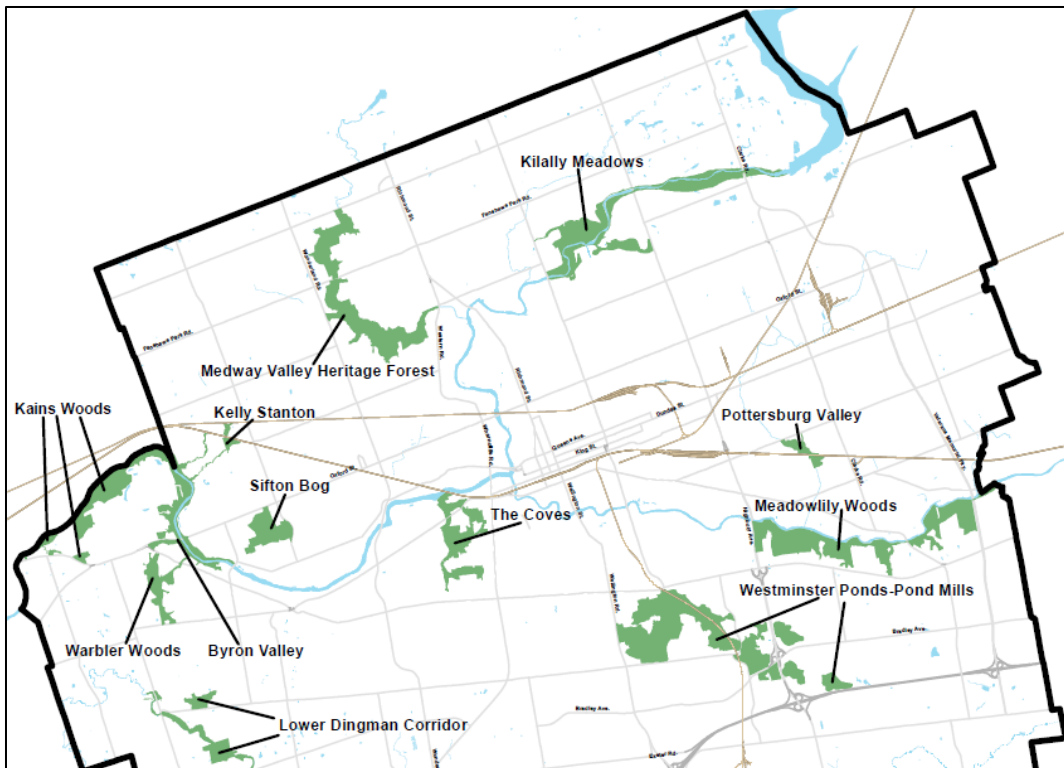


Figure 1: City of London, key map showing ESA locations included in the Asset Plan and Data Management Tool Project

2.0 Discussion and Considerations

2.1 Project Description

The primary objective of this assignment will be to complete a City-wide review to locate and evaluate all built structures within publicly owned ESA lands to enable the advancement of ESA Conservation Master Plans and allow for the development of an asset management plan that conforms to the City's existing Corporate Asset Management Plan.

All built assets collected during the inventory will need to be located (georeferenced), inventoried, inspected and assigned a condition rating, replacement cost, and evaluated for replacement/rehabilitation timing as part of a 20-year capital forecast. These results will be provided to the City in a GIS format to allow for integration into a georeferenced data management and collection tool that is also to be developed through this project so that new assets can be added at any time. Trails are considered built assets and as such are included in the asset inventory, they will be assessed for hazards and required maintenance over the long term.

Additional tasks include the development of two further data collection and referencing tools for ESA management activities: a Hazard Management tool and an Ecological Management tool. These will be linked with the data collection tool noted above, as a single web-based Dashboard Tool that can be accessed by both UTRCA and City staff. As much the City's natural heritage and management activity data is only in hard copy at present, the development of these tools will make these resources available in web maps and geodatabases for the first time. Having the data easily available and in real time will provide a great number of efficiencies for both City and UTRCA staff in tracking, monitoring and reporting activities.

Natural heritage and management activity data are essential inputs when preparing CMP's. In addition, having a tool to collect this data will allow for natural assets to be valued through future asset management plan work. The tools also can be expanded to incorporate city-wide ecological assets, restoration opportunities, compensation lands inventories, invasive species monitoring, development and infrastructure ecological asset inventories. These records will greatly assist city-wide planning and reporting.

3.0 Financial Impact/Considerations

3.1 Procurement Process

The selection of a consultant for the ESA Asset Management Plan project followed the Request for Proposal (RFP) procurement, in accordance with section 15 of the City's *Procurement of Goods and Services Policy*. An RFP process was chosen due to the technical considerations and experience needed, and to help ensure that staff could fairly evaluate the submissions in the key areas and provide any value-added factors that were to be considered as part of the final selection.

Following public posting of the ESA Asset Management Plan RFP, four proposal submissions were received and reviewed by staff from Planning and Development and Capital Assets and Projects. Evaluation criteria included previous experience, approach and methodology, project team qualifications, and cost. The proposal submitted by North-South Environmental Inc. with an upset limit of \$179,394.00 (excluding HST, including 20% contingency) was the highest scoring submission and is recommended for approval in accordance with Section 15.2 of the *Procurement of Goods and Services Policy*.

Funds are available in the Conservation Master Plan capital project account. The Source of Financing Report is appended to this report as Appendix 'A'.

All the bid proposals exceeded the original approved project budget of \$125,000.00, as such this result is considered irregular as per Section 8.10 of the Procurement Policy.

Conclusion

It is recommended to appoint North South Environmental to complete the asset management Plan and create the data management tools to enable the advancement of ESA Conservation Master Plans and provide direction for capital project budgeting.

Prepared by: Marnie Shepley,
Ecologist Planner, Community Planning

Reviewed by: Kevin Edwards, MCIP RPP
Manager, Community Planning

Submitted by: Heather McNeely, MCIP RPP
Director, Planning and Development

Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic
Development

cc: Nathan Asare-Bediako
Steve Mollon
Khaled Shahata

Appendix 'A' – Sources of Financing

Appendix "A"

#23121

June 12, 2023

(Award Contract)

Chair and Members

Planning and Environment Committee

RE: ESA Lands Asset Plan and Data Management Tool (RFP-2023-018)

(Subledger GG230006)

Capital Project PD2179 - New ESA Conservation Master Plans

North South Environmental Inc. - \$179,394.00 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Planning and Economic Development, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To This Date	This Submission	Balance for Future Work
Engineering	716,800	111,791	182,551	422,458
Total Expenditures	\$716,800	\$111,791	\$182,551	\$422,458

Sources of Financing

Capital Levy	236,544	36,891	60,242	139,411
Drawdown from City Services - Parks and Recreation Reserve Fund (Development Charges) (Note 1)	480,256	74,900	122,309	283,047
Total Financing	\$716,800	\$111,791	\$182,551	\$422,458

Financial Note:

Contract Price	179,394
Add: HST @13%	23,321
Less: HST Rebate	<u>-20,164</u>
Net Contract Price	<u>\$182,551</u>

Note 1: Development charges have been utilized in accordance with the underlying legislation and the approved 2019 Development Charges Background Study and the 2021 Development Charges Background Study Update.

Jason Davies
Manager of Financial Planning & Policy

lp

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee
From: Scott Mathers MPA, P. Eng.,
Deputy City Manager, Planning and Economic Development
Subject: 221 Queens Avenue
Public Participation Meeting
City File: TZ-9598 Ward 13
Date: June 12, 2023

Recommendation

That, on the recommendation of the Director, Planning and Development, the following actions be taken with respect to the application of Sifton Properties Limited relating to the property located at 221 Queens Avenue:

- a) the request to amend Zoning By-law No. Z.-1 to change the zoning of the subject property by extending the Temporary Use (T-69) Zone for a temporary period of three (3) years, **BE REFUSED** for the following reasons:
 - i) The request is not consistent with the policies of the Provincial Policy Statement, 2020;
 - ii) The request does not conform to the established policies of The London Plan regarding temporary commercial parking lots;
 - iii) The request does not implement the goals of Our Move Forward: London's Downtown Plan; and,
 - iv) The request does not implement the recommendations of the Downtown Parking Strategy.
- b) the proposed by-law attached hereto as Appendix "A" **BE INTRODUCED** at the Municipal Council meeting on June 27, 2023, to amend Zoning By-law No. Z.-1, in conformity with the Official Plan, by extending the Temporary Use (T-69) Zone for a period not exceeding one (1) year.

IT BEING NOTED THAT the purpose of the recommended short-term one (1) year extension of the temporary zone is to allow the applicant an opportunity to provide a detailed strategy for the subject site in line with the Downtown Plan policies.

Executive Summary

Summary of Request

The request submitted by the Applicant would permit the continuation of the existing temporary commercial surface parking lot for an additional three (3) years.

Purpose and Effect of Recommended Action

The purpose and effect of the recommended zoning change is to extend the existing Temporary Use (T-69) Zone to allow for the continuation of the existing commercial surface parking lot on the subject lands for one year to allow the applicant an opportunity to provide a detailed strategy for the subject site in line with the Downtown Plan policies.

Rationale of Recommended Action

The request to extend the temporary zone for a period of three (3) years, representing the maximum extension permitted, does not encourage long-term redevelopment of the site in support of achieving London's Housing Pledge target of 47,000 units by 2031.

The recommended one (1) year extension is a balanced approach that allows existing users of the surface commercial parking lot to make alternative parking arrangements while encouraging long-term redevelopment of the site to a more intense, transit-supportive use that is consistent with the policies of the Provincial Policy Statement, and The London Plan. The additional year will also provide an opportunity for Civic Administration to collaborate with the landowner to facilitate a strategy that generates new housing units in the Downtown Core and work towards achieving London's Housing Pledge target of 47,000 units.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

September 5, 1995 – Council approval of first Temporary Use Zone to permit a temporary parking lot use for a period of three (3) years.

Z-5825 – January 10, 2000 – Report to Planning Committee supporting an application by Sifton Properties Limited to permit the temporary parking lot use for a period of three (3) years.

Z-6632 – April 13, 2004 – Report to Planning Committee supporting an application by Sifton Properties Limited to extend the temporary parking lot use for a period of three (3) years.

Z-8312 – April 8, 2014 – Report to the Planning and Environment Committee recommending refusal of an application by Sifton Properties Limited to allow a permanent commercial surface parking lot, and recommending approval of a by-law to re-establish a Temporary Use (T-69) Zone to permit a temporary parking lot use for a period of three (3) years.

TZ-8748 – June 19, 2017 – Report to the Planning and Environment Committee of an application by Sifton Properties to extend the Temporary Use (T-69) Zone for a period not exceeding three (3) years.

TZ-9197 – May 19, 2020 - Report to the Planning and Environment Committee of an application by Sifton Properties to extend the Temporary Use (T-69) Zone for a period not exceeding three (3) years.

1.2 Planning History

In 1995, the commercial building was demolished and in the same year, Council adopted the first Zoning By-law amendment to permit a temporary commercial surface parking lot on the subject property for a period of three (3) years. Between 1995 and now, the property has been subject to periods where the temporary use by-law was expired and not renewed, and has also been the subject of several by-law amendments to re-instate or extend the temporary use zoning.

In 2014, Sifton Properties Limited applied for a rezoning to establish the existing commercial surface parking lot as a permanent use. On City staff's recommendation, Council refused that application and instead approved a new temporary use by-law to permit surface parking for a period of three (3) years. Sifton Properties has since reapplied for the extension of the temporary use (T-69) Zone on two separate occasions (2017/2020) and are seeking another three (3) year extension for the commercial surface parking lot.

1.3 Property Description

The subject site is located on the south side of Queens Avenue, between Clarence Street and Wellington Street, directly west of One London Place in downtown London. The 0.25-hectare site has functioned as a commercial surface parking lot for approximately 28 years. The existing fully paved parking lot contains 65 regular and 2 handicapped parking spaces providing monthly parking space to employees and tenants of surrounding office and commercial premises. Landscaped screening includes deciduous street trees, large bushes, coniferous trees and wrought iron fencing, softening the view of the parking lot from Queens Avenue. Direct vehicular and pedestrian access is provided from and to Queens Avenue.

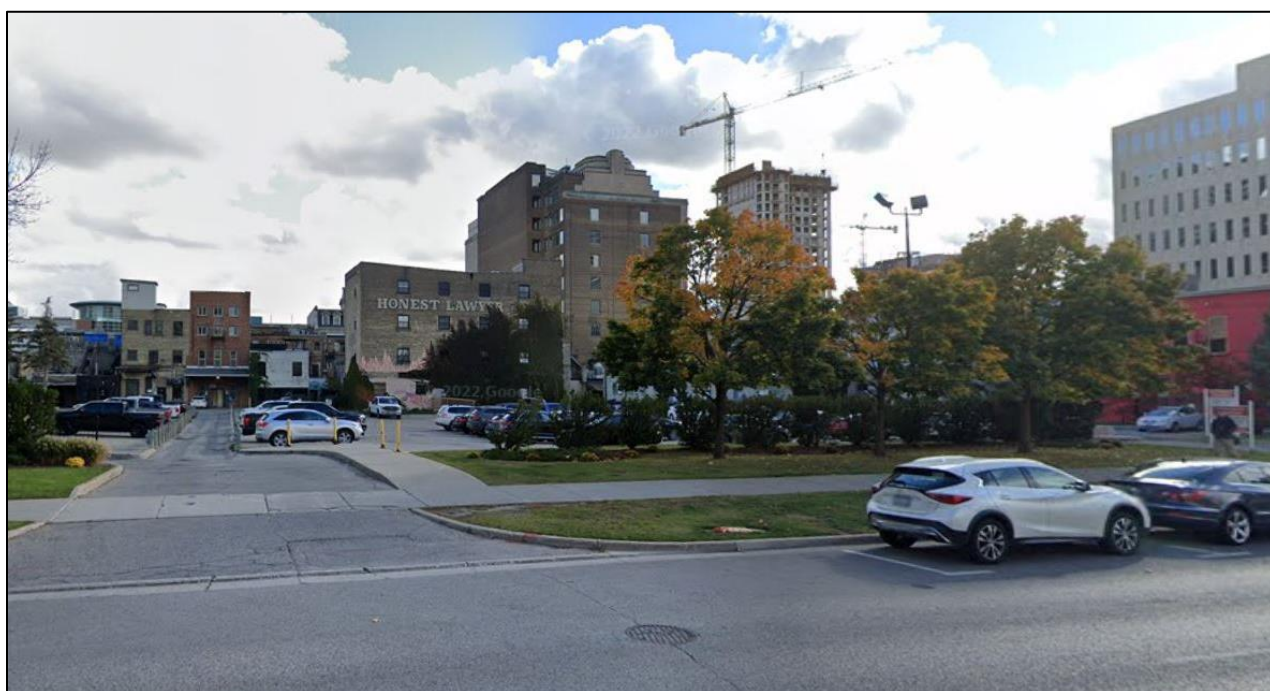


Figure 1: Subject lands and current use (existing parking lot)

1.4 Current Planning Information (see more detail in Appendix C)

- The London Plan Place Type – Downtown
- Existing Zoning – Holding Downtown Area Temporary Use (h-3•DA2•D350/T-69) Zone

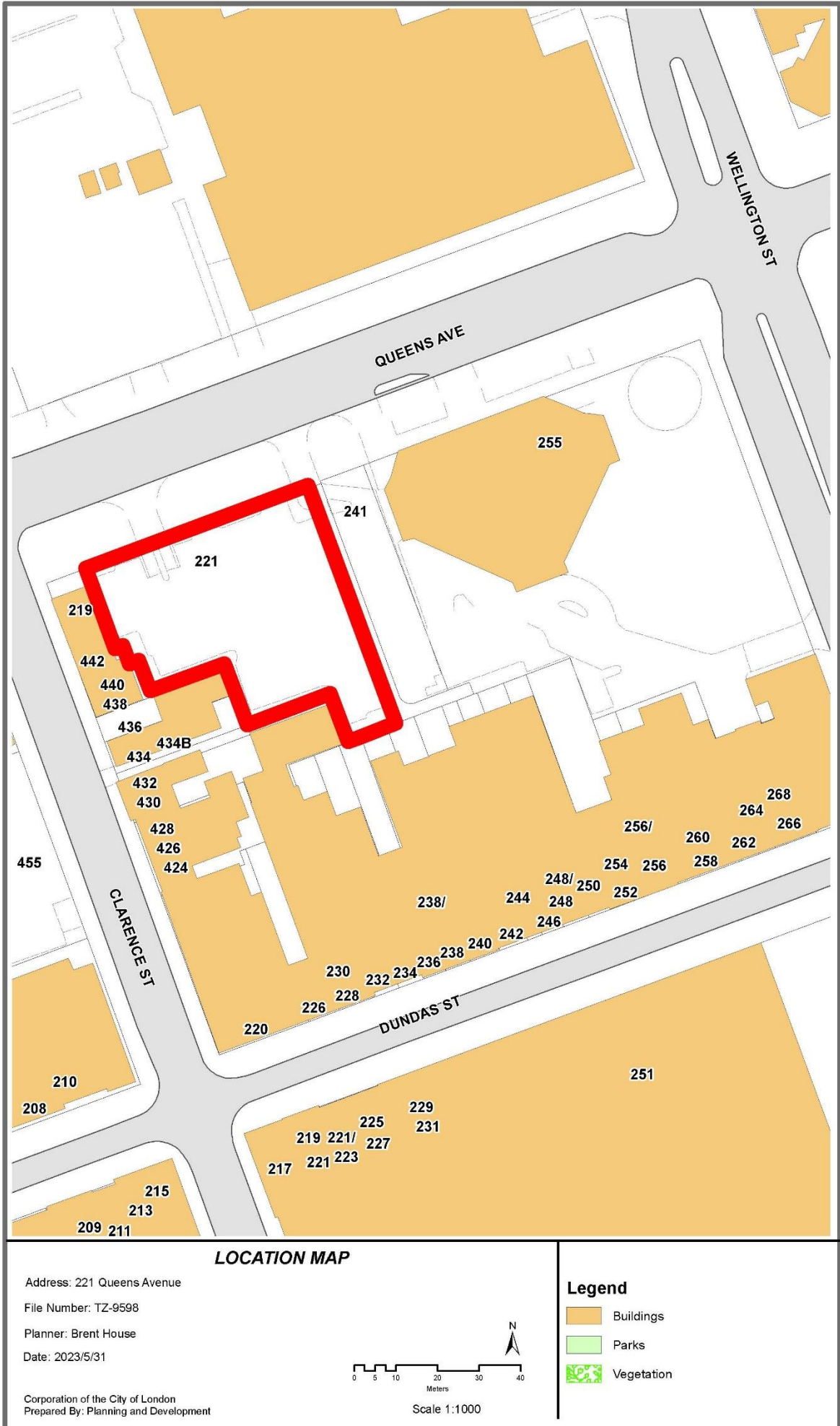
1.5 Site Characteristics

- Current Land Use – temporary commercial surface parking lot
- Frontage – 56.9 metres
- Depth – 20 to 60 metres (varies)
- Area – 0.25 hectares
- Shape – Irregular

1.6 Surrounding Land Uses

- North – London Life office building and parking lot.
- East – One London Place office building and underground parking lot.
- South – Office, retail and restaurant uses with residential uses above.
- West – Office, retail and restaurant uses with residential above.

1.7 Location Map



2.0 Discussion and Considerations

2.1 Development Proposal

The applicant is not proposing any new development as part of this amendment. The request is to permit the continuation of the existing commercial surface parking lot for an additional three (3) years.

2.2 Requested Amendment

The applicant is requesting a continuation of the temporary use provisions of the existing Holding Downtown Area Temporary Use (h-3*DA2*D350/T69) to EXTEND the temporary commercial parking lot for an additional three (3) years. The existing range of permitted uses would continue to apply to the site, including retail, office, cultural and entertainment uses, restaurants, apartments, schools, hotels, and commercial parking structures. The holding provision requires a wind impact assessment for any building over 15 meters in height.

2.3 Community Engagement (see more detail in Appendix B)

On April 5, 2023, Notice of Application was sent to all property owners within 120 metres of the subject lands. Notice of Application was also published in the *Public Notices and Bidding Opportunities* section of *The Londoner* on April 13, 2023.

Nature of Liaison: Possible continuation of the temporary use provisions of the existing Holding Downtown Area Temporary Use (h-3*DA2*D350/T69) to EXTEND the temporary commercial parking lot for an additional three (3) years. The existing range of permitted uses would continue to apply to the site, including retail, office, cultural and entertainment uses, restaurants, apartments, schools, hotels, and commercial parking structures.

There were no major concerns raised by internal staff or agencies. No members of the public made comment on the proposed extension. Details about agency and departmental comments can be found in Appendix 'B'.

2.4 Policy Context

Provincial Policy Statement, 2020

The Provincial Policy Statement (PPS) 2020, provides policy direction on matters of provincial interest related to land use planning and development. All decisions affecting land use planning matters shall be “consistent with” the policies of the PPS. Section 1.1 Managing and Directing Land Use to Achieve Efficient and Resilient Development and Land Use Patterns of the PPS encourages healthy, livable and safe communities which are sustained by accommodating an appropriate range and mix of residential, employment and institutional uses to meet long-term needs. It directs cities to make sufficient land available to accommodate this range and mix of land uses to meet projected needs for a time horizon of up to 20 years.

The PPS also directs planning authorities to promote economic development, the vitality and viability of Downtowns by providing opportunities for a diversified economic base, including maintaining a range and choice of suitable sites for employment uses which support a wide range of economic activities and ancillary uses, and take into account the needs of existing and future businesses. Ensuring that sufficient parking is provided in the Downtown supports existing economic activities and businesses that currently rely on this parking supply for visitors and workers.

The London Plan

The subject site is in the Downtown Place Type of The London Plan fronting onto a Civic Boulevard, as identified on Map 1 – Place Types and Map 3 – Street Classifications. The vision for the Downtown allows for the broadest range of uses and the most intense forms of development in the City, with highly-urban, transit oriented

environments (798_). Queens avenue is also identified as part of the Downtown Transit Loop, which will enhance Downtown as a critical hub for local transit and will serve as a connection point for bus service across the City.

Temporary Use Provisions (General)

The Our Tools policies of The London Plan provide guidance for temporary uses, in general, and provides criteria for the evaluation of all temporary uses (1672_). This criteria is carried over from the 1989 Official Plan with the addition of two additional considerations.

The following criteria is provided to evaluate the appropriateness of a temporary use:

1. *Compatibility of the proposed use with surrounding land uses.*
2. *Any requirement for temporary buildings or structures in association with the proposed use.*
3. *Any requirement for temporary connection to municipal services and utilities.*
4. *The potential impact of the proposed use on mobility facilities and traffic in the immediate area.*
5. *Access requirements for the proposed use.*
6. *Parking required for the proposed use, and the ability to provide adequate parking on-site.*
7. *The potential long-term use of the temporary use.*
8. *In the case of temporary commercial surface parking lots in the Downtown, the impact on the pedestrian environment in the Downtown.*
9. *The degree to which the temporary use may be frustrating the viability of the intended long-term use of the lands.*

Temporary Use Provisions (Downtown)

Similar to the Policies outlined in Section 1672_ of The London Plan, the Our Tools policies (1673A_) also outlines criteria for lands within the Downtown Place Type that have temporary zoning provisions. The following criteria will be used to evaluate both applications for temporary zoning to permit surface commercial parking lots and applications for extensions to temporary zoning to permit surface commercial parking lots, in the Downtown:

1. *The demonstrated need for surface parking in the area surrounding the subject site. Utilization rates for sub-areas of the Downtown may be used to evaluate this need.*
2. *The importance of any pedestrian streetscapes that are impacted by the surface commercial parking lot and the degree to which these streetscapes are impacted.*
3. *The size of the parking lot, recognizing a goal of avoiding the underutilization of Downtown lands.*
4. *The length of time that the surface commercial parking lot has been in place, recognizing it is not intended that temporary uses will be permitted on a long-term basis.*
5. *Applicable guideline documents may be used to provide further, more detailed, guidance in applying these policies.*
6. *Site plan approval will be required for all temporary surface commercial parking lots in the Downtown.*

7. *Where Council does not wish to extend the temporary zoning for a surface commercial parking lot a short-term extension of the temporary zone may be permitted for the purpose of allowing users of the lot to find alternative parking arrangements.*

Evaluation and analysis of the subject site using the above criteria is provided below in section 4.0 Key Issues and Considerations.

Temporary Surface Parking in the Downtown

The Downtown Place Type polices discourage the extension of temporary surface commercial parking lots that have been in place for an extended period of time, where an adequate supply of parking exists in the vicinity of the subject lot (800_5).

The intent of the Place Type policy in section 800_5 is to point to Our Tools for criteria to aid in the evaluation of applications for temporary commercial surface parking lots in the Downtown. The evaluation and analysis of the subject site is provided below in section 4.0 Key Issues and Considerations.

Our Move Forward – London’s Downtown Plan

London’s City Council adopted Our Move Forward: London’s Downtown Plan, on April 14, 2015 as a guideline document under Chapter 19 of London’s 1989 Official Plan and has been carried forward in Our Tools policy 1717_ of The London Plan. The document identifies a number of strategic directions and “transformational projects”, along with implementation tools to assist in retaining and attracting businesses and investment to the downtown. Planning objective 5: “Build a great neighbourhood” encourages the redevelopment of vacant sites to increase the resident and worker population downtown by discontinuing temporary-use zoning on these sites (5.2, p. 63).

On May 8, 2018, Council resolved to add additional guidance to the Downtown Plan in regards to temporary surface parking lots, which included criteria for the evaluation of planning and development applications, as well as design considerations.

The following criteria is provided to evaluate the physical design of surface parking lots in the downtown:

1. *Site plan approval will be required for all temporary surface commercial parking lots in the Downtown.*
2. *The importance of any pedestrian streetscapes that are impacted by the surface commercial parking lot and the degree to which these streetscapes are impacted.*
3. *The location, configuration and size of the parking area will be designed to support the provision of, and enhance the experience of pedestrians, transit users, cyclists and drivers.*
4. *The impact of parking facilities on the public realm will be minimized by strategically locating and screening these parking areas. Surface parking should be located in the rear yard or interior side yard.*
5. *Surface parking lots should be designed to include a sustainable tree canopy with a target of 30% canopy coverage at 20 years of anticipated tree growth.*
6. *Surface parking located in highly-visible areas should be screened by low walls and landscape treatments.*
7. *Lighting of parking areas will be designed to avoid negative light impacts on adjacent properties.*
8. *Large surface parking lots shall be designed with areas dedicated for pedestrian priority including landscaping to ensure safe pedestrian connectivity throughout the site. Surface parking areas will be designed to incorporate landscape/tree*

islands for visual amenity and to help convey stormwater and reduce the heat island effect.

9. *Large surface parking areas will be designed to incorporate low impact development measures to address stormwater management.*

The evaluation of the subject site against the Downtown Plan design criteria is provided below in 4.0 Key Issues and Considerations.

The Downtown Parking Strategy, 2017

The provision, management and supply of parking was identified as an area of special relevance to the successful implementation of Our Move Forward: London's Downtown Plan. The Downtown Parking Strategy was completed in 2017 and included a review of existing parking conditions and future development potential based upon the direction of The London Plan, the 2030 Transportation Master Plan and other relevant policy documents. The long-term goals of the abovementioned plans are to achieve a decrease in single occupant vehicle travel into the Downtown that will in turn reduce the long term need for parking, particularly employee and commuter related parking. The key to the future success of the downtown will be the replacement of existing surface parking lots with new developments.

Determining how much parking is necessary for the functional and economic viability of downtown, as well as the manner and location in which the parking is provided, are key considerations coming out of the Downtown Parking Strategy study. Determining how much parking is required, how it is provided, what role the City should play in meeting future parking demand, the financial implications associated with providing new parking and the most appropriate municipal service delivery model to employ in order to maximize the return on investment of public funds are critical considerations in the development of a future Parking Management Strategy for the downtown.

3.0 Financial Impact/Considerations

None.

4.0 Key Issues and Considerations

4.1 Issue and Consideration #1: Demonstrated Need for Parking

The Downtown Parking Strategy, 2017

The Council-approved Downtown Parking Strategy study provides direction on utilization rates of existing surface commercial parking lots operating in six sub-areas of the Downtown (figure 1). The Downtown Parking Strategy provides a number of recommendations for how the City should manage surface commercial parking lots in the downtown. One of these recommendations is a gradual approach to discontinuing temporary zone permissions for surface parking lots where utilization is low. The subject property is in sub-area 4, which has a high utilization rate of 81%.

To put this into perspective, 90% utilization is considered a maximum practical occupancy level at which there is still sufficient available parking across downtown; however, certain areas may require drivers to search more for available parking and accept longer walking distances.

It should be noted that the occupancy rates in the central zones 3 & 4 are at 89% and 81% respectively, which may be making it difficult for visitors to conveniently find parking in these areas.



Figure 1: Parking utilization by sub-area, based on 2014 data.

In order to understand the potential parking implications associated with new development, an estimate of future parking supply and demand across the downtown study area has been created by using future growth estimates based on the 2014 Development Charges study. While the estimates should be viewed as approximate, they do serve to provide an indication of the potential parking challenges associated with meeting the City's desired development goals and objectives for the downtown as described in various planning documents.

An important factor regarding future parking requirements is the expected decrease in auto person trips from the existing level of 73.5% to 64% by year 2034 due to the substantial investment in new Bus Rapid Transit (BRT) service approved by Council. The expected increase in transit use equates to a decrease in parking demand of approximately 13%. Based on the estimated transportation mode split of 64% auto person use by 2034, subarea 4 will have a projected parking supply deficit of 65 spaces by 2034.

Rapid Transit

The Rapid Transit Environmental Project Report was approved in 2019 and the construction of the Downtown Loop is currently underway. Investment is being made to cycling infrastructure including the implementation of an east-west cycle track on Dundas Street and improved connection to the Thames Valley Parkway. While these projects aim to shift mode-share away from automobiles, they will take time to fully implement. Phase 2 of construction to establish the downtown loop, inclusive of Queens Avenue west of Wellington Street, was substantially completed in December 2022. Detailed design is complete for the Downtown Loop, with the final phase (3) of construction having started this year and is anticipated to be wrapped up with finishing works into next year. This timeline will align with the extension of the commercial parking lot for an additional year, which in turn will give the applicant the time to complete a detailed strategy for the subject lands.

Parking requirements for 221 Queens Avenue

Sifton Properties Limited has provided an estimate of their parking requirements and utilization of the site. The parking lot, located at 221 Queens Avenue, provides parking for three office buildings owned by the applicant: 195 Dufferin Ave., 200 Queens Ave. and 171 Queens Ave. The applicant estimates that the lot assists in providing parking for roughly 10.4% of employees in these three buildings. Overall, less than 30% of all employees are provided with parking on-site or in this lot. The applicant has identified that the temporary zoning is needed to continue to serve these employees and to

maintain contractual obligations. Based on the parking utilization data from 2014, the rationale given by the applicant identifies a need for surface parking in sub-area 4.

Address	# of Employees	On-Site Parking	Parking Provided at 221 Queens	Employees with No Parking on Site or at 221 Queens Ave
200 Queens Ave.	309	96	15	187
171 Queens Ave.	318	27	50	241
TOTAL	627	172	65	428

Although it is not intended to permit temporary uses for a long time, the Parking Strategy recommends a gradual approach to the discontinuation of temporary zone permissions, particularly in sub-areas of high demand. Since additional parking facilities and the implementation of Rapid Transit will not be completed in the short-term, staff is recommending extending the temporary zone until there is an updated strategy for the subject site to develop as a whole in the future. Given that the parking lot has existed since 1995 and continues to operate on a temporary basis, staff is satisfied that the requested extension of the temporary zone on site to allow for an additional one (1) year of surface commercial parking is appropriate to give the applicant the opportunity to find alternative parking arrangements and to provide staff with an updated strategy for the site's future functionality.

4.2 Issue and Consideration #2: Temporary Uses (General)

The London Plan provides Key Directions that must be considered to help the City effectively achieve its vision for a highly urban and transit-oriented Downtown. The following uses may be permitted within the Downtown: a broad range of residential, retail, service, office, cultural, institutional, hospitality, recreational and other related uses may be permitted in the Downtown Place Type (800_).

The London Plan policy 800_4 identifies that new accessory parking lots should not be permitted in the Downtown and new surface commercial parking lots shall not be permitted. Policy 800_5 states that where surface commercial parking lots have previously been established through temporary zoning and have been in place for an extended period of time, further extensions of such temporary uses should be discouraged where an adequate supply of parking exists in the vicinity of the subject lot.

As demonstrated in Consideration #1 above, there is an opportunity for this site to re-develop into a higher form of development. In that case, The London Plan policies allow Council to enact temporary use by-laws, and also generally discourages the long-term extension of temporary uses. An analysis of the subject site in relation to the temporary use provisions criteria (The London Plan, Policy 1672_) is provided below.

1. *Compatibility of the proposed use with surrounding land uses;*

Based on the existing landscaping along the lot frontage the site fits well within the surrounding neighbourhood, adjacent uses in the north and east are also surface parking lots. Though the existing surface commercial parking lot does not conflict with these uses in the short-term, its long-term operation precludes redevelopment of the site to a more compatible land use.

2. *Any requirement for temporary buildings or structures in association with the proposed use;*

The parking lot is existing and no additional buildings or are proposed.

3. *Any requirement for temporary connection to municipal services and utilities;*

The proposed surface commercial parking lot does not require any connection to municipal services and utilities.

4. *The potential impact of the proposed use on transportation facilities and traffic in the immediate area;*

There are no impacts anticipated on transportation facilities or traffic in the immediate area from the recommended short-term one (1) year extension.

5. *Access requirements for the proposed use;*

The applicant is not proposing to provide any additional accesses to the subject site. The main access remains along Queens Avenue.

6. *Parking required for the proposed use, and the ability to provide adequate parking on-site; and,*

As the proposed temporary use is a surface commercial parking lot, there is no concern related to the provision of adequate parking for the temporary use.

7. *The potential long-term use of the temporary use.*

The site has operated as a surface commercial parking lot since 1995 through temporary zoning. Further extensions of the temporary zone will allow the use to continue establishing a longer-term pattern of use. A short-term extension, which does not inhibit or obstruct the redevelopment of the site into a desired commercial, residential or mixed-use form in the future, is recommended to allow users of the lot to make alternative parking arrangements, as well as give the applicant the opportunity to review and provide City Staff with a strategy for the use of the site, or possibly the submission of a development application on the site. Noting, the Downtown Zone permits a full range of commercial, service, and office uses with residential uses permitted above the first floor.

Finally, respecting the degree to which the temporary use may be frustrating the viability of the intended long-term use of the lands, the Planning Justification Report submitted by Sifton Properties states that “redevelopment of the property for other uses such as commercial or residential high-rise is somewhat constrained by both the small size and irregular shape of the lot which would make it challenging to develop when considering setback, access, parking and other zoning and site plan requirements.” In staff’s opinion, the 0.25 ha parcel can be redeveloped to support mixed-use development within the downtown core, which would allow for the future development on the lands.

4.3 Issue and Consideration #3: Criteria for Temporary Commercial Surface Parking Lots in the Downtown

The Downtown Place Type in The London Plan encourages retail and service facilities at street level to contribute to a pedestrian-oriented shopping environment. Surface parking lots are discouraged. However, The London Plan supports the provision of adequate and well-located off-street parking facilities that are sufficient to meet the demand generated by existing and proposed land uses in the Downtown and provide criteria for the evaluation of applications for new or extensions to existing temporary commercial surface parking lots. An analysis of the seven criteria under The London Plan Policy 1673A_ is provided below.

1. *The demonstrated need for surface parking in the area surrounding the subject site. Utilization rates for sub-areas of the Downtown may be used to evaluate this need.*

As noted in Consideration #1 above, the site is located in subarea 4 of the Downtown Parking Strategy study, where the parking utilization rate was the second highest (81%). A healthy utilization rate is 71%. Based on the estimated

transportation mode split by 2034, subarea 4 will have a projected parking supply deficit of 65 spaces by 2034. This demonstrates a need for parking in this area.

2. *The importance of any pedestrian streetscapes that are impacted by the surface commercial parking lot and the degree to which these streetscapes are impacted.*

The site contains enhanced landscaping by way of a grass boulevards, shrubberies, and mature coniferous and deciduous trees, as well as a wrought iron fence. This enhanced landscaping helps to create a street wall and lessen the impacts of the parking lot on the public realm. Continued long-term extension of this temporary zone will further discourage redevelopment of the site and there is currently no plan in place to improve any of the current site functions, which offers little improvement to the streetscape.

The subject site has frontage on Queens Avenue, which is designated as a Rapid Transit Corridor in The London Plan. The Rapid Transit Corridor is one of the higher-order streets within the Official Plan, which designates for mixed-use high-density development. The subject site is in a prime location for development that will improve the pedestrian environment and provide for future residential development within the downtown core.

3. *The size of the parking lot, recognizing a goal of avoiding the underutilization of Downtown lands.*

With a size of roughly 0.25 hectare (2468 sq. m), the parking lot is of an irregular configuration. This shape would make it more challenging to develop for alternative uses without the consolidation of other properties. There is still future potential for a comprehensive development on the subject site in the long-term, and consolidation can allow for the future of the parcel to redevelop.

4. *The length of time that the surface commercial parking lot has been in place, recognizing it is not intended that temporary uses will be permitted on a long-term basis.*

The surface parking lot has been in place for 28 years, since 1995, through multiple extensions to the temporary zoning on the property. Additional long-term extensions begin to allow for a permanent nature of the site as a surface commercial parking lot to manifest, which is not in keeping with the criteria for temporary uses within the downtown core. The applicant provided an estimate of their parking requirements with currently fewer than 30% of employees provided with parking either on-site or in this lot. Although there are few employees provided with parking spaces, the lot can be re-developed to provide mixed-use development on the parcel, while providing alternative parking arrangements such as underground parking.

5. *Applicable guideline documents may be used to provide further, more detailed, guidance in applying these policies.*

Our Move Forward: London's Downtown Plan was adopted under Chapter 19 of the 1989 Official Plan as a guideline document and has been carried forward in Our Tools policy 1717_ of The London Plan. Policy 803_1 of The London Plan refers to all development applications for lands within the Downtown will conform with the City Design Policies of The London Plan and have regard for Our Move Forward: London's Downtown Plan. Planning Policy 5.2 in the Tools section of the plan states: "Encourage the redevelopment of vacant sites to increase the resident and worker population downtown by discontinuing temporary-use zoning on these sites". In May 2018, this section was amended to add planning and design criteria specific to create a safe, attractive pedestrian environment.

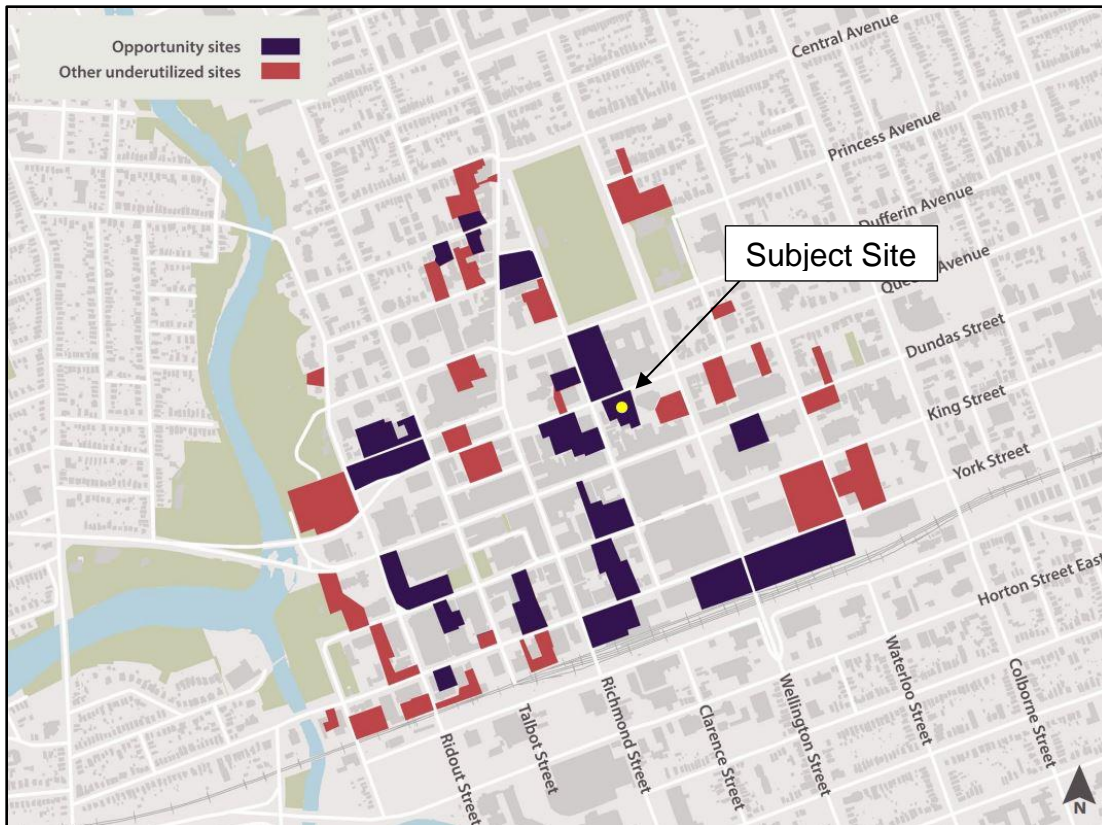


Figure 2: Priority Sites for Redevelopment (Our Move Forward: London's Downtown Plan)

The site is identified as an "Opportunity Site" in the Downtown Plan, which states that Surface parking lots present ideal conditions for redevelopment, as there is relatively little site work needed before new construction can begin. There is no net loss of the parking anticipated in the redevelopment of these parking lots, as parking can be regained by incorporating underground and structured parking into the design of the new development. Opportunity sites are where new development could bridge street wall gaps and/or link activity generators. These strategic locations are priority sites for redevelopment.

6. *Site plan approval will be required for all temporary surface commercial parking lots in the Downtown.*

A Site Plan approval was obtained in 1995 when the lot was originally established. As this application is to maintain the surface parking lot in its current state, there is no need to alter the existing Site Plan.

7. *Where Council does not wish to extend the temporary zoning for a surface commercial parking lot a short-term extension of the temporary zone may be permitted for the purpose of allowing users of the lot to find alternative parking arrangements*

A short-term, one (1) year extension to the temporary zone is recommended to allow users of the lot to find alternative parking arrangements. This provides a gradual and phased approach to discontinuing the temporary use of the property as a surface commercial parking lot.

4.4 Issue and Consideration # 4: Parking Lot Design

In May 2018, Council resolved that design criteria be added to Our Move Forward: London's Downtown Plan to assist in the planning and design of surface parking lots, when they are deemed to be appropriate in the Downtown, given the other evaluation criteria of the Official Plan listed above (London Plan policy 1673A).

The subject site is a temporary surface commercial parking lot that has been in place for almost 30 years. Site Plan approval was obtained in 1995 when the lot was originally established (#1). The site fits reasonably well within the surrounding neighbourhood,

adjacent uses in the north and east are also surface parking lots. The parking lot is adequately screened from the streetscape by shrubberies, a grass boulevard and mature coniferous and deciduous trees (#2) The parking lot supports all users as it is well screened, is small in size (0.25 ha) and has appropriate signage to direct users, contributing to a positive streetscape environment along Queens Ave (#3).

The site is located mid-block, which allows for the properties and buildings at the street intersections to create a strong street wall or edge, as well as partially screening the parking lot from both the east and west approaches. A wrought iron fence and landscape act as a continuation of the street wall along Queens Ave. (#4 & #6). The existing lighting is directed downward and does not cause negative impacts on surrounding uses (#7).

Convenient pedestrian connections for users have been provided to the parking lot. There are two sidewalk connections that connect the parking lot to Queens Ave. As the parking lot is not large and most parking rows are relatively short, no internal sidewalks are provided. Pedestrians can easily navigate to Queens Ave. as it is visible and only a short distance from all areas of the lot (#8).

The site has not been designed to include a sustainable 30% tree canopy coverage, as no trees were planted when the parking lot was initially constructed (#5). Similarly, the site does not have landscaped islands or other low impact development (LID) measures except a small grass boulevard (#9). The Site Plan approval was given over 20 years ago when these elements were not required. The Applicant also notes that it would be very difficult to plant trees or incorporate LIDs at this time without undertaking a full reconstruction of the parking lot and losing parking spaces. Additionally, the long-term vision is to have this property redeveloped, at which time on-site trees and landscape features would have to be removed.

The existing design of the surface parking lot complies with the criteria from section 5.2 Our Move Forward – London’s Downtown Plan, with the exception of tree canopy cover and low impact development measures for stormwater management. Staff are satisfied that due to the small size and configuration of the property, the existing Site Plan approval, and the long-term intent of the property to be redeveloped, these considerations are not as critical.

Conclusion

Staff are recommending refusal of the requested amendment to change the zoning on the subject site to allow for the continuation of the temporary use for three (3) years of the lands for a surface parking lot for vehicles for an additional three years as it is not consistent with the Provincial Policy Statement, 2020 and the in-force policies of The London Plan discourages long term use of the temporary use. However, staff are recommending approval of a one (1) year extension, which serves as a short-term extension, to allow users of the lot to make alternative parking arrangements, as well as give the applicant the opportunity to review and provide City Staff with a strategy for the use of the site, and/or possibly the submission of a development application on the site, which includes residential units.

Prepared by: William Brent House,
Planner I

Reviewed by: Mike Corby, MCIP, RPP
Manager, Planning Implementation

Recommended by: Heather McNeely, MCIP, RPP
Director, Planning and Development

Submitted by: Scott Mathers MPA, P. Eng
Deputy City Manager, Planning and Economic
Development

Appendix A

Bill No. (number to be inserted by Clerk's Office)
2022

By-law No. Z.-1-23_____

A by-law to amend By-law No. Z.-1 to extend a temporary zone located at 221 Queens Avenue.

WHEREAS Sifton Properties Limited have applied to extend the Temporary Use (T-69) Zone as it applies to a portion of the property located at 221 Queens Avenue for a period not to exceed three (3) years;

AND WHEREAS the Municipal Council of the Corporation of the City of London, by By-law No. Z.-1-202866 approved the Temporary Use for 221 Queens Avenue for a period not exceeding three (3) years beginning August 25, 2020;

AND WHEREAS the Municipal Council of the Corporation of the City of London deems it advisable to extend the Temporary Use for the said property for a period not exceeding one (1) year;

AND WHEREAS this rezoning conforms to the Official Plan;

THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. Section Number 50.2(74) of the Temporary (T) Zone is amended by updating the following subsection for a portion of lands known municipally as 221 Queens Avenue:

74) T-69

This Temporary Use is hereby extended for an additional one (1) year beginning June 27, 2023.

The inclusion in this By-law of imperial measure along with metric measure is for the purpose of convenience only and the metric measure governs in case of any discrepancy between the two measures.

This By-law shall come into force and be deemed to come into force in accordance with Section 34 of the Planning Act, R.S.O. 1990, c. P13, either upon the date of the passage of this by-law or as otherwise provided by the said section.

PASSED in Open Council on June 27, 2023.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading – June 27, 2023
Second Reading – June 27, 2023
Third Reading – June 27, 2023

AMENDMENT TO SCHEDULE "A" (BY-LAW NO. Z.-1)



Geodatabase

Appendix B – Public Engagement

Community Engagement

Public liaison: On March 15, 2023, Notice of Application was sent to 51 property owners in the surrounding area. Notice of Application was also published in the *Public Notices and Bidding Opportunities* section of *The Londoner* on March 16, 2023.

Nature of Liaison: To extend the existing Temporary Use (T-69) Zone to allow for the continuation of the existing commercial parking lot on the subject lands for an additional three (3) years.

Responses: 0 public response was received.

Agency/Departmental Comments

Upper Thames River Conservation Authority

The subject lands are not affected by any regulations (Ontario Regulation 157/06) made pursuant to Section 28 of the Conservation Authorities Act.

Engineering Review

Engineering has no comments for the re-zoning.

Heritage Planning

no new development is planned as part of this proposal; continued use of site.

Cultural Heritage Status

221 Queens Avenue is a heritage designated property and is located in the Downtown Heritage Conservation District. It is governed by the principles, goals, objectives, policies and guidelines of the Downtown Heritage Conservation District Plan (March 2012).

Related Policy

Per policy 6.2.6 of the Downtown Heritage Conservation District Plan, property owners in the Downtown area are encouraged to enhance existing parking lots with appropriate landscape materials.

London Hydro

London Hydro has no objection to this proposal or possible official plan and/or zoning amendment. Any new or relocation of the existing service will be at the expense of the owner.

Ecology Planning

No Natural Heritage Features on, or adjacent to the site have been identified on Map 5 of the London Plan or based on current aerial photo interpretation.

There are currently no ecological planning issues related to this property and/or associated study requirements.

Urban Design

Given that Phase 2 of the Downtown Loop Rapid Transit project will be built on Queens Ave (2022-2023), it would be favourable to develop the parcel for a mixed-use, mid- to high-rise, transit-oriented development [TLP_803E_].

Should the temporary continuation of surface parking be justified, the existing landscaping should remain to screen any parking exposed to Queens Ave [TLP 272_, 278_]. Additionally, the following enhancements should be considered:

The parking lot should be designed to incorporate areas for visual amenity, to assist with stormwater management and reduce the heat island effect [TLP 282_].

Ensure safe pedestrian connectivity throughout the site with areas dedicated for pedestrian priority [TLP 281_].

Parks Planning

Temporary use, Parks has no comments.

Landscaped Architecture

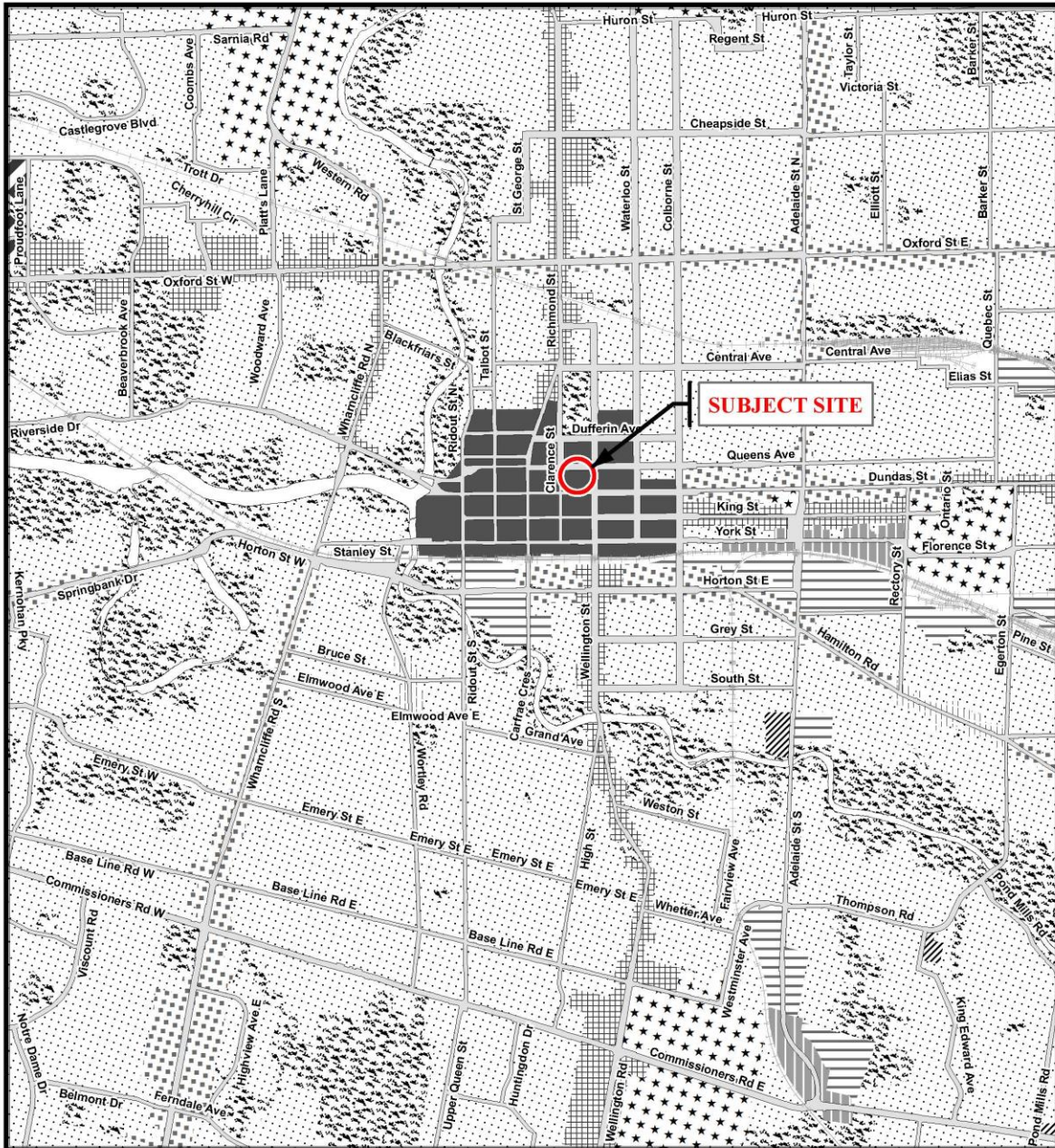
Temporary use, Landscaped Architecture has no comments.

Site Plan

Temporary use, Site Plan has no comments.

Appendix C – Relevant Background

Additional Maps



Legend

- | | | |
|------------------------|--------------------------|---|
| Downtown | Future Community Growth | Environmental Review |
| Transit Village | Heavy Industrial | Farmland |
| Shopping Area | Light Industrial | Rural Neighbourhood |
| Rapid Transit Corridor | Future Industrial Growth | Waste Management Resource Recovery Area |
| Urban Corridor | Commercial Industrial | Urban Growth Boundary |
| Main Street | Institutional | |
| Neighbourhood | Green Space | |

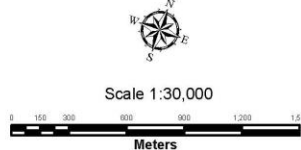
This is an excerpt from Planning & Development's working consolidation of Map 1 - Place Types of the London Plan, with added notations.

CITY OF LONDON

Official Plan

LONDON PLAN MAP 1 - PLACE TYPES -

PREPARED BY: Planning & Development



File Number: TZ-9598

Planner: BH

Technician: JI

Date: 2023/5/3

Project Location: \\cfile1\giswork\Planning\Projects\p_officialplan\workconso100\excerpts_LondonPlan\mxd\TZ-9598_Map1_PlaceTypes.mxd



COUNCIL APPROVED ZONING FOR THE SUBJECT SITE: h-3*DA2*D350*T-69

1) **LEGEND FOR ZONING BY-LAW Z-1**

- | | |
|---|-----------------------------------|
| R1 - SINGLE DETACHED DWELLINGS | RF - REGIONAL FACILITY |
| R2 - SINGLE AND TWO UNIT DWELLINGS | CF - COMMUNITY FACILITY |
| R3 - SINGLE TO FOUR UNIT DWELLINGS | NF - NEIGHBOURHOOD FACILITY |
| R4 - STREET TOWNHOUSE | HER - HERITAGE |
| R5 - CLUSTER TOWNHOUSE | DC - DAY CARE |
| R6 - CLUSTER HOUSING ALL FORMS | |
| R7 - SENIOR'S HOUSING | OS - OPEN SPACE |
| R8 - MEDIUM DENSITY/LOW RISE APTS. | CR - COMMERCIAL RECREATION |
| R9 - MEDIUM TO HIGH DENSITY APTS. | ER - ENVIRONMENTAL REVIEW |
| R10 - HIGH DENSITY APARTMENTS | |
| R11 - LODGING HOUSE | OB - OFFICE BUSINESS PARK |
| | LI - LIGHT INDUSTRIAL |
| DA - DOWNTOWN AREA | GI - GENERAL INDUSTRIAL |
| RSA - REGIONAL SHOPPING AREA | HI - HEAVY INDUSTRIAL |
| CSA - COMMUNITY SHOPPING AREA | EX - RESOURCE EXTRACTIVE |
| NSA - NEIGHBOURHOOD SHOPPING AREA | UR - URBAN RESERVE |
| BDC - BUSINESS DISTRICT COMMERCIAL | |
| AC - ARTERIAL COMMERCIAL | AG - AGRICULTURAL |
| HS - HIGHWAY SERVICE COMMERCIAL | AGC - AGRICULTURAL COMMERCIAL |
| RSC - RESTRICTED SERVICE COMMERCIAL | RRC - RURAL SETTLEMENT COMMERCIAL |
| CC - CONVENIENCE COMMERCIAL | TGS - TEMPORARY GARDEN SUITE |
| SS - AUTOMOBILE SERVICE STATION | RT - RAIL TRANSPORTATION |
| ASA - ASSOCIATED SHOPPING AREA COMMERCIAL | |
| OR - OFFICE/RESIDENTIAL | "h" - HOLDING SYMBOL |
| OC - OFFICE CONVERSION | "D" - DENSITY SYMBOL |
| RO - RESTRICTED OFFICE | "H" - HEIGHT SYMBOL |
| OF - OFFICE | "B" - BONUS SYMBOL |
| | "T" - TEMPORARY USE SYMBOL |

CITY OF LONDON

PLANNING SERVICES / DEVELOPMENT SERVICES

**ZONING
BY-LAW NO. Z-1
SCHEDULE A**



THIS MAP IS AN UNOFFICIAL EXTRACT FROM THE ZONING BY-LAW WITH ADDED NOTATIONS

FILE NO:

TZ-9598

BH

MAP PREPARED:

2023/05/03

JI

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Meters

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: 5-Year Review – Community Improvement Plans and
Financial Incentive Programs

Date: June 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the evaluation of Community Improvement Plan and Financial Incentives Programs:

- a) the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that can be addressed through existing budgets **BE IMPLEMENTED**:
 - i. that Civic Administration **BE DIRECTED** to revise the City of London Community Improvement Plan for Brownfield Incentives to update references to The London Plan, Provincial planning legislation, and Provincial financing tools;
 - ii. that the Community Improvement Plan for Industrial Land Uses **BE AMENDED** to remove 'enhanced transportation and logistics', it being noted that the use is not defined as targeted in Schedule 3 of the Community Improvement Plan;
 - iii. that Civic Administration **BE DIRECTED** to remove references to the former 1989 Official Plan and Provincial Policy Statement and to replace them with The London Plan and the 2020 Provincial Policy Statement in all Community Improvement Plans;
 - iv. that the Upgrade to Building Code Loan Program and the Façade Improvement Loan Program **BE AMENDED** to modify the repayment schedules to reduce the term length for loan amounts that are equal to or less than \$5,000 from 114 monthly payments to 54 monthly payments instead;
 - v. that the Airport Area Community Improvement Plan (CIP) **BE AMENDED** to revise the eligibility criteria and requirements for retroactive applications, it being noted the Airport Area CIP requirements are inconsistent compared to other City of London CIPs;
 - vi. that the goals and objectives of the Downtown and Old East Village Community Improvement Plans **BE AMENDED** to introduce measurable objectives to inform when the CIPs' identified Community Improvement goals have been achieved;
 - vii. that the Heritage Community Improvement Plan, City of London Community Improvement Plan for Brownfield Incentives, and Community Improvement Plan for Industrial Land Uses **BE AMENDED** to include performance measures, indicators of success, and targets to align with current City policies and Municipal Council Strategic Directions;
 - viii. that Civic Administration **BE DIRECTED** to review the effectiveness of the Financial Incentive Programs supporting the City of London Community Improvement Plan for Brownfield Incentives; and,
 - ix. that the Development Charges Grant and the Tax Increment Equivalent Grant Programs in the City of London Community Improvement Plan for Brownfield Incentives **BE AMENDED** to limit the duration of Municipal Council's commitment, it being noted that the Program does not define a time limit for holding City funds committed in future budgets.

- b) the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that result in a funding reduction, or a program being suspended, **BE IMPLEMENTED**:
 - i. that funding for the Industrial Lands Corridor Enhancement Grant Program **BE SUSPENDED** in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved under the Community Improvement Plan for Industrial Land Uses;
 - ii. The funding for the Property Tax Assistance Grant Program in the London Community Improvement Plan for Brownfield Incentives **BE SUSPENDED** in the next Multi-Year Budget pending review of the impact of 2023 changes made to the Provincial Brownfield Financial Tax Incentive Program; and,
 - iii. that funding for the Wharncliffe Road Corridor Sign Loan Program in the Lambeth Area Community Improvement Plan **BE SUSPENDED** in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Lambeth Area Community Improvement Plan.
- c) the recommendation identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that continues existing financial incentive programs with an existing budget **BE IMPLEMENTED**:
 - i. that, based on results from the review of the City's current Community Improvement Plans and the associated Incentive Programs, the following Programs, **BE CONTINUED**, noting that funding for these Programs was set to expire December 31, 2023:
 - A) Residential Development Charges Grant Programs offered in the Downtown and Old East Village Community Improvement Project Areas;
 - B) Downtown, Old East Village, and SoHo Rehabilitation and Redevelopment Tax Grant Programs;
 - C) Downtown, Old East Village, Hamilton Road, and SoHo Upgrade to Building Code Loan Programs;
 - D) Downtown, Old East Village, and Hamilton Road Upgrade to Building Code Loan Programs, including existing provisions for forgivable loans;
 - E) Downtown, Hamilton Road, Old East Village, and SoHo Façade Improvement Loan Programs;
 - F) Downtown and Old East Village Façade Improvement Loan Programs, including existing provisions for forgivable loans; and,
 - G) City-wide Industrial Development Charge Program that continues to distinguish between targeted and non-targeted industrial uses.
- d) Civic Administration **BE DIRECTED** to submit business cases for all recommendations requiring additional investment through the 2024-2027 Multi-Year Budget process:

Enhancing an Existing Financial Incentive Program

- i. that the Core Area Community Improvement Plan **BE AMENDED** to make available to properties facing Dundas Street in the Midtown Area, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Rehabilitation and Redevelopment Tax Grant Programs;
- ii. that Civic Administration **BE DIRECTED** to investigate the feasibility of funding the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs approved in 2021 for the Argyle Core Area CIP, including consideration of a forgivable loan component for properties facing Dundas Street between Clarke Road and Hale Street;
- iii. that Civic Administration **BE DIRECTED** to investigate the feasibility of amending the Upgrade to Building Code Loan Program offered in the Downtown and Old East Village Community Improvement Project Plans to increase the amount of the forgivable portion from 12.5% to 50% for

- residential units created in building levels above the ground floor and from 12.5% to 75% for commercial units created in building levels above the ground floor;
- iv. that Civic Administration **BE DIRECTED** to review the feasibility of including a Safety Audit Grant Program in the Hamilton Road Area and Argyle Core Area Community Improvement Plans;
 - v. that Civic Administration **BE DIRECTED** to report back to Municipal Council with recommendations for eligible property security improvements under the Core Area Safety Audit Grant Program to supplement recommended improvements from safety audits which also consider community visual impact;
 - vi. that Civic Administration **BE DIRECTED** to investigate the feasibility of amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value for Level 2 properties to promote occupancy in above ground floors;
 - vii. that Civic Administration **BE DIRECTED** to investigate improving the functionality of the existing Additional Residential Unit Loan Program to encourage the construction of Additional Residential Units in alignment with the multi-year budget process;

Creating a New Financial Incentive Program or Community Improvement Plan

- viii. that, following Council's adoption of the 2024-2027 Multi-Year Budget setting funding for Financial Incentive Programs in existing Community Improvement Plan, Civic Administration **TO REPORT BACK** on the policy and financial impacts of introducing a new Community Improvement Plan for the Hyde Park Hamlet on Gainsborough Road;
- ix. that the Heritage Community Improvement Plan **BE AMENDED** to add a new Heritage Grant Program to incentivize the rehabilitation of Heritage properties up to \$5,000 capped at 50% of completed eligible improvements;
- x. that Civic Administration **BE DIRECTED** to investigate the feasibility of adding energy upgrades and climate change adaptation measures into London's Community Improvement Plans;
- xi. that Civic Administration **BE DIRECTED** to review the Affordable Housing Community Improvement Plan and report back to Municipal Council on how to improve the Plan to incentivize affordable housing developments;
- xii. that Civic Administration **BE DIRECTED** to prepare new Community Improvement Plans and programs to support low-cost housing within primary transit areas;
- xiii. that Civic Administration **BE DIRECTED** to investigate the feasibility of introducing a new grant program in the Downtown, Old East Village, SoHo, Argyle Core Area, Lambeth, and Hamilton Road Area Community Improvement Plans for funding 100% of eligible interior and exterior building improvements undertaken by business tenants, up to a maximum of \$5,000;
- xiv. that Civic Administration **BE DIRECTED** to investigate the feasibility of a new community improvement financial incentive program to support conversion of vacant commercial buildings with a low potential for continued commercial use to residential units in alignment with the multi-year budget process;
- xv. that Civic Administration **BE DIRECTED** to investigate the feasibility of introducing a new community improvement financial incentive program to support attainable housing within primary transit areas in alignment with the multi-year budget process; and,
- xvi. that Civic Administration **BE DIRECTED** to review the Core Area Community Improvement Plan to consider amendments addressing property acquisition options and financial incentive programs aimed at identifying and encouraging commercial occupancy options identified through the Core Area Land and Building Vacancy Reduction Strategy.

Boundary Changes to a Community Improvement Project Area

- xvii. that Civic Administration **BE DIRECTED** to investigate the feasibility of consolidating the Core Area, Downtown, and Old East Village Community Improvement Plans, it being noted that the Core Area comprises of three distinct areas: Downtown, Midtown, and Old East Village;
- xviii. that the Old East Village Community Improvement Plan Project Area **BE AMENDED** to include the properties located at 425 Rectory Street, 419 Rectory Street, 417 Rectory Street, 415 Rectory Street, 800 King Street, 796 King Street, 794 King Street, 790 King Street, 786 King Street, 784 King Street, 774 King Street, 768 King Street, 764 King Street, 762 King Street, 758 King Street, 754 King Street, 748 King Street, 376 Hewitt Street, 378 Hewitt Street, 380 Hewitt Street, 382 Hewitt Street, 386 Hewitt Street, and 390 Hewitt Street; and,
- xix. that the Hamilton Road Community Improvement Plan Project Area **BE AMENDED** to include the property located at 512 Horton Street East.

Executive Summary

The recommendations in this report resulted from the five-year review of the City of London's Community Improvement Plans (CIPs) and financial incentive programs, were presented at the May 23, 2023, Planning and Environment Committee meeting, and have been available since then to allow for public review. Civic Administration circulated the recommendations to individuals who had participated in the project, as well as advertised the recommendations through Facebook and the Londoner. The GetInvolved webpage was also updated.

The purpose of this report is to provide Municipal Council the recommendations for decision.

The recommendations include proposed changes to several of the CIPs, to the scope and terms of existing financial incentive programs, and consideration of new programs and approaches to address community improvement issues. Some recommendations herein address core area vacancy reduction, which form part of a comprehensive proposed Core Area Land and Building Vacancy Reduction Strategy that was presented at the May 30, 2023, Strategic Priorities and Policy Committee meeting.

Linkage to the Corporate Strategic Plan

The 2023-2027 Strategic Plan identifies Council's priorities and implementing strategies to inform the associated Multi-Year Budget. The 5-Year Review of Community Improvement Plans and Financial Incentive Programs aligns with the Strategic Area of Focus: Economic Growth, Culture, and Prosperity. The anticipated outcomes of this Area of Focus include that London encourages equitable economic growth and diversification and that London's Core Area (Downtown, Midtown, Old East Village) is a vibrant neighbourhood and attractive destination.

Linkage to the Climate Emergency Declaration

On April 23, 2019, Municipal Council declared a Climate Emergency. The loan and grant Programs support the City's commitment to reducing and mitigating climate change by incentivizing rehabilitation and reinvestment to improve the environmental and economic performance of properties in designated Community Improvement Project Areas throughout the city to encourage more effective and efficient use of existing urban lands and infrastructure, brownfields clean-up, and the regeneration of existing communities.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Planning and Environment Committee – April 27, 2017 – Service Review of Community Improvement Plan Incentives

Planning and Environment Committee – May 13, 2019 – New Measures and Indicators of Success

Planning and Environment Committee – November 16, 2020 – Community Improvement Plans Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Downtown Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Old East Village Community Improvement Plan – Performance Measure and Indicators of Success

Planning and Environment Committee – June 21, 2021 – CIP - Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - SoHo Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - Lambeth Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 – Hamilton Road Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – May 9, 2022 - Community Improvement Plan (CIP) Financial Incentives Program 5-Year Review Project Launch

Strategic Priorities and Policy Committee – February 7, 2023 - London's Housing Pledge: A Path to 47,000 units by 2031

Planning and Environment Committee – May 23, 2023 – 5-year Review – Community Improvement Plans and Financial Incentive Programs – Background Analysis

Planning and Environment Committee – May 23, 2023 – 5-year Review – Community Improvement Plans and Financial Incentive Programs

Strategic Priorities and Policy Committee – May 30, 2023 – Core Area Land and Building Vacancy Reduction Strategy

2.0 Discussion

2.1 Proposed Recommendations

The 32 recommendations are duplicated from the May 23, 2023, 5-year Review – Community Improvement Plans and Financial Incentive Programs report (attached in its entirety as Appendix “B” to this report) and placed in the recommendation section of this report for Municipal Council’s consideration.

The recommendations have been organized into four categories to assist the reader in reviewing and discussing the information:

- a) Recommendations that can be addressed through existing budgets means these recommendations relate to tasks of an administrative or legislative nature that

can be undertaken within existing operational budgets and the existing staff complement over the next four years or more.

- b) Recommendations that result in a reduction of funding or a program being suspended means these financial incentive programs will not be available for the next four years but will remain in their respective CIP(s) and can be funded at a future date if desired by Municipal Council. Beginning on January 1, 2024, no new applications will be accepted for these programs.
- c) Recommendations that continue existing financial incentive programs within an existing budget means the Five-Year CIP Review determined these financial incentive programs continue to offer a return on investment and work towards achieving the anticipated outcomes of the City's 2023-2027 Strategic Plan.
- d) Recommendations that require business cases for additional investment through the 2024-2027 Multi-Year Budget process means the Civic Administration will prepare one or more business case submissions for those of the recommendations that Municipal Council approves at its June 27, 2023, meeting that requires a business case. This recommendation category has been divided into three sub-categories:
 - o Enhancing an Existing Financial Incentive Program
 - o Creating a New Financial Incentive Program or Community Improvement Plan
 - o Boundary Changes to a Community Improvement Project Area

It should be noted that in recommendation clause d), "Civic Administration BE DIRECTED to submit business cases for all recommendations requiring additional investment through the 2024-2027 Multi-Year Budget process," the recommendations have a large variance in potential budget impact ranging from an estimated low impact (less than \$100,000) to a high impact (\$1,000,000 or greater). These budget impacts are discussed in greater detail in Section 3.0.

2.2 Next Steps to Move Recommendations Forward

There are numerous steps required to bring approved recommendations to completion. As a result, it is important to note that all approved recommendations will not be implemented by January 1, 2024. Depending on the recommendation, the number of steps can vary. The common tasks required include:

- Adding the approved recommendation to the Core Area & Urban Regeneration Work Program (which may include consultation with other City Service Areas and departments as required).
- Preparing business case(s) for the 2024-2027 Multi-Year Budget.
- Updating CIP By-laws for financial incentive programs that will continue to operate within existing budgets. The by-laws contain the program requirements (application process, eligibility criteria, etc.) and need to be updated before December 31, 2023, to prevent the programs from lapsing.
- Amending or creating new financial incentive programs within an existing CIP. The complexity of each amended or new program will determine how long this process takes.
- Amending or creating a new CIP. Amending or creating a CIP has a defined process under the *Planning Act*, including required public consultation. At a minimum, an amendment to a CIP can take three months and creating a new CIP six months to a year based on the legislative requirements; however, these timelines might not be possible to achieve with the existing staff complement. Timelines might be accelerated through the hiring of additional staff or the retention of consultants. These factors will be built into the estimated cost of any related business case(s). Additional tasks when amending or creating a new CIP, may include:
 - o Preparing By-laws to adopt new or amended CIPs.
 - o Preparing any financial incentive programs to implement improvement goals and objectives identified in new CIPs.

Unless directed otherwise, Civic Administration will prioritize recommendations for implementation based on the existing staff complement available to undertake the work.

3.0 Financial Impacts

The May 23, 2023, Five-Year CIP Review report outlined the preliminary cost of each recommendation ranging from no financial (budget) impact (negligible cost or reduction in cost) to a high financial impact (\$1,000,000 or greater increase in City funding).

The financial impact for approving recommendation clause b) “the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that result in a funding reduction, or a program being suspended, BE IMPLEMENTED” is anticipated at being a funding reduction less than \$100,000 because no new applications would be accepted beginning in 2024 for those suspended programs.

At present, the financial (budget) impact of the CIP financial incentive programs can be measured by the cost of the issued and committed financial incentive by program. Table 1 in Appendix “A” of this report provides the same financial information as provided in the May 23, 2023, report but has slightly rearranged the presentation of the data to separate the development charges (DC) grant programs out from the other programs. The three DC grant programs were separated to better show how they account for 56% of total issued and committed/estimated costs for all financial incentive programs.

Alternatively, the financial impact can be measured by the taxpayer and ratepayer contributions to the reserve funds that support these initiatives. See Table 2 in Appendix “A”. Steady contributions to the reserve funds are determined that will support CIP program needs over the short and long term, while maintaining reasonable reserve fund balances. Fluctuations can occur when some CIP programs are in high demand, such as currently with Industrial DC incentives.

Table 3 in Appendix “A” shows the potential minimum order-of-magnitude cost of the 19 recommendations in clause d) that require business cases for additional investment through the 2024-2027 Multi-Year Budget. These are conservative estimates. For “high impact” recommendations, a figure of \$1 million was used, though for a building use conversion program, for example, the high impact figure could be substantially more when the scope of the program is able to be refined. For recommendations that were identified as being between two impact levels, a mid-range value was assigned. For example, for low-to-medium financial impact, the estimate is \$250,000.

The financial impacts of the recommendations approved at the June 27, 2023, Municipal Council meeting that require a business case will be refined through the business case submission process.

It is important to note that the financial impact of the financial incentive programs should also be considered relative to the return on investment of the programs. The more expensive grants (e.g., DC and Tax) tend to have bigger returns. For example, increasing the residential population of an area, reducing the amount of vacant land, implementing the Industrial Land Development Strategy, or increasing the assessed value of properties within a defined Community Improvement Project Area, whereas smaller scale programs (e.g., Façade Improvement Loan or Upgrade to Building Code Loan) have smaller financial results around specific improvements undertaken at an individual property to achieve the improvement goals and objectives of a CIP.

Conclusion

This report presents the recommendations and estimated preliminary financial impacts from the Five-Year Community Improvement Plan Review for Municipal Council’s consideration. One or more business case submissions will be provided through the Multi-Year Budget process for any approved recommendations that require additional funding.

Prepared by: **Graham Bailey, MCIP, RPP**
Senior Planner, Core Area and Urban Regeneration

Reviewed by: **Jim Yanchula, MCIP, RPP**
Manager, Core Area and Urban Regeneration

Recommended by: **Stephen Thompson, MCIP, RPP**
Director, Economic Services and Supports

Submitted by: **Scott Mathers, MPA, P.Eng.**
**Deputy City Manager, Planning and Economic
Development**

May 30, 2023
GB/gb

Appendix “A” – Financial Impact Tables

Table 1 – Financial Incentives Applications Issued 2018 to February 2023

Financial Incentive Programs				
Community Improvement Programs	Total #	Issued	Committed / Estimated	Total Issued + Committed / Estimated
Façade Improvement Loan	31	452,633	161,627	614,260
Upgrade to Building Code Loan	54	3,550,919	760,326	4,311,245
Downtown Rehabilitation and Redevelopment Tax Grant	47	624,675	14,587,686	15,212,361
Old East Village Rehabilitation and Redevelopment Tax Grant	52	3,934,612	1,245,439	5,180,051
Brownfields CIP Grants (4 Programs)	7	63,151	12,867,389	12,930,540
Heritage Development Charge Equivalent Grant	2	79,177	4,500,000	4,579,177
Recovery Grants	55	226,365	12,635	239,000
Safety Audit Grants	11	32,428	68,052	100,478
Airport Increment Tax Grant	3	669,526	242,104	911,630
Industrial Corridor Enhancement Grant	0	0	0	0
Affordable Housing Development Loan	2	0	2,100,000	2,100,000
Wharnccliffe Road Corridor Sign Loan	0	0	0	0
Additional Residential Unit Loan	2	0	40,000	40,000
Subtotal	266	\$9,633,486	\$36,585,258	\$46,218,742
Development Charges Grant Programs				
Downtown Residential Charges Grant	7	17,495,372	7,702,192	25,197,564
Old East Village Residential Charges Grant	1	0	53,439	53,439
Industrial Development Charges Grant	30	33,202,176	0	33,202,176
Subtotal	38	\$50,697,548	\$7,755,631	\$58,453,179
Grand Total	304	\$60,331,034	\$44,340,889	\$104,671,921

Table 2 – Taxpayer / Ratepayer Contributions to Reserve Funds (000s)

Reserve Fund (RF)	Actual					Budgeted	Total
	2018	2019	2020	2021	2022	2023	
Community Improvement Program RF ¹	\$1,155	\$3,600	\$1,800	\$2,200	\$1,450	\$3,600	\$13,805
DC Incentive Program RFs ²	\$8,750	\$9,450	\$11,250	\$5,250	\$8,850	\$7,700	\$51,250

1 – Reserve fund is maintained to support the cost of approved financial incentives from all CIP programs.

2 - Reserve funds are maintained to support the cost of grants for development charges incentive programs. Contributions are tax supported, and rate supported (Water and Wastewater & Treatment) (industrial only).

Table 3 - Clause d) Recommendations - Estimated Order-of-Magnitude Preliminary Costs

May 23, 2023 PEC Report Table # - Rec #	Financial Impact Estimate	\$	Rec # June 12, 2023 PEC Report clause d)
6-16	Low (L)	100,000	i.
6-17	L	100,000	ii.
6-18	Medium (M)	500,000	iii.
6-19	LM	250,000	iv.
6-20	LM	250,000	v.
6-21	M	500,000	vi.
6-22	High (H)	1,000,000	vii.
Subtotal		\$2,700,000	
1-5	No(N) - M	250,000	viii.
6-23	M	500,000	ix.
6-24	MH	750,000	x.
6-25	L	100,000	xi.
6-26	L	100,000	xii.
6-27	M	500,000	xiii.
6-28	MH	750,000	xiv.
6-29	MH	750,000	xv.
6-30*	H	1,000,000	xvi.
Subtotal		\$4,700,000	
3-9	N	0	xvii.
3-10	L	100,000	xviii.
3-11	L	100,000	xix.
Subtotal		\$200,000	
Grand Total		\$7,600,000	

* The cost to implement recommendation xvi will very likely exceed \$1 million.

Appendix “B” May 23, 2023, Planning and Environment Committee Report

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development
Subject: 5-Year Review – Community Improvement Plans and
Financial Incentive Programs
Date: May 23, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the evaluation of Community Improvement Plan and Financial Incentives Programs:

- a) the report dated May 23, 2023, from the Deputy City Manager, Planning and Economic Development, summarizing community consultations and Civic Administration’s comprehensive review of the City’s existing Community Improvement Plans and associated Financial Incentive Programs, **BE RECEIVED**; and,
- b) Civic Administration **BE DIRECTED** to circulate draft recommendations attached in the report as Appendix “A” for public review until **June 12, 2023**.

Executive Summary

The purpose of this report is to provide an update to Council on the consultation undertaken to date as part of the 5-year review of London’s Community Improvement Plans (CIPs) and the Financial Incentive Programs.

A Community Improvement Plan (CIP) is a tool defined by the *Planning Act* that is intended to replan, redesign, redevelop, and rehabilitate a designated area in need due to age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reasons. A Financial Incentive Program supports the objectives set out in a Community Improvement Program by providing financial incentives in the form of loans and grants.

This report contains draft recommendations for proposed changes to several of the CIPs, to the scope and terms of existing Financial Incentive Programs, and consideration of new programs and approaches to address community improvement issues, for Council direction and public feedback. Some recommendations herein address core area vacancy reduction, which form part of a comprehensive proposed Core Area Land and Building Vacancy Reduction Strategy scheduled for presentation on the May 30, 2023, agenda of Council’s Strategic Priorities and Policy Committee.

Linkage to the Corporate Strategic Plan

The 2023-2027 Strategic Plan identifies Council’s priorities and implementing strategies to inform the associated Multi-Year Budget. The 5-Year Review of Community Improvement Plans and Financial Incentive Programs aligns with the Strategic Area of Focus: Economic Growth, Culture, and Prosperity. The anticipated outcomes of this Area of Focus include that London encourages equitable economic growth and diversification and that London’s Core Area (Downtown, Midtown, Old East Village) is a

vibrant neighbourhood and attractive destination.

Linkage to the Climate Emergency Declaration

On April 23, 2019, Municipal Council declared a Climate Emergency. The loan and grant Programs support the City's commitment to reducing and mitigating climate change by incentivizing rehabilitation and reinvestment to improve the environmental and economic performance of properties in designated Community Improvement Project Areas throughout the city to encourage more effective and efficient use of existing urban lands and infrastructure, brownfields clean-up, and the regeneration of existing communities.

Analysis

1.0 Background Information

1.2 Previous Reports Related to this Matter

Planning and Environment Committee – April 27, 2017 – Service Review of Community Improvement Plan Incentives

Planning and Environment Committee – May 13, 2019 – New Measures and Indicators of Success

Planning and Environment Committee – November 16, 2020 – Community Improvement Plans Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Downtown Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Old East Village Community Improvement Plan – Performance Measure and Indicators of Success

Planning and Environment Committee – June 21, 2021 – CIP - Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - SoHo Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - Lambeth Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 – Hamilton Road Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – May 9, 2022 - Community Improvement Plan (CIP) Financial Incentives Program 5-Year Review Project Launch

Strategic Priorities and Policy Committee – February 7, 2023 - London's Housing Pledge: A Path to 47,000 units by 2031

1.3 Community Improvement Plans

A Community Improvement Plan (CIP) is a tool defined by Section 28 of the *Planning Act* that is intended to replan, redesign, redevelop, and rehabilitate a designated area in need due to age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reasons.

A CIP can help:

- Focus public attention on local priorities and municipal initiatives;

- Target areas in transition or in need of repair, rehabilitation, and redevelopment;
- Facilitate and encourage community change in a coordinated manner; and,
- Stimulate private sector investment through municipal incentive-based Programs.

Financial Incentive Programs in Community Improvement Plans are often used as tools to encourage and support community and economic redevelopment. The Financial Incentives are geared to encourage private sector investment in specific areas that further support the City’s policy goals and objectives, for example reinvestment in the Core Area.

Appendix “C” has a summary of the grant and loan programs identified in London’s Community Improvement Plans. Not every Program is offered in every CIP.

1.3 Current 5-Year Review Program Review

The May 9, 2022, report, which launched the current 5-Year Review, outlined the questions that this review set out to answer. The following questions guided the review of the CIPs and Financial Incentive Programs:

1. Are the goals and objectives of each CIP still valid?
 - a. Do the CIPs align with current City policies and with the City’s Strategic Plan?
 - b. Do the financial incentives still support the goals and objectives of the CIPs?
 - c. Are the Community Improvement Project Areas’ defined boundaries still valid?

2. Are the Financial Incentive Programs meeting the goals and objectives of the City’s Strategic Plan?
 - a. What is the return on investment of the Programs for public investment in London’s Downtown and urban areas?
 - b. Are the financial incentive Programs relevant and performing well?
 - c. Are there any inefficiencies present in the financial incentives?
 - d. How have the financial incentives achieved the targets outlined in the CIPs?

3. Should the boundary of the areas eligible for financial incentives be amended?

2.0 Discussion and Considerations

2.1 Proposed Changes to the Community Improvement Plan and Financial Incentive Program Framework

Changes are proposed to many of the City’s Community Improvement Plans and Financial Incentive Program based on City staff review and feedback from public engagement. These changes range from administrative updates due to legislative changes to significant program enhancements. A complete list of the proposed changes to be made available for public review are summarized in Appendix “A”. The changes have been categorized as follows:

Legislation and Housekeeping (Appendix “A”: Table 1)

- Minor changes and changes due to legislative changes.

Add Metrics and Targets to a Community Improvement Program (Appendix “A”: Table 2)

- Recommendations to provide metrics and targets to existing plans.

Community Improvement Plan Boundary Changes (Appendix “A”: Table 3)

- Boundary changes including adding additional properties to existing plans to merging existing community improvement areas.

**Continue a Financial Incentive Program
(Appendix “A”: Table 4)**

- Recommendation to continue an existing plan past its initial sunset date.

**Decrease a Financial Incentive Program’s Scope
(Appendix “A”: Table 5)**

- Limit or decrease the terms or applicability of an existing Financial Incentive Program.

**Increase Financial Incentive Program’s Scope
(Appendix “A”: Table 6)**

- Expand or increase the terms or applicability of an existing Financial Incentive Program.

**Create a New Financial Incentive Program
(Appendix “A”: Table 7)**

- Introduce a new Financial Incentive Program.

**Suspend a Current Financial Incentive Program
(Appendix “A”: Table 8)**

- Suspend a current Financial Incentive Program

Eight proposed changes raised during the 5-Year process are not recommended. These are documented in Appendix B.

2.2 Housing Supply Related Programs

On October 25, 2022, the Minister of Municipal Affairs and Housing sent a letter to the City of London assigning a housing target of 47,000 units by 2031. The letter also included a request that the City of London develop a Housing Pledge that includes necessary strategies and actions to facilitate the construction of the targeted housing units. On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 in response to the Minister of Municipal Affairs letter. In addition, on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. In order to proceed with the housing pledge and acknowledgement of a housing and homelessness emergency, the completion of a Housing Supply Action Plan is underway and is built on the three pillars of financial supports, enterprise-wide resources, and shared accountability. This report highlighted Community Improvement Programs and Financial Incentive Programs as one of the key strategies and actions available to Council to support additional housing supply.

It is recommended that London’s Affordable Housing Community Improvement Plan be reviewed and financial incentive programs be further developed for Council consideration to support increasing the housing supply. To implement London’s Core Area Land and Building Vacancy Reduction Strategy, a new program is desirable to support conversion of vacant commercial properties with a low potential for continued commercial use into residential apartment units. To build on an existing program, amends may be considered to better support the construction of Accessory Dwelling Units, to encourage the construction of a second smaller unit on the same property as a primary unit. Each of these initiatives would come forward with a series of performance metrics and targets. These initiatives would develop in alignment with the multi-year budget process.

It is also recommended that new community improvement plans and financial incentive programs be developed for Council consideration to support increasing the housing supply. These include initiatives to support low-cost housing within primary transit areas. This initiative would support construction of additional units with a defined radius

of the London Plan's Rapid Transit Corridors and Transit Villages. These programs would also come forward with a series of performance metrics and targets and be developed in alignment with the multi-year budget process.

2.3 Core Area Land and Building Vacancy Strategy

On July 6, 2021, Municipal Council resolved that Civic Administration be directed to report back on a proposed strategy that sets out potential tools that may assist in reducing Core Area land and building vacancy. Civic Administration was directed by Council on December 7, 2021, to move forward with a detailed Implementation Plan for the proposed strategy. The Core Area Land and Building Vacancy Reduction Strategy to be brought forward at the Strategic Priorities and Policy Committee will include a suite of strategies including but not limited to proposed amendments to existing CIPs and to amend and/or introduce new CIP Financial Incentive Programs. These strategies are contained in the proposed recommendations in Appendix "A" of this report.

2.4 Provincial Legislative Changes – Bill 23, More Homes Built Faster Act, 2022

The More Homes Built Faster Act, 2022 made changes to the Development Charges Act, 1997, the Municipal Act, 2001, the Ontario Heritage Act, 1990, and the Planning Act, among other Acts. These changes have some implications for London's CIPs and Financial Incentive Programs.

- DC exemptions for affordable housing units, attainable housing units, and 3 units per detached home may reduce the uptake of the Residential Development Charges Grant and the Affordable Housing Loans; and,
- The timeline to designate listed Heritage properties within 2-years may result in more Part IV Heritage Designated Properties. (Part IV designation pertains to individual properties, as opposed to groups of properties in a Part V Heritage Conservation District). With more of such properties becoming designated, Civic Administration expects there will be more frequent requests from property owners for financial assistance in the conservation of heritage attributes through CIP Programs under the Heritage CIP, particularly to target smaller Part IV properties that currently do not receive Financial Incentives.

3.0 Community Consultation and Engagement

Community engagement was held to inform the analysis of the CIPs, the CIP Financial Incentive Programs, and to develop the draft recommendations in this report. The engagement techniques used were an interactive GetInvolved City of London webpage, a virtual Public Meeting, a public presentation, several community meetings, and the City of London Facebook page promoting the project.

Community meetings were held with the London Economic Development Corporation (LEDC), the Business Improvement Associations, and the London International Airport. A presentation was made to the Urban League. Further, the London Development Institute (LDI), London Home Builders Association (LHBA), Chamber of Commerce, City's Building & Development Liaison Forum, and the public were reached out for comment.

The full results of the community engagement are found in Appendix "D". All comments and questions received are summarized in "Appendix "D" Table 1: What We Heard".

4.0 Community Improvement Plan and Financial Incentive Program Framework for Enhanced Communication

During public engagement input was received that there is not enough awareness of the Financial Incentive Programs. To address this concern, a request for funding to support an enhanced communications program will be submitted for consideration as part of the multi-year budget process. An enhanced communication program may include developing stronger links with City planning and building permit processes, by-law enforcement, and Core Area programs, to proactively advise prospective investors of City assistance available through CIP Financial Incentive Programs, using print and digital promotional materials, more frequently [e.g., annually] disseminated.

5.0 Financial Impact/Considerations

CIP Financial Incentive Programs, including any recommended adjustments to them, will be considered through the 2024-2027 Multi-Year Budget process. Some of the recommended changes to the Financial Incentive Programs will result in a reduction in the funding required for the overall Community Improvement Plan and Financial Incentive Plan framework. Other programs may result in a significant increase in the funding required to support the plans objectives. These impacts are highlighted in each proposed change in the tables included in “Appendix A: Proposed CIP and FIP Framework Changes for Public Input” as either “No Impact”, “Low”, “Medium”, or “High”:

- No Financial Impact: Negligible cost or reduction in cost;
- Low Financial Impact: Less than \$100,000;
- Medium Financial Impact: \$100,000 to \$1,000,000; and
- High Financial Impact: \$1,000,000 or greater.

These impacts may represent an increase in funding being provided or a decrease in funding being provided. Full estimates of the costs will be established through the Financial Incentive Plan reviews and brought forward in the form of a multi-year budget business case or cases.

It is important to note that all the recommendations in Appendix “A” will not be ready for implementation by January 1, 2024. Many of the recommendations (e.g., amending a CIP) require additional public consultation and process as directed by the Planning Act. Based on the feedback received from Municipal Council and the community during the public review period, and the immediate need for the recommendation to move forward, Civic Administration will prioritize recommendations for implementation based on the existing staff complement available to undertake the work.

A summary of the funding provided and committed through the City’s Financial Incentives Programs is summarized Appendix “E” Financial Incentives Programs Cost Summary. This table summarizes actual and committed spending between 2018 to February 2023. The following table provides a high-level summary of Financial Incentives Program over this 5-year period.

Program Type	Applications	Issued	Committed/ Estimated	Total Issued + Committed/Estimated
Grants	214	\$56,327,000	\$41,279,000	\$97,606,000
Loans	89	\$4,004,000	\$3,062,000	\$7,065,000
Program Type	Applications	Issued	Committed/ Estimated	Total Issued + Committed/Estimated
Grants	215	\$56,327,482	\$41,278,936	\$97,606,418
Loans	89	\$4,003,552	\$3,061,953	\$7,065,505
Total	304	\$60,331,034	\$44,340,889	\$104,671,923

6.0 Next Steps

It is recommended that this report be circulated for public review and feedback on the draft recommendations herein until the June 12, 2023, Planning and Environment Committee meeting. Administration will submit a report for Council consideration in Q3 of 2023 which summarizes the impact of the final list of recommendations approved by Council at its June 27, 2023, meeting, for amendments to London's Community Improvement Plans and Financial Incentive Programs. Council's approved recommendations thereafter relating to the funding of Financial Incentive Programs will be referred to the 2024-2027 Multi-Year Budget deliberations.

Conclusion

This report summarizes the community engagement conducted for the 2018-2022 5-Year Review of London's Community Improvement Plans and Financial Incentive Programs. The draft recommendations herein are the result of the analysis of the data collected and Council's direction on the need to increase housing supply. It is recommended that Civic Administration be directed to circulate this report for public review until the June 12, 2023, Planning and Environment Committee meeting, using the GetInvolved City of London webpage, the City of London Facebook page, Londoner notices and direct contact with Communities, and that feedback received be brought back to Municipal Council for decision on changes to CIPs and CIP Financial Incentive Programs.

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Planner II, Core Area and Urban Regeneration

Submitted by: Jim Yanchula, MCIP, RPP
Manager, Core Area and Urban Regeneration

Recommended by: Stephen Thompson, MCIP, RPP
Director, Economic Services and Supports

Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Appendix “A” Proposed CIP and FIP Framework Changes for Public Input

Table 1: Legislation and Housekeeping (Appendix “A”: Table 1)

	Recommendation	Rationale
1.		<p>that Civic Administration BE DIRECTED to revise the City of London Community Improvement Plan for Brownfield Incentives to update references to The London Plan, Provincial planning legislation, and Provincial financing tools.</p> <p>Certain legislative references in the 2006 CIP are outdated. For example, the Provincial Policy Statement 2005, the 1989 Official Plan, and the Government of Ontario’s Brownfield Financial Tax Incentive Program (BFTIP) have been replaced with newer versions.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
2.		<p>that the Community Improvement Plan for Industrial Land Uses BE AMENDED to remove ‘enhanced transportation and logistics’, it being noted that the use is not defined as targeted in Schedule 3 of the Community Improvement Plan;</p> <p>The targeted uses for DC grants are required to align with the Industrial Land Development Strategy. Enhanced transportation and logistics are not listed as a targeted use in the Industrial Lands Development Strategy. In addition, in the 2017 CIP and Financial Incentive Program Review, enhanced transportation and logistics was not included in Schedule 3 of the Industrial Lands CIP but remained in the main body of the CIP. For DC grant calculation, removing references to enhanced transportation and logistics from the entire CIP is required.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
3.		<p>that Civic Administration BE DIRECTED to remove references to the former 1989 Official Plan and Provincial Policy Statement and to replace them with The London Plan and the 2020 Provincial Policy Statement in all Community Improvement Plans;</p> <p>Each of the CIPs refers to the former 1989 Official Plan and older Provincial Policy Statement versions. The London Plan was fully approved in May 2022 and is the governing Official Plan for the City of London. Consultation with the Legal department determined that CIPs should refer only to legal provisions that are in force.</p>

	Recommendation	Rationale	
			Financial Impact: No impact (No change in City Funding)
4.		that the Upgrade to Building Code Loan Program and the Façade Improvement Loan Program BE AMENDED to modify the repayment schedules to reduce the term length for loan amounts that are equal to or less than \$5,000 from 114 monthly payments to 54 monthly payments instead;	<p>Modifying the payment schedules would help reduce administrative cost of managing loans with small monthly payments, while ensuring repayments are manageable for applicants. For example, a \$5,000 loan would have a monthly payment of \$92.59 over 54 months instead of \$43.86 for 114 months. Further, having the smaller loans repaid more quickly would allow the City to reinvest that repayment money into new loans quicker.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
5.		that, following Council’s adoption of the 2024-2027 Multi-Year Budget setting funding for Financial Incentive Programs in existing Community Improvement Plan, Civic Administration REPORT BACK on the policy and financial impacts of introducing a new Community Improvement Plan for the Hyde Park Hamlet on Gainsborough Road;	<p>On March 7, 2023, Council resolved that the communication dated January 31, 2023, from the Hyde Park Business Improvement Association, BE REFERRED to the Community Improvement Plan (CIP) And Financial Incentives Program 5-Year Review being undertaken by Civic Administration, to assess the feasibility of the Hyde Park Hamlet as a candidate for a Community Improvement Plan and Financial Incentive Programs, specifically for Gainsborough Road.</p> <p>Financial Impact: No to Medium Impact: (No change to increase in City funding – Will depend on outcome from CIP feasibility analysis and if deemed feasible, the length of the public process to create a new CIP).</p>
6.		that the Airport Area Community Improvement Plan (CIP) BE AMENDED	During the Civic Administration’s Community Improvement Plan Review it was found

	Recommendation	Rationale	
		to revise the eligibility criteria and requirements for retroactive applications, it being noted the Airport Area CIP requirements are inconsistent compared to other City of London CIPs;	that the Airport Area CIP contains language regarding retroactive applications that is inconsistent with all other City of London CIPs. To reduce confuse and ensure consistency among CIPs, the eligibility criteria and requirements in the Airport Area CIP needs to be updated. Financial Impact: No impact (No change in City Funding)

Table 2: Add Metrics and Targets to a Community Improvement Program (Appendix “A”: Table 2)

	Recommendation	Rationale	
7.	that the goals and objectives of the Downtown and Old East Village Community Improvement Plans BE AMENDED to introduce measurable objectives to inform when the CIPs’ identified Community Improvement goals have been achieved;	Input received during public consultation stated that the current goals and objectives of the Downtown and Old East Village CIPs are not measurable. Proposed revisions would allow Administration to track the success of the CIPs and inform Council when CIPs have achieved their intent. Financial Impact: No impact (No change in City Funding)	
8.	that the Heritage Community Improvement Plan, City of London Community Improvement Plan for Brownfield Incentives, and Community Improvement Plan for Industrial Land Uses BE AMENDED to include performance measures, indicators of success, and targets to align with current City policies and Municipal Council Strategic Directions;	This was a recommendation from the previous 2017 CIP Review. The purpose of adding performance measures and indicators of success is to inform Council of how the CIPs have achieved their intent and whether changes to their Financial Incentive Programs are advisable. The Downtown, Old East Village, SoHo, Hamilton Road, and Lambeth Area CIPs were amended in 2020 and 2021 to add performance measures, indicators of success, and targets for the Financial Incentive Programs. Financial Impact: No impact (No change in City Funding)	

Table 3: Community Improvement Plan Boundary Change (Appendix “A”: Table 3)

	Recommendation	Rationale
9.	that Civic Administration BE DIRECTED to investigate the feasibility of consolidating the Core Area, Downtown, and Old East Village Community Improvement Plans, it being noted that the Core Area comprises of three distinct areas: Downtown, Midtown, and Old East Village;	<p>Consolidating the Core Area, Downtown, and Old East Village Area CIPs would reduce redundancy and streamline Financial Incentive applications to save on the administrative cost of processing applications. Further, consolidating the three CIPs could reduce confusion of boundary lines and determining eligibility of CIP Programs for property owners and expand program offerings to Midtown.</p> <p>Financial Impact: Cost reduction to no impact (No change in City Funding)</p>
10.	that the Old East Village Community Improvement Plan Project Area BE AMENDED to include the properties located at 425 Rectory Street, 419 Rectory Street, 417 Rectory Street, 415 Rectory Street, 800 King Street, 796 King Street, 794 King Street, 790 King Street, 786 King Street, 784 King Street, 774 King Street, 768 King Street, 764 King Street, 762 King Street, 758 King Street, 754 King Street, 748 King Street, 376 Hewitt Street, 378 Hewitt Street, 380 Hewitt Street, 382 Hewitt Street, 386 Hewitt Street, and 390 Hewitt Street;	<p>These properties are currently just outside of the Old East Village CIP boundary and are not eligible for Financial Incentive Programs. In addition, these properties are adjacent to the eastern leg of the Rapid Transit Corridor Protected Major Transit Station Area. Including these properties in the Old East Village CIP and permitting Financial Incentives could help intensify the lands and comply with the Vision of The London Plan for Major Transit Station Areas. Further, input received from property owners at these locations were in support of this recommendation.</p> <p>Expanding the Old East Village CIP Project Area and the Financial Incentive Programs to add the 23 properties is expected to have a negligible impact in the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No to Low impact (No Change in City Funding to Increase in City Funding)</p>

Recommendation	Rationale
<p>11.</p>	<p>that the Hamilton Road Community Improvement Plan Project Area BE AMENDED to include the property located at 512 Horton Street East;</p>
	<p>This is a comparatively larger property abutting the Hamilton Road CIP boundary which is appropriate for redevelopment and currently not eligible for Financial Incentives. Input received from the property owner is in support of this recommendation.</p> <p>Expanding the Hamilton Road CIP Project Area and the Financial Incentive Programs to add this property is expected to have a negligible impact in the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No to Low impact (No Change in City Funding to Increase in City Funding)</p>

Table 4: Continue a Financial Incentive Program (Appendix “A”: Table 4)

	Recommendation	Rationale
12.	<p>that, based on results from the review of the City’s current Community Improvement Plans and the associated Incentive Programs, the following Programs, BE CONTINUED, noting that funding for these Programs was set to expire December 31, 2023:</p> <ul style="list-style-type: none"> - Residential Development Charges Grant Programs offered in the Downtown and Old East Village Community Improvement Project Areas - Downtown, Old East Village, and SoHo Rehabilitation and Redevelopment Tax Grant Programs - Downtown, Old East Village, Hamilton Road, and SoHo Upgrade to Building Code Loan Programs - Downtown, Old East Village, and Hamilton Road Upgrade to Building Code Loan Programs, including existing provisions for forgivable loans - Downtown, Hamilton Road, Old East Village, and SoHo Façade Improvement Loan Programs - Downtown and Old East Village Façade Improvement Loan Programs, including existing provisions for forgivable loans <p>City-wide Industrial Development Charge Program that continues to distinguish between targeted and non-targeted industrial uses.</p>	<p>Funding for these Programs was set to expire on December 31, 2023. These Programs are still relevant in addressing community improvement needs cited in the CIPs.</p> <p>The breakdown of what these Programs cost from 2018 to the time of writing is listed in Appendix “E”. It is anticipated that the cost of the Programs may be similar in the next Multi-Year Budget.</p> <p>Retaining these Programs is expected to have a negligible impact on the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No impact (No Change in City Funding)</p>

Table 5: Decrease a Financial Incentive Program’s Scope (Appendix “A”: Table 5)

	Recommendation	Rationale
13.	that funding for the Industrial Lands Corridor Enhancement Grant Program BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved under the Community Improvement Plan for Industrial Land Uses;	<p>Properties abutting the 401/402 Corridor are for eligible for this program. This program received funding in 2018 and to date no applications were received for this Program. Administration set aside \$40,000 annually in the current Multi-Year Budget that was intended to fund approximately two applications annually. Reallocating these funds can be directed to other Financial Incentive Programs with more uptake.</p> <p>Financial Impact: Reduction in City Funding</p>
14.	that Civic Administration BE DIRECTED to review the effectiveness of the Financial Incentive Programs supporting the City of London Community Improvement Plan for Brownfield Incentives;	<p>The four Financial Incentive Programs that support the City of London Community Improvement Plan for Brownfield Incentives are more expensive than forecasted when the Programs were first established. As an example, soil remediation costs were added as an eligible grant expense. This change has been shown to drive up the cost of the Development Charge Rebate program offered under the Brownfields CIP. The average of the Council Approved remediation costs for Brownfield grants before the addition of soil remediation cost was \$230,837.34 compared to the average afterwards of \$3,114,636.75. The Grant Commitments represent money reserved from the budget that is unavailable for other Financial Incentive Programs.</p> <p>Financial Impact: Reduction in City Funding</p>
15.	that the Development Charges Grant and the Tax Increment Equivalent Grant Programs in the City of London Community Improvement Plan for Brownfield Incentives BE AMENDED to limit the duration of Municipal Council’s commitment, it being noted that the Program does not define a time limit for holding City funds committed in future budgets;	<p>There is no expiration on the City’s Financial Commitments made in Brownfields Financial Incentives Programs, whereas Financial Commitments made in other incentive Programs have an expiration date. For example, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Core Area Safety Audit Grant have an expiration of one year from when the Commitment Letter is sent. This program change is intended to help reduce vacancies and bring brownfield properties into productive use faster. Further, this program change is expected to have little financial impact to the Multi-Year Budget, other than possibly making funds available to other Financial Incentive Programs.</p> <p>Financial Impact: Reduction to No impact (No change in City Funding)</p>

Table 6: Increase Financial Incentive Program’s Scope (Appendix “A”: Table 6)

	Recommendation	Rationale
16.	that the Core Area Community Improvement Plan BE AMENDED to make available to properties facing Dundas Street in the Midtown Area, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Rehabilitation and Redevelopment Tax Grant Programs;	<p>Input received during public consultation inquired about Midtown being eligible for these Financial Incentive Programs that are already available in the Downtown and Old East Village CIPs. Administration determined that doing so would encompass 36 additional eligible properties along Dundas Street in Midtown which is expected to have a negligible impact in the 2024-2027 Multi-Year Budget. Further, Midtown is already within the Core Area CIP Project Area boundary and is eligible for other Core Area grants (Core Area Safety Audit Grant, Core Area Sign Grant, and the Core Area Boulevard Café Grant Programs).</p> <p>Financial Impact: No impact (No change in City Funding) to low (increase in City Funding)</p>
17.	that Civic Administration BE DIRECTED to investigate the feasibility of funding the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs approved in 2021 for the Argyle Core Area CIP, including consideration of a forgivable loan component for properties facing Dundas Street between Clarke Road and Hale Street;	<p>When the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs were approved in late 2021, Council referred their funding to the 2024-2027 Multi-Year Budget. Input received from Argyle community representatives during public consultation for this 5-Year Review indicated that eligible applicants are more likely to undertake community improvement investments when financial incentive programs offer forgivable loans rather than fully repayable loans. Input from consultation also indicated that if forgivable loans were made available in the Argyle Core Area CIP Programs, the eligible area should be defined to the 181 properties facing Dundas Street between Clark Road and Hale Street.</p> <p>Financial Impact: Low impact (Increase in City Funding)</p>
18.	that Civic Administration BE DIRECTED to investigate the feasibility of amending the Upgrade to Building Code Loan Program offered in the Downtown and Old East Village Community Improvement Project Plans to increase the amount of the forgivable portion from 12.5% to 50% for residential units created in building levels above the ground floor and from 12.5% to 75% for commercial units created in building levels above the ground floor;	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, the proposed changes to the forgivable loan amount would be a potential means of increasing the interest of eligible applicants in improving the condition of Core Area vacant buildings to be made suitable for occupancy. Approximately, 591 properties in these CIP Areas are eligible for the Upgrade to Building Code Loan.</p> <p>This recommended program amendment feasibility investigation would be undertaken for consideration in in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p>

		Financial Impact: Medium impact (Increase in City Funding)																																				
19.	that Civic Administration BE DIRECTED to review the feasibility of including a Safety Audit Grant Program in the Hamilton Road Area and Argyle Core Area Community Improvement Plans;	<p>Input received during public consultation requested that a Safety Audit Grant Program, modeled after the Core Area Safety Audit Grant Program, be also made available in the Hamilton Road Area and the Argyle Core Area Community Improvement Plans. Both CIPs list improving safety as an Area for Improvement. Further, Action Item 2.5 in the Argyle Core Area CIP directs the undertaking of a Safety Audit to identify specific safety concerns in the Argyle Core Area CIP Project Area. In addition, at the time of writing this Report, funds remain available in the existing Core Area Safety Audit Grant budget that could be redirected to other areas.</p> <p>Financial Impact: Low to Medium impact (Increase in City Funding)</p>																																				
20.	that Civic Administration BE DIRECTED to report back to Municipal Council with recommendations for eligible property security improvements under the Core Area Safety Audit Grant Program to supplement recommended improvements from safety audits which also consider community visual impact;	<p>From the public consultation received, the eligible improvements under the Core Area Safety Audit Grant Program (gates and security cameras) could give a negative impression of a community. The goal of a CIP is in part to rehabilitate and beautify a community. Financial Incentives used to improve property security in a community in ways that may detract from its visual appeal work at cross-purposes.</p> <p>Financial Impact: Low to medium (Increase in City Funding)</p>																																				
21.	that Civic Administration BE DIRECTED to investigate the feasibility of amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value for Level 2 properties to promote occupancy in above ground floors;	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, the proposed grant increase would be a potential means of increasing the interest of eligible applicants in improving the condition of Core Area vacant properties to be made suitable for occupancy. This amendment is intended to help reduce vacancies in existing buildings (which is what Level 2 targets). The Tax Grant Rebate currently starts at a 70% rebate in year 1 and scales down to 10% at year 10.</p> <p>Example of a potential revision: Based on a post-construction Tax increment of \$35,111.</p> <table border="1"> <thead> <tr> <th>Existing %</th> <th>Revised %</th> <th>Existing Grant</th> <th>Revised Grant</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>90%</td> <td>24,578</td> <td>31,600</td> </tr> <tr> <td>70%</td> <td>90%</td> <td>24,578</td> <td>31,600</td> </tr> <tr> <td>60%</td> <td>90%</td> <td>21,067</td> <td>31,600</td> </tr> <tr> <td>50%</td> <td>80%</td> <td>17,556</td> <td>28,089</td> </tr> <tr> <td>40%</td> <td>70%</td> <td>14,044</td> <td>24,578</td> </tr> <tr> <td>30%</td> <td>60%</td> <td>10,533</td> <td>21,067</td> </tr> <tr> <td>20%</td> <td>50%</td> <td>7,022</td> <td>17,556</td> </tr> <tr> <td>10%</td> <td>40%</td> <td>3,511</td> <td>14,044</td> </tr> </tbody> </table>	Existing %	Revised %	Existing Grant	Revised Grant	70%	90%	24,578	31,600	70%	90%	24,578	31,600	60%	90%	21,067	31,600	50%	80%	17,556	28,089	40%	70%	14,044	24,578	30%	60%	10,533	21,067	20%	50%	7,022	17,556	10%	40%	3,511	14,044
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		10%	30%	3,511	10,533
		10%	20%	3,511	7,022
		Total		129,911	217,688
		<p>There are approximately 673 properties in the Downtown, OEV, and SoHo Area CIPs that are eligible for the Tax Grant Program.</p> <p>This recommended program amendment feasibility investigation would be undertaken for consideration in in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>			
22.	that Civic Administration BE DIRECTED to investigate improving the functionality of the existing Additional Residential Unit Loan Program to encourage the construction of Additional Residential Units in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to encourage the construction of Additional Residential Units to provide lower cost housing for Londoners. An annual funding cap for this program will also be recommended.</p> <p>Financial Impact: High, may be eligible for senior level government funding (Increase in City funding)</p>			

Table 7: Create a New Financial Incentive Program (Appendix A: Table 7)

	Recommendation	Rationale
23.	that the Heritage Community Improvement Plan BE AMENDED to add a new Heritage Grant Program to incentivize the rehabilitation of Heritage properties up to \$5,000 capped at 50% of completed eligible improvements;	<p>The current Tax Grant and Development Charges Grant Programs under the Heritage CIP are intended to encourage the rehabilitation of Part IV Heritage Designated Properties in larger property redevelopments by offsetting the financial burden of increased property taxes and Development Charges that form part of rehabilitation costs.</p> <p>A gap analysis of this CIP completed by Administration highlighted the lack of a grant program to target smaller Part IV Heritage Designated properties. A grant of up to \$5,000, capped at 50%, for completed eligible improvements may help offset the cost of smaller scale improvements that require a Heritage Alteration Permit. The annual cost of the program is estimated at \$130,000 based on Heritage Alteration Permit data collected.</p> <p>Legislation has changed significantly since the adoption of the CIP – particularly the introduction of Bill 23 that requires properties on a municipal registry to be removed if no notice of intention to designate has been issued by January 1, 2025.</p> <p>Civic Administration would introduce an annual funding cap for the proposed Program no higher than the estimated annual program cost to ensure the Program cost remains within the 2024-2027 Multi-Year Budget for CIP Financial Incentives.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>

	Recommendation	Rationale
24.	that Civic Administration BE DIRECTED to investigate the feasibility of adding energy upgrades and climate change adaptation measures into London’s Community Improvement Plans;	<p>Input received during public consultation suggested the addition of climate change objectives into the CIPs and making Financial Incentives Programs available for environmentally friendly retrofit projects. Currently, improvements for green building measures for sustainable developments, such as living walls and green roofs, are eligible under the Upgrade to Building Code Loan Program.</p> <p>The Climate Emergency Action Plan Area of Focus 3 – Transforming buildings and development workplan listed reviewing the options for energy upgrades and climate adaptation measures for building upgrades using the Community Improvement Plan Program as a key action item.</p> <p>An annual funding cap for this program will also be recommended.</p> <p>Financial Impact: Medium to high impact (Increase in City Funding)</p>
25.	that Civic Administration BE DIRECTED to review the Affordable Housing Community Improvement Plan and report back to Municipal Council on how to improve the Plan to incentivize affordable housing developments;	<p>Three applications have been received under the two Financial Incentive Programs introduced the 2020 Affordable Housing CIP. Development Charges and Property Tax Rebate Grant incentives are available to Not-for-Profit housing providers. In addition, recent legislative changes introduced through Bill 23 changed the DC requirements for some affordable housing providers, making the structure of the existing CIP loan programs less attractive and effective.</p> <p>The intent of the Affordable Housing CIP is to incentivize the development of affordable housing in support of the plan set out in the Roadmap to 3,000 Affordable Units Report, and in subsequent commitments and reports. The Affordable Housing Development Loan Program may not provide sufficient incentive to encourage the development of affordable units.</p> <p>Financial Impact: No to Low impact (No change in City Funding to Increase in City Funding). Existing funding was previously approved for the Affordable Housing CIP that remains available for financial incentives during the upcoming Multi-Year Budget.</p>

	Recommendation	Rationale
26.	that Civic Administration BE DIRECTED to prepare new Community Improvement Plans and programs to support low-cost housing within primary transit areas;	<p>The London Plan states that the highest level of transit service will be provided within the Primary Transit Area. This initiative would support construction of additional units within a defined radius of the London Plan’s Rapid Transit Corridors and Transit Villages. Because the rapid transit network will connect Transit Villages and major activity generators, including many of our educational and health care institutions, with the Downtown, low-cost housing will be linked to many community destinations and services.</p> <p>Financial Impact: No to Low impact (No change in City Funding to Increase in City Funding). Existing funding was previously approved for the Affordable Housing CIP that remains available for financial incentives during the upcoming Multi-Year Budget.</p>
27.	that Civic Administration BE DIRECTED to investigate the feasibility of introducing a new grant program in the Downtown, Old East Village, SoHo, Argyle Core Area, Lambeth, and Hamilton Road Area Community Improvement Plans for funding 100% of eligible interior and exterior building improvements undertaken by business tenants, up to a maximum of \$5,000;	<p>Input received during public consultation noted that the current Financial Incentive Programs only fund improvements initiated by property owners. Likewise, it was observed that many business tenants would like to improve the appearance of the buildings they occupy even when the property owners will not invest in renovations.</p> <p>Council in 2021-2022 initiated and approved funding for the Recovery Grant Program proposed by the London Community Recovery Network. That Program was available to tenants and was very successful (100% of funds made available in 2021-2022 were spent on building improvements). This proposed grant program could be an extension or adaptation of the Recovery Grant Program to help fund interior/exterior improvements, broken windows, and signs that support continued business occupancy.</p> <p>This recommended new program feasibility investigation would be undertaken for consideration in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>

	Recommendation	Rationale
28.	that Civic Administration BE DIRECTED to investigate the feasibility of a new community improvement financial incentive program to support conversion of vacant commercial buildings with a low potential for continued commercial use to residential units in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to accelerate the conversion of vacant commercial buildings with a low potential for continued commercial use to residential apartment units.</p> <p>Financial Impact: Medium to high, may be eligible for senior level government funding (Increase in City funding)</p>
29.	that Civic Administration BE DIRECTED to investigate the feasibility of introducing a new community improvement financial incentive program to support attainable housing within primary transit areas in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to accelerate the construction of attainable housing in areas with access to primary transit routes.</p> <p>Financial Impact: Medium to high, may be eligible for senior level government funding (Increase in City funding)</p>
30.	that Civic Administration BE DIRECTED to review the Core Area Community Improvement Plan to consider amendments addressing property acquisition options and financial incentive programs aimed at identifying and encouraging commercial occupancy options identified through the Core Area Land and Building Vacancy Reduction Strategy.	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, it has been identified that property acquisition to advance strategic directions and new incentive programs aimed at cultivating commercial occupancy demand should be explored.</p> <p>Financial Impact: High (Increase in City Funding)</p>

Table 8: Suspend a Current FIP (Appendix “A”: Table 8)

	Recommendation	Rationale
31.	<p>The funding for the Property Tax Assistance Grant Program in the London Community Improvement Plan for Brownfield Incentives BE SUSPENDED in the next Multi-Year Budget pending review of the impact of 2023 changes made to the Provincial Brownfield Financial Tax Incentive Program.</p>	<p>Administration has received only one application for the Property Tax Assistance Grant Program since 2006. The Program terms are cumbersome for applicants, offering modest grant funding, and requiring Ministry approval to offset Provincial education property taxes.</p> <p>The Province of Ontario has made recent changes to its Brownfield Financial Tax Incentive Program (BFTIP) that might alleviate some of Civic Administration’s past concerns with the Property Tax Assistance Program and the related cancellation of the matching education property taxes; however, suspending the Program pending further analysis is recommended. Suspending the Property Tax Assistance Program is expected to have a negligible impact in the next four years on the uptake of Brownfield CIP applications.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
32.	<p>that funding for the Wharncliffe Road Corridor Sign Loan Program in the Lambeth Area Community Improvement Plan BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Lambeth Area Community Improvement Plan;</p>	<p>Administration received no applications under this loan program since the adoption of the Lambeth Area CIP in 2019. Normally signs are a tenant’s expense, who are normally not eligible for City loans unless the landlord / property owner agrees to take on responsibility for the loan. Suspending funding for the Wharncliffe Road Corridor Sign Loan Program would allow for reallocation of funding to more frequently used Programs.</p> <p>Financial Impact: No impact (No change in City Funding)</p>

Appendix “B” Proposed Changes Not Recommended

	Potential Change	Rationale for not Recommending
1.	Increasing the forgivable portion offered in the Façade Improvement Loan Program	It was determined that this potential change would have less of an impact compared to increasing the forgivable component of the Upgrade to Building Code Loan. The Upgrade to Building Code Loan Program has the potential to increase the usable Gross Floor Area of a building whereas the Façade Improvement Loan would not. Therefore, it was found that there is greater return on investment on focusing budget funds on improving the interior of buildings than the façade.
2.	Introducing a new Financial Incentive program for a one-time 50% grant up to \$20,000 for property owners to renovate the building interiors	Input received in public consultation suggested a new program for a 50% grant up to \$20,000 to renovate building interiors. Recommendation #19 is a stronger incentive to address the improvement objective of more building rehabilitations to encourage greater occupancy in the Core Area.
3.	Dissolving the Lambeth CIP Project Area	Although there have been no applications received through the Façade Improvement Loan or the Wharnccliffe Road Corridor Sign Loan Programs offered in the Lambeth CIP, the 3% vacancy target set in the Lambeth CIP has not been met (The most recent 2021 field data showed a 4.1 % vacancy rate). Further, Lambeth uptake of the 2021-2022 Recovery Grant Program indicates interest in Financial Incentive Programs.
4.	Amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value offered for Level 3 properties	The Level 3 Tax Grant targets vacant lands available under the Rehabilitation and Redevelopment Tax Grant Program of the Old East Village and Downtown CIPs. No evidence received suggested that increasing Tax Grants on vacant lands would further incentivize the development of vacant lots enough to justify improving the grant schedule as with the Level 2 Tax Grant.
5.	Dissolving the Airport Area CIP Project Area	The Airport Area Community Improvement Plan Tax Grant program has received few applications since its adoption in 2007. Civic Administration consulted with the London Economic Development Corporation (LEDC) and the Airport Authority, that emphasized the importance of the Airport Area CIP for future investment opportunities. Further, the Airport Area CIP’s purpose of stimulating community economic development by retaining

		aerospace companies within London is still relevant.
6.	Offering Forgivable Loans in the in the SoHo and Lambeth Community Improvement Plan Project Areas	Forgivable Loans for the Façade Improvement Loan and Upgrade to Building Code Loan Programs are already offered in the Downtown, Old East Village, and Hamilton Road Area CIPs. Given the costs of funding forgivable loans, and budget pressures anticipated in the 2024-2027 Multi-Year Budget, expanding the offer of forgivable loans beyond what is current is not recommended.
7.	Expanding the Downtown CIP boundary to include Pall Mall Street, Piccadilly, and Central Street.	Expanding the Downtown CIP boundary would require an assessment of whether the additional proposed areas conform with community improvement criteria in the London Plan, and an examination of the impact on extending available Financial Incentives Program funding to a wider downtown area. Given budget pressures anticipated in the 2024-2027 Multi-Year Budget, the staff/resources needed to pursue this expansion are better prioritized within existing boundaries of existing CIPs.
8.	Expanding the boundaries of the Core Area CIP to expand the southern boundary along the CN railroad tracks, the western boundary to the Thames River and the eastern boundary to Egerton Street.	Expanding the Core Area CIP boundary would require an assessment of whether the additional proposed areas in Old East, Midtown, and Downtown conform with community improvement criteria in the London Plan, and an examination of the impact on extending available funding to a wider Core Area territory. Given budget pressures anticipated in the 2024-2027 Multi-Year Budget, the staff/resources needed to pursue this expansion are better prioritized within existing boundaries of existing CIPs. There are recommended changes to CIP boundaries and Financial Incentive Programs made in this report that are intended to address requests for improvements within the existing Core Area CIP boundaries.

Appendix “C” Summary of the Grant and Loan Programs

The Grants:

Airport Tax Grant: Through this program, the City provides a ten-year tax grant for eligible properties. The grant is based on the increase in municipal taxes resulting from the development of the property for aerospace related uses.

Brownfields Contamination Assessment Study Grant: This program provides a grant for 50 percent of the cost to conduct a Phase II Environmental Site Assessment, Remedial Action Plan and/or Risk Assessment in accordance with the requirements under the *Environmental Protection Act*. The maximum grant provided is \$10,000 per property, subject to available funding.

Brownfields Property Tax Assistance Grant: This program provides for the cancellation of 25 percent of the municipal property taxes for up to three years during which rehabilitation and development activity is taking place. The property would also be eligible to receive matching education tax assistance from the Province, subject to available funding and approval by the Minister of Finance.

Brownfields Development Charge Rebate: This program provides a grant for up to 50 percent of the normal development charges to cover eligible remediation costs. This rebate is intended to reduce the “up-front” development costs and encourage investment by landowners.

Brownfields Tax Increment Equivalent Grant: This program provides a grant equal to the increase between the pre-development and post-development municipal property tax after rehabilitation and development has taken place. The grant can be provided for a maximum of three years from the date of the increase in assessed value.

Heritage Development Charge Equivalent Grant: This program provides a grant in the amount of the development charges rate that would have applied to the heritage building, had it been built today, when that structure is rehabilitated or incorporated into a development project. The intent is for the owner to preserve the heritage features and/or historic context of the designated building.

Heritage Tax Increment Grant: This program provides a grant equivalent to the increase in the municipal portion of the property tax following from a reassessment resulting from a development or rehabilitation project related to an intensification or a change of use that rehabilitates an associated designated heritage property. The development or rehabilitation project, however, must not compromise the reasons for designation of a heritage structure.

Industrial Corridor Enhancement Grant: This program provides a grant to enhance the public realm of industrial lands directly abutting the Highway 401/402 Investment Corridor. This program provides a grant equal to 50% of the cost of eligible landscaping, fencing, berming, screening, and public art on industrial properties that sufficiently improves the aesthetics of industrial sites, and/or provides effective screening of outside storage areas. The maximum grant per property is \$20,000.

Industrial Development Charges Grant: This program provides a grant for Targeted and Non-Targeted industrial uses to reduce the amount of Development Charges (DC) paid by the applicant. The program offers a 100% DC grant for Targeted industrial uses. For Non-Targeted industrial uses, a grant equivalent to 50% of the DCs to be paid, up to a maximum grant of \$250,000, with the remainder of the DCs to be fully paid by the applicant is available.

DCs that are owed for a non-targeted industrial use, will be required to be paid at building permit issuance. For speculative or shell buildings, when a non-targeted industrial use occupies the building or a unit in the building, DCs will be paid when the building permit is issued at the tenant finish stage.

Targeted Industrial Uses are: Advanced Manufacturing (Renewable and Clean Technology, Automotive, Agri-Food/Food Processing, and Defense and Aerospace), Life and Health Sciences, Information Technology and Digital Media, and Research and Development.

Rehabilitation & Redevelopment Tax Grant: This program rebates a portion of the municipal tax increase that results from the rehabilitation of an existing building or construction of a new building. A percentage of this tax increment is rebated back to the property owner each year, for ten years.

Residential development charges Incentive Grant: This program provides a grant equal to a rebate of Development Charges (DCs) for residential units constructed. DCs are required to be paid “up-front” at the time the building permit is issued. The program grants back a portion of the residential DCs paid by the applicant over an approximately 10-year schedule until 100% of the residential DCs have been repaid to the applicant. The program is aimed at encouraging private sector investment in residential development in the Downtown and Old East Village.

The Loans:

Affordable Housing Development Loan Program: This program provides a loan per affordable rental unit created. A minimum of five affordable rental units must be created. The amount of the loan depends on the level of affordability being provided compared to Average Market Rent (AMR), the location of the project, and whether the developer pays property taxes.

Additional Residential Unit Loan Program: This program provides a loan of up to \$20,000 for the creation of an additional residential unit (ARU) within an existing residential building or on the same property (for example, above a detached garage or in a coach house). To be eligible for this loan, the main dwelling on the property must be owner-occupied and a valid Residential Rental Unit License (RRUL) must be maintained and renewed annually with the City.

Façade Improvement Loan: This program provides a loan for building façade improvements. The loan can be up to a maximum of \$50,000 or half the value of work, whichever is less. Loans are paid back at 0% interest over a 10-year period. In certain areas of Downtown, Old East Village, and Hamilton Road, a portion of the loan may be forgivable.

Upgrade to Building Code Loan: This program provides loans to property owners who improve their buildings for items that relate to Ontario Building Code requirements. Loans are up to \$200,000 or half the value of work, whichever is less. Loans are paid back at 0% interest over a 10-year period. In certain areas of Downtown, Old East Village, and Hamilton Road Area a portion of the loan may be forgivable.

Wharncliffe Road Corridor Sign Loan: This program provides loans for business owners to improve their signage and bring their properties into conformity with the Property Standards By-law, Sign By-law, and applicable City Design Guidelines. The City may provide no-interest loans that are paid back to the City over a 10-year period. A maximum of \$5,000 per eligible property for up to 50% of eligible works can be provided.

Appendix “C” Table 1: Financial Incentives available under each CIP
 (* denotes recent CIPs that were not available in the last 5-year review)

CIPs	Financial Incentive Programs Offered			
Airport Area	Tax Increment Grant			
Brownfield	Contamination Assessment Study Grant	Tax Increment Equivalent Grant	Development Charge Rebate	Property Tax Assistance Program
Downtown	Façade Improvement	Upgrade to Building Code	Tax Grant Program	Residential DC Grant
Heritage	Tax Increment Grant		Development Charge Equivalent Grant	
Industrial	Industrial Corridor Enhancement Grant		Development Charge Grant	
Old East Village	Façade Improvement	Upgrade to Building Code	Residential DC Grant	Tax Grant Program
SoHo	Façade Improvement	Tax Grant Program	Upgrade to Building Code	
Lambeth*	Façade Improvement		Wharncliffe Road Corridor Sign Loan	
Hamilton* Road	Façade Improvement		Upgrade to Building Code	
Core Area*	Core Area Safety Audit	Core Area Boulevard Café Grant	Core Area Sign Grant	
Affordable* Housing	Affordable Housing Development Loan		Additional Residential Unit Loan	
Argyle Core* Area	Façade Improvement	Upgrade to Building Code	Tax Grant Program	

Appendix “D” Community Consultation and Engagement

A GetInvolved London webpage for this project was published on August 8, 2022, and has remained live at the time of writing this report. There was a total of 621 visitors to the webpage and supporting documents were downloaded 69 times.

The Get Involved page included three (3) quick poll questions. Below are the questions and the results received.

1. How Important do you feel Financial Incentives are for Community Improvement?

There was one response received that answered that they thought Financial Incentives were ‘very important’ for Community Improvement.

2. If eligible, how likely are you to apply for a Grant or Loan in the next 5 years?

There was no response received for this question.

3. Were you aware that the City of London offers Financial Incentive Programs?

There were three responses received: two responded ‘yes’ and one responded ‘no’.

Further, the GetInvolved webpage had an opportunity for webpage viewers to ask questions regarding the project. One response on the GetInvolved webpage was received and answered by Civic Administration. In addition, there is a survey on the GetInvolved webpage that has not been filled out at the time of writing.

Facebook Ads: Facebook ads were published on the City of London Facebook page between September 7, 2022, through September 22nd, 2022.

Below are the Facebook ads that were published:

Affordable housing

Housing affordability is on top of mind of many Londoners. Did you know that there is an Affordable Housing Community Improvement Plan (CIP) to encourage the development of affordable homes? Through the CIP, there are two loan Programs available. The City is undergoing a 5-Year review of all CIPs and Financial Incentive Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Heritage

Did you know that the City has a Heritage Community Improvement Plan (CIP)? Through the CIP, the City offers grants to help retain London’s beautiful heritage properties. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Industrial and Brownfields

Did you know that the City has Community Improvement Plans (CIPs) for Industrial Lands and Brownfields? Through the CIP, the City offers grants to encourage the development of Industrial Lands and to rehabilitate Brownfield sites. The City is undergoing a 5-Year review of all CIPs and Financial Incentive Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Area Specific:

Argyle

Did you know that there is a new Community Improvement Plan (CIP) for the Argyle area? Through the CIP, the City can offer loans and grants to businesses to help revitalize Dundas Street. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Downtown and Old East Village, Core Area

There are Community Improvement Plans (CIPs) for Core Area, Old East Village, and Downtown. Through these CIPs, the City offers loans and grants to help revitalize the mainstreets of these communities. The City is currently undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

SoHo

Did you know that there is a SoHo Community Improvement Plan (CIP)? Through the CIP, the City offers loans and grants to businesses to help revitalize Wellington Street. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Lambeth

Did you know that there is a Lambeth Community Improvement Plan? Through the CIP, the City can offer loans to businesses to help revitalize the main streets. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Hamilton Road

Did you know there is a Hamilton Road Community Improvement Plan? Through the CIP, the City can offer loans to businesses to help revitalize Hamilton Road. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Community Consultation Meetings

Using the questions listed in Section 1.4 of this report, which have guided the review of the CIPs and Financial Incentive Programs, feedback was received at three meetings.

A virtual Public Meeting was held on September 22, 2022, between 6 and 7 PM. Several matters were raised and are documented in **Appendix “D”: Table 1** below.

Representatives of London’s Business Improvement Associations met on November 3, 2022. Their concerns and questions are likewise documented in **Appendix “D”: Table 1** below.

A presentation of the 5-Year Review Community Improvement Plans and Financial Incentives project was given during an Urban League meeting held on November 24, 2022. No comments were received from the Urban League.

Appendix “D”: Table 1: What We Heard

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
1	Are there other options available for the Core Area Safety Audit grant, such as shatter proof film for windows, indoor cameras that face outdoors, and automatic locking mechanism triggered by a button?	GetInvolved.London Webpage	September 24, 2022	Civic Administration will examine the program guidelines for the Core Area Safety Audit Grant to include more esthetically pleasing options in the program eligibility.	Review of the program guidelines of the Core Area Safety Audit Grant. Possible recommendation to change the guidelines to ensure safety options are more attractive to the community.
2	Combine the OEV and Downtown CIP’s (along with their goals, vision, and objectives,) and place them into the Core Area Community Improvement plan. That way the entire Core Area will be able to access all the tools and Programs such as the “Façade Improvement Loan” that is necessary to achieve the above goals and objectives. Failing this, then it would be beneficial for there to be a separate CIP created, for the Midtown Neighbourhood.	Email	October 18, 2022	Civic Administration will examine the possibility of including the Façade Improvement Loan in the Midtown area.	Possible recommendation that Council Direct Civic Administration to examine the feasibility of combining the Downtown, Core Area, and OEV Area CIPs.
3	Would like to see that the boundaries of the Core Area CIP, be redrawn. So that the Core Area CIP, southern boundary is along the CN railroad tracks. From the Thames River in the West to Egerton Street in the East.	Public Meeting	September 22, 2022	Civic Administration is reviewing the boundaries of all our Area CIPs as part of the 5-Year Review.	Possible recommendation to amend the boundaries of the Core Area CIP.
4	Can we expand the Downtown CIP boundary to Pall Mall, Piccadilly, Central Street? As they have asked about financial incentives and could not get	Public Meeting	September 22, 2022	Civic Administration is reviewing the boundaries of all our Area CIPs as part of the 5-Year Review.	Possible recommendation that Civic Administration to consider the expansion of the Downtown Area CIP boundary to include Pall Mall, Piccadilly, and Central Street.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	them because they are outside the boundary.				
5	Are Residential DCs still required? No one is going to build a building that isn't going to rent or sell, currently you will fill the building anyways even without the grant, the grant is helpful for the profit of the building, 30 years I would understand it to rehabilitate it, are the Residential DC grants still necessary when industrial leaders are saying that the demand will continue as its been and are these DC grants.	Public Meeting	September 22, 2022	The Downtown and OEV CIPs were amended in 2021 to include a target population for when Residential DC Grants will be scaled back. At the time of writing, the populations in Downtown and OEV did not trigger a scale back of Residential DC Grants.	No action required.
6	For the Tax Grant, it would be helpful to be able to apply after starting construction because it is challenging to apply retroactively and we don't always catch everyone, why is it not always caught when someone comes in with plans maybe we should fix the process first before allowing those to apply after the fact. Is there a change of the property taxes just because of inflation?	Public Meeting	September 22, 2022	It would be preferable if applicants are reminded of the available Tax Grants prior to starting the building permit process. Applicants can apply retroactively to the Tax Grant program, but that would require approval from Council.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
7	Affordable housing loans – when secondary dwelling units were required in the London plan and there was hope that would lead to more secondary suits to add to affordable housing, which part of affordable housing part are we talking (shelter beds to affordable single-family	Public Meeting	September 22 nd , 2022	Currently, the Affordable Housing Community Improvement Loans do not consider the type of Affordable dwellings, only the how many units are created and how affordable they are	Possible recommendation that Civic Administration be directed to amend the Affordable Housing Loans to better align with the market needs for affordable dwellings.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	housing) what is affordable housing is it just the percentage of market rents? Will social housing be part of it? we need to be clear about what part of the affordable housing loans are addressing in the affordable housing continuum.			compared to market rate rentals.	
8	Are you reviewing the metrics and targets in the Area CIPs	Public Meeting	September 22, 2022	Yes, Civic Administration is reviewing the metrics and targets of the CIPs to ensure they are still accurate and properly examining the effectiveness of the Programs.	No action required.
9	Will there be a climate lens be put on the goals of the CIPs? More funding for green solutions.	Public Meeting	September 22, 2022	Eco-friendly retrofits are eligible under the Upgrade to Building Code Loan.	Possible amendment that Civic Administration be directed to examine other ways to incorporate more green solutions into the CIPs and Financial Incentive Programs.
10	Does the city step in a buy these properties if you are not getting cooperation? Could make things much faster.	Public Meeting	September 22, 2022	The City typically does not purchase properties if the owners are not cooperating.	No action required.
11	Could we have a District Focused CIP that would be focused on arts and culture?	BIA Meeting	November 1, 2022	Perhaps that could be better suited to be addressed in the Core Area Action Plan instead of a CIP.	No action required.
12	A Sign Grant beyond the Core Area Sign Grant would be helpful to businesses.	BIA Meeting	November 1, 2022	Improvements that add Signs affixed to the façade is	Possible recommendation that Civic Administration be directed to add more grants for Façade Improvement.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
				eligible under the Façade Improvement Loan program.	
13	With Financial Incentives, you need to focus on the awareness piece (i.e., marketing of the Programs) CAUR needs to work with Building Department to ensure applicants are aware of the Programs early on.	BIA Meeting	November 1, 2022	Civic Administration has heard that there may not be enough awareness of the Financial Incentive Programs.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
15	Consider expanding forgivable loans	BIA Meeting	November 1, 2022	Boundary reviews and amendments to the percentage of forgivable loans property owners are eligible for is part of the 5-Year review.	Possible recommendation to increase in the percentage of the forgivable portion of the Upgrade to Building Code Loan.
16	Consider that property taxes in Downtown generate more income to the City than other parts of the City of London	BIA Meeting	November 1, 2022	Civic Administration understands that some areas of the City have higher property taxes rate than others.	No action required.
17	Façade Improvement Loan and Upgrade to Building Code Loan applications are too confusing for applicants and BIAs don't get compensation for championing CIPs and Financial Incentives Recommendation, that City Staff handle all applications and are responsible for marketing the Financial Incentive Programs	BIA Meeting	November 2, 2022	Civic Administration is currently processing all Façade Improvement and Upgrade to Building Code Loan applications.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
18	0% interest on a loan is not incentivizing enough for small businesses; grants are preferable	BIA Meeting	November 2, 2022	Civic Administration is examining ways to better incentivize private sector investment.	Possible increase to forgivable portion of loan repayments or offering grants.
19	Could the Argyle area get the Core Area Grants, such as the safety audit grant?	BIA Meeting	November 2, 2022	The Core Area Safety Audit Grant is only available in the CIP. However, Action Item 2.5 states that a Safety Audit to be conducted for the Argyle CIP project area.	Possible recommendation that Civic Administration examine the possibility of a Safety Audit Grant for the Argyle CIP in a future Multi-Year Budget.
20	Forgivable Loans for beautification are best for properties facing Dundas Street from Clark Road to the train tracks.	BIA Meeting	November 2, 2022	Civic Administration is reviewing where forgivable loans are most appropriate.	Possible recommendation that Civic Administration examine the possibility of including forgivable loans in the Argyle CIP project areas for a future Multi-Year Budgets.
21	Patio Grant is great, except you have to pay up front and could be a hindrance to some small businesses	BIA Meeting	November 2, 2022	The LCRN Patio Grant is not provided through a CIP Financial Incentive Program.	No action required
22	Interior state of buildings is a hindrance to reducing vacancies. Perhaps a forgivable part could be backed up to 50% with a sunset clause that improvements need to be made for 2 years to honor the Commitment. City of Toronto example that grants \$40K for up to 2 years to reduce vacancies.	BIA Meeting	November 3, 2022	Civic Administration is reviewing the Forgivable portion of the Upgrade to Building Code Loan. Commitments for loans are good for a year after issuance.	Possible recommendation that the Forgivable percentage of the Upgrade to Building Code Loan be increased to 50%.
23	Boundaries of the CIP matches the BIA and that remains valid. The CIP shouldn't be expanded to properties outside the BIA	BIA Meeting	November 3, 2022	The BIA boundaries and CIP boundaries are not necessarily correlated.	No action required

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	as they would get financial incentives without paying levies.			Likewise, an area could have a CIP without a BIA and vice versa.	
24	Affordable Housing is a function of the price of land. We want a spectrum of housing and surrounded around the City (not just certain areas).	BIA Meeting	November 3, 2022	Civic Administration is reviewing the effectiveness of all CIPs, including the Affordable Housing CIP.	Possible recommendation that Civic Administration be directed to revise the Affordable Housing CIP to better incentive affordable housing.
25	Core Area Safety Audit Grant fine for now, but long-term unappealing, prefer to see it evolve to include more esthetically pleasing methods	BIA Meeting	November 3, 2022	Civic Administration is examining the guidelines of the Core Area Safety Audit Grant.	Possible recommendation that Civic Administration revise the Core Area Safety Audit Guidelines to include more esthetically pleasing methods for property safety.
26	Brownfields CIP need to own property, but sometimes the sale of the land is contingent on the results of the ESA. Perhaps an agency letter for landowners to find authority to tenants so they benefit from the loan.	BIA Meeting	November 3, 2022	Civic Administration will examine possible administration changes of the Brownfields CIP grant Programs.	Possible recommendation that Civic Administration be directed to review the Brownfields CIP and its Financial Incentive program guidelines.
28	DC discounts the most effective with our industry and property tax Programs can also drive investment and development.	LDI Letter	January 4, 2023	Our analysis of the Financial Incentives come up with the same conclusion.	Possible recommendation that the Property Tax Grants and DC Grants in Downtown and Old East Village are continued.
29	Stronger financial Incentives are required for the creation of secondary unit opportunities in new construction.	LDI Letter	January 4, 2023	Civic Administration will consider opportunities for further incentivizing secondary unit developments.	Possible recommendation that Civic Administration be directed to amend current Financial Incentive Programs to target secondary unit opportunities.
30	Development of a Climate Sustainability CIP could be developed as a driver to encourage environmentally sustainable developments	LDI Letter	January 4, 2023	The Upgrade to Building Code Loan program guidelines includes green	Possible recommendation that Civic Administration be directed to incorporate climate sustainability into the Community Improvement Programs.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
				technologies as eligible upgrades.	
31	The City needs to improve its communications with the public on the role and importance of the CIP Programs for the City of London. The public tends to view CIPs as a “bonus” to developers and not an incentive for redevelopment.	LDI Letter	January 4, 2023	Civic Administration will consider opportunities to increase the public’s awareness of the CIPs and Financial Incentive Programs.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
32	Regarding the Core Area Safety Audit Grant Program, we are interested in having it included in the Hamilton Road Community Improvement plan review project as draft recommendation.	Email from Hamilton Road BIA	March 16, 2023	Civic Administration will consider expanding the Core Area Safety Audit Grant Program to other CIP areas.	Possible recommendation that Civic Administration investigate the possibility of expanding the Core Area Safety Audit Grant to the Hamilton Road CIP Project Area.

Below are the written comments received during project consultation:

From: [REDACTED]
Sent: Tuesday, October 18, 2022 7:08 PM
To: Hall, Jasmine <jahall@london.ca>
Subject: [EXTERNAL] Regarding the CIPs-Financial incentives 5-year Review.

October 18, 2022

Jasmine Hall
Planner II, Core Area & Urban Regeneration, Economic Services and Supports

Thank you for the presentation. Regarding the Community improvement Plans-Financial incentives 5-year Review. That is on the Get Involved Website. Please accept the Midtown Community Organization response below.

On behalf of Midtown Community Organization,(MCO) and after reading the Core Area Community improvement plan pdf, document, the goals of this plan, is something that this organization would also like to work towards for our Urban Neighbourhood.

The last time CIPs were reviewed was in 2016/2017. The Midtown Neighbourhood, located in the middle of the Core Area was left out of discussions. This resulted in the area only being able to access the Grants/loans that are available in the city-wide CIPs.

Later, and less than five years ago, the CIP, known as the Core Area Community Improvement Plan, was created, and it covers the middle of the Core Area, which was created out of the Core Area Action Plan. However, the three programs within the Core Area CIP are great to have, and work well with the Downtown and OEV CIPs. But for the middle of the Core Area, that do not have their own CIP. Such as Midtown. Then these three programs in the current Core Area CIP, are not enough.

We feel that in order to reach the goals and objectives in the current Core Area CIP pdf document it will need to be amended.

We at Midtown Community Organization (MCO), (given that we are not planners), but if it can be accomplished, then we believe that the easiest way of achieving this is to combine the OEV and Downtown CIP's (along with their goals, vision, and objectives,) and place them into the Core Area Community Improvement plan. That way the entire Core Area will be able to access all the tools and programs such as the "Façade Improvement Loan" that is necessary to achieve the above goals and objectives. Failing this, then it would be beneficial for there to be a separate CIP created, for the Midtown Neighbourhood.

In addition, the phrase, "Offer compassionate care for those who need it" we ask that it be deleted as one of the goals, for that should be expected as part of the objective/goal/vision in all the CIPs.

MCO, would like to see that the boundaries of the Core Area CIP, be redrawn. So that the Core Area CIP, southern boundary is along the CN railroad tracks. From the Thames River in the West to Egerton Street in the East.

Thank you for your time.

Best regards,

[REDACTED]
Coordinator
Midtown Community Organization



LONDON DEVELOPMENT INSTITUTE

January 4, 2023

Jim Yanchula, MCIP RPP
Manager, Core Area & Urban Regeneration
Economic Services & Supports
City of London

Dear Mr. Yanchula

Please accept the following comments regarding the review of the Community Improvement Programs (CIP) for the City of London.

Currently, the CIP programs are not used often by our LDI members and not the significant driver of development decision making by our members.

In general, the current CIP's involving DC reductions and property tax discounts can be an effective development incentive. The current Brownfield CIP incentives are the most comprehensive and effective in driving redevelopment of the applicable properties.

Going forward, we believe that any CIP program needs to be robust enough to be considered a "driver" of development and not just "incentives" for our industry to be an active partner.

The following points would be key components of any further CIP programs:

1. DC discounts the most effective with our industry
2. Property tax programs can also drive investment and development
3. Stronger financial incentives are required for the creation of secondary unit opportunities in new construction
4. Development of a Climate Sustainability CIP could be developed as a driver to encourage environmentally sustainable developments

Finally, the City needs to improve its communications with the public on the role and importance of the CIP programs for the City of London. The public tend to view CIPs as a "bonus" to developers and not an incentive for redevelopment. The City needs to take a stronger position that CIPs as the name indicates are drivers of development that have "community" benefits.

LDI would be happy to work with the City on any future CIP program development.

Sincerely,



Mike Wallace
Executive Director

562 Wellington St., Suite 203, London, Ontario, N6A 3R5

tel. (519) 642-4331

www.londondev.ca

londondev@rogers.com

The number of applications and funds disbursed for Financial Incentives from 2018 to the time of writing this report are available in **Appendix “E” Table 1** which summarizes the grants and loans issued and committed under the Financial Incentive Programs. A list and description of each Financial Incentive program is available in **Appendix “C”** of this report.

Appendix “E” Financial Incentives Programs Cost Summary

Table 1: Financial Incentives Applications Issued 2018 to February 2023

This Table indicates the number of applications and funds disbursed for Financial Incentives from 2018 to the time of writing this report and the grants and loans issued and committed under the Financial Incentive Programs. A list and description of each Financial Incentive program is available in **Appendix “C”** of this report.

Incentive Program	Number of Approved Financial Incentives Applications	Cost (\$) of Approved Financial Incentives by Program		
		Total	Issued	Committed/Estimated
Façade Improvement Loan	31	452,633	161,627	614,260
Upgrade to Building Code Loan	54	3,550,919	760,326	4,311,245
Downtown Rehabilitation and Redevelopment Tax Grant	47	624,675	14,587,686	15,212,360.79
Old East Village Rehabilitation and Redevelopment Tax Grant	52	3,934,612	1,245,439	5,180,051
Downtown Residential Charges Grant	7	17,495,372	7,702,192	25,197,564
Old East Village Residential Charges Grant	1	0	53,439	53,439
Brownfields CIP Grants (4 Programs)	7	63,151	12,867,389	12,930,540
Heritage Development Charge Equivalent Grant	2	79,177	4,500,000	4,579,177
Recovery Grants	55	226,365	12,635	239,000
Safety Audit Grants	11	32,428	68,052	100,478
Airport Increment Tax Grant	3	669,526	242,104	911,630
Industrial Development Charges Grant	30	33,202,176	0	33,202,176
Industrial Corridor Enhancement Grant	0	0	0	0
Affordable Housing Development Loan	2	0	2,100,000	2,100,000
Wharncliffe Road Corridor Sign Loan	0	0	0	0
Additional Residential Unit Loan	2	0	40,000	40,000
Total	304	\$60,331,034	\$44,340,889	\$104,671,923

June 5, 2023

To the members of the Planning and Environment Committee:

The London Chamber of Commerce commends your dedicated efforts in tackling the pressing housing crisis. Although there are significant commercial and office vacancy concerns within our downtown core, we encourage Council to make important decisions by striking a balance between our social, cultural and economic needs when establishing the next round of Community Improvement Plan (CIP) incentives for the core area. A vibrant and prosperous downtown area plays a pivotal role in fostering a robust economy and attracting new business investments for the entire city. Equally important is the attraction of workers and professionals who will need the right mix of jobs, business amenities and an outstanding quality of life if they choose to live downtown.

While we recognize the significance of increasing the housing supply, we implore the committee to strike a balance between addressing residential needs and preserving and enhancing the commercial vitality of our city.

We have recently become aware of a potential inclination among some to allocate the majority, if not all, of the available CIP funds solely toward residential purposes and move them away from commercial incentives. From our standpoint, this approach would be misguided, as a flourishing business community in the downtown core is equally crucial for our sustained prosperity.

To encourage greater participation from commercial landlords in utilizing the CIPs and attracting new businesses, we propose developing a more focused economic development approach to proactively recruit targeted new business to the core (such as the expansion of the Core Area Vacancy Pilot Program - a partnership between LEDC, Small Business Centre, Downtown London, and Old East Village – which saw over 50 new small businesses move into the core in under a year). Such an approach will, of course, need to be properly staffed and resourced. This approach should also include an extensive CIP awareness and marketing campaign targeting both new and existing businesses and landlords.

The London Chamber of Commerce stands ready to contribute its expertise and resources to this endeavor. Additionally, it would be prudent to examine the underlying reasons why certain commercial property owners are hesitant to leverage the CIPs. For instance, concerns that we have heard as to why some of the CIP non-interest loans may not be utilized is that they may constitute a lien against a landlord's property. As necessary, we recommend further review of CIPs with limited uptake and making amendments to the existing framework to foster increased uptake.

We express our sincere gratitude for considering these suggestions, and we remain committed to collaborating with the committee in addressing the diverse needs of our city.

Respectfully,

Kristen Duever
VP, Public Affairs
London Chamber of Commerce

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee

From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Subject: 5-Year Review – Community Improvement Plans and
Financial Incentive Programs

Date: June 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the evaluation of Community Improvement Plan and Financial Incentives Programs:

- a) the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that can be addressed through existing budgets **BE IMPLEMENTED**:
 - i. that Civic Administration **BE DIRECTED** to revise the City of London Community Improvement Plan for Brownfield Incentives to update references to The London Plan, Provincial planning legislation, and Provincial financing tools;
 - ii. that the Community Improvement Plan for Industrial Land Uses **BE AMENDED** to remove 'enhanced transportation and logistics', it being noted that the use is not defined as targeted in Schedule 3 of the Community Improvement Plan;
 - iii. that Civic Administration **BE DIRECTED** to remove references to the former 1989 Official Plan and Provincial Policy Statement and to replace them with The London Plan and the 2020 Provincial Policy Statement in all Community Improvement Plans;
 - iv. that the Upgrade to Building Code Loan Program and the Façade Improvement Loan Program **BE AMENDED** to modify the repayment schedules to reduce the term length for loan amounts that are equal to or less than \$5,000 from 114 monthly payments to 54 monthly payments instead;
 - v. that the Airport Area Community Improvement Plan (CIP) **BE AMENDED** to revise the eligibility criteria and requirements for retroactive applications, it being noted the Airport Area CIP requirements are inconsistent compared to other City of London CIPs;
 - vi. that the goals and objectives of the Downtown and Old East Village Community Improvement Plans **BE AMENDED** to introduce measurable objectives to inform when the CIPs' identified Community Improvement goals have been achieved;
 - vii. that the Heritage Community Improvement Plan, City of London Community Improvement Plan for Brownfield Incentives, and Community Improvement Plan for Industrial Land Uses **BE AMENDED** to include performance measures, indicators of success, and targets to align with current City policies and Municipal Council Strategic Directions;
 - viii. that Civic Administration **BE DIRECTED** to review the effectiveness of the Financial Incentive Programs supporting the City of London Community Improvement Plan for Brownfield Incentives; and,
 - ix. that the Development Charges Grant and the Tax Increment Equivalent Grant Programs in the City of London Community Improvement Plan for Brownfield Incentives **BE AMENDED** to limit the duration of Municipal Council's commitment, it being noted that the Program does not define a time limit for holding City funds committed in future budgets.

- b) the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that result in a funding reduction, or a program being suspended, **BE IMPLEMENTED**:
 - i. that funding for the Industrial Lands Corridor Enhancement Grant Program **BE SUSPENDED** in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved under the Community Improvement Plan for Industrial Land Uses;
 - ii. The funding for the Property Tax Assistance Grant Program in the London Community Improvement Plan for Brownfield Incentives **BE SUSPENDED** in the next Multi-Year Budget pending review of the impact of 2023 changes made to the Provincial Brownfield Financial Tax Incentive Program; and,
 - iii. that funding for the Wharncliffe Road Corridor Sign Loan Program in the Lambeth Area Community Improvement Plan **BE SUSPENDED** in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Lambeth Area Community Improvement Plan.
- c) the recommendation identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that continues existing financial incentive programs with an existing budget **BE IMPLEMENTED**:
 - i. that, based on results from the review of the City's current Community Improvement Plans and the associated Incentive Programs, the following Programs, **BE CONTINUED**, noting that funding for these Programs was set to expire December 31, 2023:
 - A) Residential Development Charges Grant Programs offered in the Downtown and Old East Village Community Improvement Project Areas;
 - B) Downtown, Old East Village, and SoHo Rehabilitation and Redevelopment Tax Grant Programs;
 - C) Downtown, Old East Village, Hamilton Road, and SoHo Upgrade to Building Code Loan Programs;
 - D) Downtown, Old East Village, and Hamilton Road Upgrade to Building Code Loan Programs, including existing provisions for forgivable loans;
 - E) Downtown, Hamilton Road, Old East Village, Lambeth and SoHo Façade Improvement Loan Programs;
 - F) Downtown and Old East Village Façade Improvement Loan Programs, including existing provisions for forgivable loans; and,
 - G) City-wide Industrial Development Charge Program that continues to distinguish between targeted and non-targeted industrial uses.
- d) Civic Administration **BE DIRECTED** to submit business cases for all recommendations requiring additional investment through the 2024-2027 Multi-Year Budget process:

Enhancing an Existing Financial Incentive Program

- i. that the Core Area Community Improvement Plan **BE AMENDED** to make available to properties facing Dundas Street in the Midtown Area, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Rehabilitation and Redevelopment Tax Grant Programs;
- ii. that Civic Administration **BE DIRECTED** to investigate the feasibility of funding the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs approved in 2021 for the Argyle Core Area CIP, including consideration of a forgivable loan component for properties facing Dundas Street between Clarke Road and Hale Street;
- iii. that Civic Administration **BE DIRECTED** to investigate the feasibility of amending the Upgrade to Building Code Loan Program offered in the Downtown and Old East Village Community Improvement Project Plans to increase the amount of the forgivable portion from 12.5% to 50% for

- residential units created in building levels above the ground floor and from 12.5% to 75% for commercial units created in building levels above the ground floor;
- iv. that Civic Administration **BE DIRECTED** to review the feasibility of including a Safety Audit Grant Program in the Hamilton Road Area and Argyle Core Area Community Improvement Plans;
 - v. that Civic Administration **BE DIRECTED** to report back to Municipal Council with recommendations for eligible property security improvements under the Core Area Safety Audit Grant Program to supplement recommended improvements from safety audits which also consider community visual impact;
 - vi. that Civic Administration **BE DIRECTED** to investigate the feasibility of amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value for Level 2 properties to promote occupancy in above ground floors;
 - vii. that Civic Administration **BE DIRECTED** to investigate improving the functionality of the existing Additional Residential Unit Loan Program to encourage the construction of Additional Residential Units in alignment with the multi-year budget process;

Creating a New Financial Incentive Program or Community Improvement Plan

- viii. that, following Council's adoption of the 2024-2027 Multi-Year Budget setting funding for Financial Incentive Programs in existing Community Improvement Plan, Civic Administration **TO REPORT BACK** on the policy and financial impacts of introducing a new Community Improvement Plan for the Hyde Park Hamlet on Gainsborough Road;
- ix. that the Heritage Community Improvement Plan **BE AMENDED** to add a new Heritage Grant Program to incentivize the rehabilitation of Heritage properties up to \$5,000 capped at 50% of completed eligible improvements;
- x. that Civic Administration **BE DIRECTED** to investigate the feasibility of adding energy upgrades and climate change adaptation measures into London's Community Improvement Plans;
- xi. that Civic Administration **BE DIRECTED** to review the Affordable Housing Community Improvement Plan and report back to Municipal Council on how to improve the Plan to incentivize affordable housing developments;
- xii. that Civic Administration **BE DIRECTED** to prepare new Community Improvement Plans and programs to support low-cost housing within primary transit areas;
- xiii. that Civic Administration **BE DIRECTED** to investigate the feasibility of introducing a new grant program in the Downtown, Old East Village, SoHo, Argyle Core Area, Lambeth, and Hamilton Road Area Community Improvement Plans for funding 100% of eligible interior and exterior building improvements undertaken by business tenants, up to a maximum of \$5,000;
- xiv. that Civic Administration **BE DIRECTED** to investigate the feasibility of a new community improvement financial incentive program to support conversion of vacant commercial buildings with a low potential for continued commercial use to residential units in alignment with the multi-year budget process;
- xv. that Civic Administration **BE DIRECTED** to investigate the feasibility of introducing a new community improvement financial incentive program to support attainable housing within primary transit areas in alignment with the multi-year budget process; and,
- xvi. that Civic Administration **BE DIRECTED** to review the Core Area Community Improvement Plan to consider amendments addressing property acquisition options and financial incentive programs aimed at identifying and encouraging commercial occupancy options identified through the Core Area Land and Building Vacancy Reduction Strategy.

Boundary Changes to a Community Improvement Project Area

- xvii. that Civic Administration **BE DIRECTED** to investigate the feasibility of consolidating the Core Area, Downtown, and Old East Village Community Improvement Plans, it being noted that the Core Area comprises of three distinct areas: Downtown, Midtown, and Old East Village;
- xviii. that the Old East Village Community Improvement Plan Project Area **BE AMENDED** to include the properties located at 425 Rectory Street, 419 Rectory Street, 417 Rectory Street, 415 Rectory Street, 800 King Street, 796 King Street, 794 King Street, 790 King Street, 786 King Street, 784 King Street, 774 King Street, 768 King Street, 764 King Street, 762 King Street, 758 King Street, 754 King Street, 748 King Street, 376 Hewitt Street, 378 Hewitt Street, 380 Hewitt Street, 382 Hewitt Street, 386 Hewitt Street, and 390 Hewitt Street; and,
- xix. that the Hamilton Road Community Improvement Plan Project Area **BE AMENDED** to include the property located at 512 Horton Street East.

Executive Summary

The recommendations in this report resulted from the five-year review of the City of London's Community Improvement Plans (CIPs) and financial incentive programs, were presented at the May 23, 2023, Planning and Environment Committee meeting, and have been available since then to allow for public review. Civic Administration circulated the recommendations to individuals who had participated in the project, as well as advertised the recommendations through Facebook and the Londoner. The GetInvolved webpage was also updated.

The purpose of this report is to provide Municipal Council the recommendations for decision.

The recommendations include proposed changes to several of the CIPs, to the scope and terms of existing financial incentive programs, and consideration of new programs and approaches to address community improvement issues. Some recommendations herein address core area vacancy reduction, which form part of a comprehensive proposed Core Area Land and Building Vacancy Reduction Strategy that was presented at the May 30, 2023, Strategic Priorities and Policy Committee meeting.

Linkage to the Corporate Strategic Plan

The 2023-2027 Strategic Plan identifies Council's priorities and implementing strategies to inform the associated Multi-Year Budget. The 5-Year Review of Community Improvement Plans and Financial Incentive Programs aligns with the Strategic Area of Focus: Economic Growth, Culture, and Prosperity. The anticipated outcomes of this Area of Focus include that London encourages equitable economic growth and diversification and that London's Core Area (Downtown, Midtown, Old East Village) is a vibrant neighbourhood and attractive destination.

Linkage to the Climate Emergency Declaration

On April 23, 2019, Municipal Council declared a Climate Emergency. The loan and grant Programs support the City's commitment to reducing and mitigating climate change by incentivizing rehabilitation and reinvestment to improve the environmental and economic performance of properties in designated Community Improvement Project Areas throughout the city to encourage more effective and efficient use of existing urban lands and infrastructure, brownfields clean-up, and the regeneration of existing communities.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Planning and Environment Committee – April 27, 2017 – Service Review of Community Improvement Plan Incentives

Planning and Environment Committee – May 13, 2019 – New Measures and Indicators of Success

Planning and Environment Committee – November 16, 2020 – Community Improvement Plans Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Downtown Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Old East Village Community Improvement Plan – Performance Measure and Indicators of Success

Planning and Environment Committee – June 21, 2021 – CIP - Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - SoHo Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - Lambeth Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 – Hamilton Road Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – May 9, 2022 - Community Improvement Plan (CIP) Financial Incentives Program 5-Year Review Project Launch

Strategic Priorities and Policy Committee – February 7, 2023 - London's Housing Pledge: A Path to 47,000 units by 2031

Planning and Environment Committee – May 23, 2023 – 5-year Review – Community Improvement Plans and Financial Incentive Programs – Background Analysis

Planning and Environment Committee – May 23, 2023 – 5-year Review – Community Improvement Plans and Financial Incentive Programs

Strategic Priorities and Policy Committee – May 30, 2023 – Core Area Land and Building Vacancy Reduction Strategy

2.0 Discussion

2.1 Proposed Recommendations

The 32 recommendations are duplicated from the May 23, 2023, 5-year Review – Community Improvement Plans and Financial Incentive Programs report (attached in its entirety as Appendix “B” to this report) and placed in the recommendation section of this report for Municipal Council’s consideration.

The recommendations have been organized into four categories to assist the reader in reviewing and discussing the information:

- a) Recommendations that can be addressed through existing budgets means these recommendations relate to tasks of an administrative or legislative nature that

can be undertaken within existing operational budgets and the existing staff complement over the next four years or more.

- b) Recommendations that result in a reduction of funding or a program being suspended means these financial incentive programs will not be available for the next four years but will remain in their respective CIP(s) and can be funded at a future date if desired by Municipal Council. Beginning on January 1, 2024, no new applications will be accepted for these programs.
- c) Recommendations that continue existing financial incentive programs within an existing budget means the Five-Year CIP Review determined these financial incentive programs continue to offer a return on investment and work towards achieving the anticipated outcomes of the City's 2023-2027 Strategic Plan.
- d) Recommendations that require business cases for additional investment through the 2024-2027 Multi-Year Budget process means the Civic Administration will prepare one or more business case submissions for those of the recommendations that Municipal Council approves at its June 27, 2023, meeting that requires a business case. This recommendation category has been divided into three sub-categories:
 - o Enhancing an Existing Financial Incentive Program
 - o Creating a New Financial Incentive Program or Community Improvement Plan
 - o Boundary Changes to a Community Improvement Project Area

It should be noted that in recommendation clause d), "Civic Administration BE DIRECTED to submit business cases for all recommendations requiring additional investment through the 2024-2027 Multi-Year Budget process," the recommendations have a large variance in potential budget impact ranging from an estimated low impact (less than \$100,000) to a high impact (\$1,000,000 or greater). These budget impacts are discussed in greater detail in Section 3.0.

2.2 Next Steps to Move Recommendations Forward

There are numerous steps required to bring approved recommendations to completion. As a result, it is important to note that all approved recommendations will not be implemented by January 1, 2024. Depending on the recommendation, the number of steps can vary. The common tasks required include:

- Adding the approved recommendation to the Core Area & Urban Regeneration Work Program (which may include consultation with other City Service Areas and departments as required).
- Preparing business case(s) for the 2024-2027 Multi-Year Budget.
- Updating CIP By-laws for financial incentive programs that will continue to operate within existing budgets. The by-laws contain the program requirements (application process, eligibility criteria, etc.) and need to be updated before December 31, 2023, to prevent the programs from lapsing.
- Amending or creating new financial incentive programs within an existing CIP. The complexity of each amended or new program will determine how long this process takes.
- Amending or creating a new CIP. Amending or creating a CIP has a defined process under the *Planning Act*, including required public consultation. At a minimum, an amendment to a CIP can take three months and creating a new CIP six months to a year based on the legislative requirements; however, these timelines might not be possible to achieve with the existing staff complement. Timelines might be accelerated through the hiring of additional staff or the retention of consultants. These factors will be built into the estimated cost of any related business case(s). Additional tasks when amending or creating a new CIP, may include:
 - o Preparing By-laws to adopt new or amended CIPs.
 - o Preparing any financial incentive programs to implement improvement goals and objectives identified in new CIPs.

Unless directed otherwise, Civic Administration will prioritize recommendations for implementation based on the existing staff complement available to undertake the work.

3.0 Financial Impacts

The May 23, 2023, Five-Year CIP Review report outlined the preliminary cost of each recommendation ranging from no financial (budget) impact (negligible cost or reduction in cost) to a high financial impact (\$1,000,000 or greater increase in City funding).

The financial impact for approving recommendation clause b) “the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that result in a funding reduction, or a program being suspended, BE IMPLEMENTED” is anticipated at being a funding reduction less than \$100,000 because no new applications would be accepted beginning in 2024 for those suspended programs.

At present, the financial (budget) impact of the CIP financial incentive programs can be measured by the cost of the issued and committed financial incentive by program. Table 1 in Appendix “A” of this report provides the same financial information as provided in the May 23, 2023, report but has slightly rearranged the presentation of the data to separate the development charges (DC) grant programs out from the other programs. The three DC grant programs were separated to better show how they account for 56% of total issued and committed/estimated costs for all financial incentive programs.

Alternatively, the financial impact can be measured by the taxpayer and ratepayer contributions to the reserve funds that support these initiatives. See Table 2 in Appendix “A”. Steady contributions to the reserve funds are determined that will support CIP program needs over the short and long term, while maintaining reasonable reserve fund balances. Fluctuations can occur when some CIP programs are in high demand, such as currently with Industrial DC incentives.

Table 3 in Appendix “A” shows the potential minimum order-of-magnitude cost of the 19 recommendations in clause d) that require business cases for additional investment through the 2024-2027 Multi-Year Budget. These are conservative estimates. For “high impact” recommendations, a figure of \$1 million was used, though for a building use conversion program, for example, the high impact figure could be substantially more when the scope of the program is able to be refined. For recommendations that were identified as being between two impact levels, a mid-range value was assigned. For example, for low-to-medium financial impact, the estimate is \$250,000.

The financial impacts of the recommendations approved at the June 27, 2023, Municipal Council meeting that require a business case will be refined through the business case submission process.

It is important to note that the financial impact of the financial incentive programs should also be considered relative to the return on investment of the programs. The more expensive grants (e.g., DC and Tax) tend to have bigger returns. For example, increasing the residential population of an area, reducing the amount of vacant land, implementing the Industrial Land Development Strategy, or increasing the assessed value of properties within a defined Community Improvement Project Area, whereas smaller scale programs (e.g., Façade Improvement Loan or Upgrade to Building Code Loan) have smaller financial results around specific improvements undertaken at an individual property to achieve the improvement goals and objectives of a CIP.

Conclusion

This report presents the recommendations and estimated preliminary financial impacts from the Five-Year Community Improvement Plan Review for Municipal Council’s consideration. One or more business case submissions will be provided through the Multi-Year Budget process for any approved recommendations that require additional funding.

Prepared by: **Graham Bailey, MCIP, RPP**
Senior Planner, Core Area and Urban Regeneration

Reviewed by: **Jim Yanchula, MCIP, RPP**
Manager, Core Area and Urban Regeneration

Recommended by: **Stephen Thompson, MCIP, RPP**
Director, Economic Services and Supports

Submitted by: **Scott Mathers, MPA, P.Eng.**
**Deputy City Manager, Planning and Economic
Development**

May 30, 2023
GB/gb

Appendix “A” – Financial Impact Tables

Table 1 – Financial Incentives Applications Issued 2018 to February 2023

Financial Incentive Programs				
Community Improvement Programs	Total #	Issued	Committed / Estimated	Total Issued + Committed / Estimated
Façade Improvement Loan	31	452,633	161,627	614,260
Upgrade to Building Code Loan	54	3,550,919	760,326	4,311,245
Downtown Rehabilitation and Redevelopment Tax Grant	47	624,675	14,587,686	15,212,361
Old East Village Rehabilitation and Redevelopment Tax Grant	52	3,934,612	1,245,439	5,180,051
Brownfields CIP Grants (4 Programs)	7	63,151	12,867,389	12,930,540
Heritage Development Charge Equivalent Grant	2	79,177	4,500,000	4,579,177
Recovery Grants	55	226,365	12,635	239,000
Safety Audit Grants	11	32,428	68,052	100,478
Airport Increment Tax Grant	3	669,526	242,104	911,630
Industrial Corridor Enhancement Grant	0	0	0	0
Affordable Housing Development Loan	2	0	2,100,000	2,100,000
Wharnccliffe Road Corridor Sign Loan	0	0	0	0
Additional Residential Unit Loan	2	0	40,000	40,000
Subtotal	266	\$9,633,486	\$36,585,258	\$46,218,742
Development Charges Grant Programs				
Downtown Residential Charges Grant	7	17,495,372	7,702,192	25,197,564
Old East Village Residential Charges Grant	1	0	53,439	53,439
Industrial Development Charges Grant	30	33,202,176	0	33,202,176
Subtotal	38	\$50,697,548	\$7,755,631	\$58,453,179
Grand Total	304	\$60,331,034	\$44,340,889	\$104,671,921

Table 2 – Taxpayer / Ratepayer Contributions to Reserve Funds (000s)

Reserve Fund (RF)	Actual					Budgeted	Total
	2018	2019	2020	2021	2022	2023	
Community Improvement Program RF ¹	\$1,155	\$3,600	\$1,800	\$2,200	\$1,450	\$3,600	\$13,805
DC Incentive Program RFs ²	\$8,750	\$9,450	\$11,250	\$5,250	\$8,850	\$7,700	\$51,250

1 – Reserve fund is maintained to support the cost of approved financial incentives from all CIP programs.

2 - Reserve funds are maintained to support the cost of grants for development charges incentive programs. Contributions are tax supported, and rate supported (Water and Wastewater & Treatment) (industrial only).

Table 3 - Clause d) Recommendations - Estimated Order-of-Magnitude Preliminary Costs

May 23, 2023 PEC Report Table # - Rec #	Financial Impact Estimate	\$	Rec # June 12, 2023 PEC Report clause d)
6-16	Low (L)	100,000	i.
6-17	L	100,000	ii.
6-18	Medium (M)	500,000	iii.
6-19	LM	250,000	iv.
6-20	LM	250,000	v.
6-21	M	500,000	vi.
6-22	High (H)	1,000,000	vii.
Subtotal		\$2,700,000	
1-5	No(N) - M	250,000	viii.
6-23	M	500,000	ix.
6-24	MH	750,000	x.
6-25	L	100,000	xi.
6-26	L	100,000	xii.
6-27	M	500,000	xiii.
6-28	MH	750,000	xiv.
6-29	MH	750,000	xv.
6-30*	H	1,000,000	xvi.
Subtotal		\$4,700,000	
3-9	N	0	xvii.
3-10	L	100,000	xviii.
3-11	L	100,000	xix.
Subtotal		\$200,000	
Grand Total		\$7,600,000	

* The cost to implement recommendation xvi will very likely exceed \$1 million.

Appendix “B” May 23, 2023, Planning and Environment Committee Report

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development
Subject: 5-Year Review – Community Improvement Plans and
Financial Incentive Programs
Date: May 23, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Planning and Economic Development, the following actions be taken with respect to the evaluation of Community Improvement Plan and Financial Incentives Programs:

- a) the report dated May 23, 2023, from the Deputy City Manager, Planning and Economic Development, summarizing community consultations and Civic Administration’s comprehensive review of the City’s existing Community Improvement Plans and associated Financial Incentive Programs, **BE RECEIVED**; and,
- b) Civic Administration **BE DIRECTED** to circulate draft recommendations attached in the report as Appendix “A” for public review until **June 12, 2023**.

Executive Summary

The purpose of this report is to provide an update to Council on the consultation undertaken to date as part of the 5-year review of London’s Community Improvement Plans (CIPs) and the Financial Incentive Programs.

A Community Improvement Plan (CIP) is a tool defined by the *Planning Act* that is intended to replan, redesign, redevelop, and rehabilitate a designated area in need due to age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reasons. A Financial Incentive Program supports the objectives set out in a Community Improvement Program by providing financial incentives in the form of loans and grants.

This report contains draft recommendations for proposed changes to several of the CIPs, to the scope and terms of existing Financial Incentive Programs, and consideration of new programs and approaches to address community improvement issues, for Council direction and public feedback. Some recommendations herein address core area vacancy reduction, which form part of a comprehensive proposed Core Area Land and Building Vacancy Reduction Strategy scheduled for presentation on the May 30, 2023, agenda of Council’s Strategic Priorities and Policy Committee.

Linkage to the Corporate Strategic Plan

The 2023-2027 Strategic Plan identifies Council’s priorities and implementing strategies to inform the associated Multi-Year Budget. The 5-Year Review of Community Improvement Plans and Financial Incentive Programs aligns with the Strategic Area of Focus: Economic Growth, Culture, and Prosperity. The anticipated outcomes of this Area of Focus include that London encourages equitable economic growth and diversification and that London’s Core Area (Downtown, Midtown, Old East Village) is a

vibrant neighbourhood and attractive destination.

Linkage to the Climate Emergency Declaration

On April 23, 2019, Municipal Council declared a Climate Emergency. The loan and grant Programs support the City's commitment to reducing and mitigating climate change by incentivizing rehabilitation and reinvestment to improve the environmental and economic performance of properties in designated Community Improvement Project Areas throughout the city to encourage more effective and efficient use of existing urban lands and infrastructure, brownfields clean-up, and the regeneration of existing communities.

Analysis

1.0 Background Information

1.2 Previous Reports Related to this Matter

Planning and Environment Committee – April 27, 2017 – Service Review of Community Improvement Plan Incentives

Planning and Environment Committee – May 13, 2019 – New Measures and Indicators of Success

Planning and Environment Committee – November 16, 2020 – Community Improvement Plans Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Downtown Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – March 29, 2021 – Old East Village Community Improvement Plan – Performance Measure and Indicators of Success

Planning and Environment Committee – June 21, 2021 – CIP - Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - SoHo Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 - Lambeth Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – November 1, 2021 – Hamilton Road Community Improvement Plan – Performance Measures and Indicators of Success

Planning and Environment Committee – May 9, 2022 - Community Improvement Plan (CIP) Financial Incentives Program 5-Year Review Project Launch

Strategic Priorities and Policy Committee – February 7, 2023 - London's Housing Pledge: A Path to 47,000 units by 2031

1.3 Community Improvement Plans

A Community Improvement Plan (CIP) is a tool defined by Section 28 of the *Planning Act* that is intended to replan, redesign, redevelop, and rehabilitate a designated area in need due to age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social, or community economic development reasons.

A CIP can help:

- Focus public attention on local priorities and municipal initiatives;

- Target areas in transition or in need of repair, rehabilitation, and redevelopment;
- Facilitate and encourage community change in a coordinated manner; and,
- Stimulate private sector investment through municipal incentive-based Programs.

Financial Incentive Programs in Community Improvement Plans are often used as tools to encourage and support community and economic redevelopment. The Financial Incentives are geared to encourage private sector investment in specific areas that further support the City’s policy goals and objectives, for example reinvestment in the Core Area.

Appendix “C” has a summary of the grant and loan programs identified in London’s Community Improvement Plans. Not every Program is offered in every CIP.

1.3 Current 5-Year Review Program Review

The May 9, 2022, report, which launched the current 5-Year Review, outlined the questions that this review set out to answer. The following questions guided the review of the CIPs and Financial Incentive Programs:

1. Are the goals and objectives of each CIP still valid?
 - a. Do the CIPs align with current City policies and with the City’s Strategic Plan?
 - b. Do the financial incentives still support the goals and objectives of the CIPs?
 - c. Are the Community Improvement Project Areas’ defined boundaries still valid?

2. Are the Financial Incentive Programs meeting the goals and objectives of the City’s Strategic Plan?
 - a. What is the return on investment of the Programs for public investment in London’s Downtown and urban areas?
 - b. Are the financial incentive Programs relevant and performing well?
 - c. Are there any inefficiencies present in the financial incentives?
 - d. How have the financial incentives achieved the targets outlined in the CIPs?

3. Should the boundary of the areas eligible for financial incentives be amended?

2.0 Discussion and Considerations

2.1 Proposed Changes to the Community Improvement Plan and Financial Incentive Program Framework

Changes are proposed to many of the City’s Community Improvement Plans and Financial Incentive Program based on City staff review and feedback from public engagement. These changes range from administrative updates due to legislative changes to significant program enhancements. A complete list of the proposed changes to be made available for public review are summarized in Appendix “A”. The changes have been categorized as follows:

Legislation and Housekeeping (Appendix “A”: Table 1)

- Minor changes and changes due to legislative changes.

Add Metrics and Targets to a Community Improvement Program (Appendix “A”: Table 2)

- Recommendations to provide metrics and targets to existing plans.

Community Improvement Plan Boundary Changes (Appendix “A”: Table 3)

- Boundary changes including adding additional properties to existing plans to merging existing community improvement areas.

**Continue a Financial Incentive Program
(Appendix “A”: Table 4)**

- Recommendation to continue an existing plan past its initial sunset date.

**Decrease a Financial Incentive Program’s Scope
(Appendix “A”: Table 5)**

- Limit or decrease the terms or applicability of an existing Financial Incentive Program.

**Increase Financial Incentive Program’s Scope
(Appendix “A”: Table 6)**

- Expand or increase the terms or applicability of an existing Financial Incentive Program.

**Create a New Financial Incentive Program
(Appendix “A”: Table 7)**

- Introduce a new Financial Incentive Program.

**Suspend a Current Financial Incentive Program
(Appendix “A”: Table 8)**

- Suspend a current Financial Incentive Program

Eight proposed changes raised during the 5-Year process are not recommended. These are documented in Appendix B.

2.2 Housing Supply Related Programs

On October 25, 2022, the Minister of Municipal Affairs and Housing sent a letter to the City of London assigning a housing target of 47,000 units by 2031. The letter also included a request that the City of London develop a Housing Pledge that includes necessary strategies and actions to facilitate the construction of the targeted housing units. On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 in response to the Minister of Municipal Affairs letter. In addition, on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. In order to proceed with the housing pledge and acknowledgement of a housing and homelessness emergency, the completion of a Housing Supply Action Plan is underway and is built on the three pillars of financial supports, enterprise-wide resources, and shared accountability. This report highlighted Community Improvement Programs and Financial Incentive Programs as one of the key strategies and actions available to Council to support additional housing supply.

It is recommended that London’s Affordable Housing Community Improvement Plan be reviewed and financial incentive programs be further developed for Council consideration to support increasing the housing supply. To implement London’s Core Area Land and Building Vacancy Reduction Strategy, a new program is desirable to support conversion of vacant commercial properties with a low potential for continued commercial use into residential apartment units. To build on an existing program, amends may be considered to better support the construction of Accessory Dwelling Units, to encourage the construction of a second smaller unit on the same property as a primary unit. Each of these initiatives would come forward with a series of performance metrics and targets. These initiatives would develop in alignment with the multi-year budget process.

It is also recommended that new community improvement plans and financial incentive programs be developed for Council consideration to support increasing the housing supply. These include initiatives to support low-cost housing within primary transit areas. This initiative would support construction of additional units with a defined radius

of the London Plan's Rapid Transit Corridors and Transit Villages. These programs would also come forward with a series of performance metrics and targets and be developed in alignment with the multi-year budget process.

2.3 Core Area Land and Building Vacancy Strategy

On July 6, 2021, Municipal Council resolved that Civic Administration be directed to report back on a proposed strategy that sets out potential tools that may assist in reducing Core Area land and building vacancy. Civic Administration was directed by Council on December 7, 2021, to move forward with a detailed Implementation Plan for the proposed strategy. The Core Area Land and Building Vacancy Reduction Strategy to be brought forward at the Strategic Priorities and Policy Committee will include a suite of strategies including but not limited to proposed amendments to existing CIPs and to amend and/or introduce new CIP Financial Incentive Programs. These strategies are contained in the proposed recommendations in Appendix "A" of this report.

2.4 Provincial Legislative Changes – Bill 23, More Homes Built Faster Act, 2022

The More Homes Built Faster Act, 2022 made changes to the Development Charges Act, 1997, the Municipal Act, 2001, the Ontario Heritage Act, 1990, and the Planning Act, among other Acts. These changes have some implications for London's CIPs and Financial Incentive Programs.

- DC exemptions for affordable housing units, attainable housing units, and 3 units per detached home may reduce the uptake of the Residential Development Charges Grant and the Affordable Housing Loans; and,
- The timeline to designate listed Heritage properties within 2-years may result in more Part IV Heritage Designated Properties. (Part IV designation pertains to individual properties, as opposed to groups of properties in a Part V Heritage Conservation District). With more of such properties becoming designated, Civic Administration expects there will be more frequent requests from property owners for financial assistance in the conservation of heritage attributes through CIP Programs under the Heritage CIP, particularly to target smaller Part IV properties that currently do not receive Financial Incentives.

3.0 Community Consultation and Engagement

Community engagement was held to inform the analysis of the CIPs, the CIP Financial Incentive Programs, and to develop the draft recommendations in this report. The engagement techniques used were an interactive GetInvolved City of London webpage, a virtual Public Meeting, a public presentation, several community meetings, and the City of London Facebook page promoting the project.

Community meetings were held with the London Economic Development Corporation (LEDC), the Business Improvement Associations, and the London International Airport. A presentation was made to the Urban League. Further, the London Development Institute (LDI), London Home Builders Association (LHBA), Chamber of Commerce, City's Building & Development Liaison Forum, and the public were reached out for comment.

The full results of the community engagement are found in Appendix "D". All comments and questions received are summarized in "Appendix "D" Table 1: What We Heard".

4.0 Community Improvement Plan and Financial Incentive Program Framework for Enhanced Communication

During public engagement input was received that there is not enough awareness of the Financial Incentive Programs. To address this concern, a request for funding to support an enhanced communications program will be submitted for consideration as part of the multi-year budget process. An enhanced communication program may include developing stronger links with City planning and building permit processes, by-law enforcement, and Core Area programs, to proactively advise prospective investors of City assistance available through CIP Financial Incentive Programs, using print and digital promotional materials, more frequently [e.g., annually] disseminated.

5.0 Financial Impact/Considerations

CIP Financial Incentive Programs, including any recommended adjustments to them, will be considered through the 2024-2027 Multi-Year Budget process. Some of the recommended changes to the Financial Incentive Programs will result in a reduction in the funding required for the overall Community Improvement Plan and Financial Incentive Plan framework. Other programs may result in a significant increase in the funding required to support the plans objectives. These impacts are highlighted in each proposed change in the tables included in “Appendix A: Proposed CIP and FIP Framework Changes for Public Input” as either “No Impact”, “Low”, “Medium”, or “High”:

- No Financial Impact: Negligible cost or reduction in cost;
- Low Financial Impact: Less than \$100,000;
- Medium Financial Impact: \$100,000 to \$1,000,000; and
- High Financial Impact: \$1,000,000 or greater.

These impacts may represent an increase in funding being provided or a decrease in funding being provided. Full estimates of the costs will be established through the Financial Incentive Plan reviews and brought forward in the form of a multi-year budget business case or cases.

It is important to note that all the recommendations in Appendix “A” will not be ready for implementation by January 1, 2024. Many of the recommendations (e.g., amending a CIP) require additional public consultation and process as directed by the Planning Act. Based on the feedback received from Municipal Council and the community during the public review period, and the immediate need for the recommendation to move forward, Civic Administration will prioritize recommendations for implementation based on the existing staff complement available to undertake the work.

A summary of the funding provided and committed through the City’s Financial Incentives Programs is summarized Appendix “E” Financial Incentives Programs Cost Summary. This table summarizes actual and committed spending between 2018 to February 2023. The following table provides a high-level summary of Financial Incentives Program over this 5-year period.

Program Type	Applications	Issued	Committed/ Estimated	Total Issued + Committed/Estimated
Grants	214	\$56,327,000	\$41,279,000	\$97,606,000
Loans	89	\$4,004,000	\$3,062,000	\$7,065,000
Program Type	Applications	Issued	Committed/ Estimated	Total Issued + Committed/Estimated
Grants	215	\$56,327,482	\$41,278,936	\$97,606,418
Loans	89	\$4,003,552	\$3,061,953	\$7,065,505
Total	304	\$60,331,034	\$44,340,889	\$104,671,923

6.0 Next Steps

It is recommended that this report be circulated for public review and feedback on the draft recommendations herein until the June 12, 2023, Planning and Environment Committee meeting. Administration will submit a report for Council consideration in Q3 of 2023 which summarizes the impact of the final list of recommendations approved by Council at its June 27, 2023, meeting, for amendments to London's Community Improvement Plans and Financial Incentive Programs. Council's approved recommendations thereafter relating to the funding of Financial Incentive Programs will be referred to the 2024-2027 Multi-Year Budget deliberations.

Conclusion

This report summarizes the community engagement conducted for the 2018-2022 5-Year Review of London's Community Improvement Plans and Financial Incentive Programs. The draft recommendations herein are the result of the analysis of the data collected and Council's direction on the need to increase housing supply. It is recommended that Civic Administration be directed to circulate this report for public review until the June 12, 2023, Planning and Environment Committee meeting, using the GetInvolved City of London webpage, the City of London Facebook page, Londoner notices and direct contact with Communities, and that feedback received be brought back to Municipal Council for decision on changes to CIPs and CIP Financial Incentive Programs.

Prepared by: Jasmine Hall, MCIP, RPP
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Manager, Core Area and Urban Regeneration

Recommended by: Stephen Thompson, MCIP, RPP
Director, Economic Services and Supports

Recommended by: Scott Mathers, MPA, P.Eng.
Deputy City Manager, Planning and Economic Development

Appendix “A” Proposed CIP and FIP Framework Changes for Public Input

Table 1: Legislation and Housekeeping (Appendix “A”: Table 1)

	Recommendation	Rationale
1.		<p>that Civic Administration BE DIRECTED to revise the City of London Community Improvement Plan for Brownfield Incentives to update references to The London Plan, Provincial planning legislation, and Provincial financing tools.</p> <p>Certain legislative references in the 2006 CIP are outdated. For example, the Provincial Policy Statement 2005, the 1989 Official Plan, and the Government of Ontario’s Brownfield Financial Tax Incentive Program (BFTIP) have been replaced with newer versions.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
2.		<p>that the Community Improvement Plan for Industrial Land Uses BE AMENDED to remove ‘enhanced transportation and logistics’, it being noted that the use is not defined as targeted in Schedule 3 of the Community Improvement Plan;</p> <p>The targeted uses for DC grants are required to align with the Industrial Land Development Strategy. Enhanced transportation and logistics are not listed as a targeted use in the Industrial Lands Development Strategy. In addition, in the 2017 CIP and Financial Incentive Program Review, enhanced transportation and logistics was not included in Schedule 3 of the Industrial Lands CIP but remained in the main body of the CIP. For DC grant calculation, removing references to enhanced transportation and logistics from the entire CIP is required.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
3.		<p>that Civic Administration BE DIRECTED to remove references to the former 1989 Official Plan and Provincial Policy Statement and to replace them with The London Plan and the 2020 Provincial Policy Statement in all Community Improvement Plans;</p> <p>Each of the CIPs refers to the former 1989 Official Plan and older Provincial Policy Statement versions. The London Plan was fully approved in May 2022 and is the governing Official Plan for the City of London. Consultation with the Legal department determined that CIPs should refer only to legal provisions that are in force.</p>

	Recommendation	Rationale
		<p>Financial Impact: No impact (No change in City Funding)</p>
4.		<p>that the Upgrade to Building Code Loan Program and the Façade Improvement Loan Program BE AMENDED to modify the repayment schedules to reduce the term length for loan amounts that are equal to or less than \$5,000 from 114 monthly payments to 54 monthly payments instead;</p> <p>Modifying the payment schedules would help reduce administrative cost of managing loans with small monthly payments, while ensuring repayments are manageable for applicants. For example, a \$5,000 loan would have a monthly payment of \$92.59 over 54 months instead of \$43.86 for 114 months. Further, having the smaller loans repaid more quickly would allow the City to reinvest that repayment money into new loans quicker.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
5.		<p>that, following Council’s adoption of the 2024-2027 Multi-Year Budget setting funding for Financial Incentive Programs in existing Community Improvement Plan, Civic Administration REPORT BACK on the policy and financial impacts of introducing a new Community Improvement Plan for the Hyde Park Hamlet on Gainsborough Road;</p> <p>On March 7, 2023, Council resolved that the communication dated January 31, 2023, from the Hyde Park Business Improvement Association, BE REFERRED to the Community Improvement Plan (CIP) And Financial Incentives Program 5-Year Review being undertaken by Civic Administration, to assess the feasibility of the Hyde Park Hamlet as a candidate for a Community Improvement Plan and Financial Incentive Programs, specifically for Gainsborough Road.</p> <p>Financial Impact: No to Medium Impact: (No change to increase in City funding – Will depend on outcome from CIP feasibility analysis and if deemed feasible, the length of the public process to create a new CIP).</p>
6.		<p>that the Airport Area Community Improvement Plan (CIP) BE AMENDED</p> <p>During the Civic Administration’s Community Improvement Plan Review it was found</p>

	Recommendation	Rationale	
		to revise the eligibility criteria and requirements for retroactive applications, it being noted the Airport Area CIP requirements are inconsistent compared to other City of London CIPs;	that the Airport Area CIP contains language regarding retroactive applications that is inconsistent with all other City of London CIPs. To reduce confuse and ensure consistency among CIPs, the eligibility criteria and requirements in the Airport Area CIP needs to be updated. Financial Impact: No impact (No change in City Funding)

Table 2: Add Metrics and Targets to a Community Improvement Program (Appendix “A”: Table 2)

	Recommendation	Rationale	
7.	that the goals and objectives of the Downtown and Old East Village Community Improvement Plans BE AMENDED to introduce measurable objectives to inform when the CIPs’ identified Community Improvement goals have been achieved;	Input received during public consultation stated that the current goals and objectives of the Downtown and Old East Village CIPs are not measurable. Proposed revisions would allow Administration to track the success of the CIPs and inform Council when CIPs have achieved their intent. Financial Impact: No impact (No change in City Funding)	
8.	that the Heritage Community Improvement Plan, City of London Community Improvement Plan for Brownfield Incentives, and Community Improvement Plan for Industrial Land Uses BE AMENDED to include performance measures, indicators of success, and targets to align with current City policies and Municipal Council Strategic Directions;	This was a recommendation from the previous 2017 CIP Review. The purpose of adding performance measures and indicators of success is to inform Council of how the CIPs have achieved their intent and whether changes to their Financial Incentive Programs are advisable. The Downtown, Old East Village, SoHo, Hamilton Road, and Lambeth Area CIPs were amended in 2020 and 2021 to add performance measures, indicators of success, and targets for the Financial Incentive Programs. Financial Impact: No impact (No change in City Funding)	

Table 3: Community Improvement Plan Boundary Change (Appendix “A”: Table 3)

	Recommendation	Rationale
9.	that Civic Administration BE DIRECTED to investigate the feasibility of consolidating the Core Area, Downtown, and Old East Village Community Improvement Plans, it being noted that the Core Area comprises of three distinct areas: Downtown, Midtown, and Old East Village;	<p>Consolidating the Core Area, Downtown, and Old East Village Area CIPs would reduce redundancy and streamline Financial Incentive applications to save on the administrative cost of processing applications. Further, consolidating the three CIPs could reduce confusion of boundary lines and determining eligibility of CIP Programs for property owners and expand program offerings to Midtown.</p> <p>Financial Impact: Cost reduction to no impact (No change in City Funding)</p>
10.	that the Old East Village Community Improvement Plan Project Area BE AMENDED to include the properties located at 425 Rectory Street, 419 Rectory Street, 417 Rectory Street, 415 Rectory Street, 800 King Street, 796 King Street, 794 King Street, 790 King Street, 786 King Street, 784 King Street, 774 King Street, 768 King Street, 764 King Street, 762 King Street, 758 King Street, 754 King Street, 748 King Street, 376 Hewitt Street, 378 Hewitt Street, 380 Hewitt Street, 382 Hewitt Street, 386 Hewitt Street, and 390 Hewitt Street;	<p>These properties are currently just outside of the Old East Village CIP boundary and are not eligible for Financial Incentive Programs. In addition, these properties are adjacent to the eastern leg of the Rapid Transit Corridor Protected Major Transit Station Area. Including these properties in the Old East Village CIP and permitting Financial Incentives could help intensify the lands and comply with the Vision of The London Plan for Major Transit Station Areas. Further, input received from property owners at these locations were in support of this recommendation.</p> <p>Expanding the Old East Village CIP Project Area and the Financial Incentive Programs to add the 23 properties is expected to have a negligible impact in the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No to Low impact (No Change in City Funding to Increase in City Funding)</p>

Recommendation	Rationale
<p>11.</p>	<p>that the Hamilton Road Community Improvement Plan Project Area BE AMENDED to include the property located at 512 Horton Street East;</p>
	<p>This is a comparatively larger property abutting the Hamilton Road CIP boundary which is appropriate for redevelopment and currently not eligible for Financial Incentives. Input received from the property owner is in support of this recommendation.</p> <p>Expanding the Hamilton Road CIP Project Area and the Financial Incentive Programs to add this property is expected to have a negligible impact in the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No to Low impact (No Change in City Funding to Increase in City Funding)</p>

Table 4: Continue a Financial Incentive Program (Appendix “A”: Table 4)

	Recommendation	Rationale
12.	<p>that, based on results from the review of the City’s current Community Improvement Plans and the associated Incentive Programs, the following Programs, BE CONTINUED, noting that funding for these Programs was set to expire December 31, 2023:</p> <ul style="list-style-type: none"> - Residential Development Charges Grant Programs offered in the Downtown and Old East Village Community Improvement Project Areas - Downtown, Old East Village, and SoHo Rehabilitation and Redevelopment Tax Grant Programs - Downtown, Old East Village, Hamilton Road, and SoHo Upgrade to Building Code Loan Programs - Downtown, Old East Village, and Hamilton Road Upgrade to Building Code Loan Programs, including existing provisions for forgivable loans - Downtown, Hamilton Road, Old East Village, and SoHo Façade Improvement Loan Programs - Downtown and Old East Village Façade Improvement Loan Programs, including existing provisions for forgivable loans <p>City-wide Industrial Development Charge Program that continues to distinguish between targeted and non-targeted industrial uses.</p>	<p>Funding for these Programs was set to expire on December 31, 2023. These Programs are still relevant in addressing community improvement needs cited in the CIPs.</p> <p>The breakdown of what these Programs cost from 2018 to the time of writing is listed in Appendix “E”. It is anticipated that the cost of the Programs may be similar in the next Multi-Year Budget.</p> <p>Retaining these Programs is expected to have a negligible impact on the 2024-2027 Multi-Year Budget.</p> <p>Financial Impact: No impact (No Change in City Funding)</p>

Table 5: Decrease a Financial Incentive Program’s Scope (Appendix “A”: Table 5)

	Recommendation	Rationale
13.	that funding for the Industrial Lands Corridor Enhancement Grant Program BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved under the Community Improvement Plan for Industrial Land Uses;	<p>Properties abutting the 401/402 Corridor are for eligible for this program. This program received funding in 2018 and to date no applications were received for this Program. Administration set aside \$40,000 annually in the current Multi-Year Budget that was intended to fund approximately two applications annually. Reallocating these funds can be directed to other Financial Incentive Programs with more uptake.</p> <p>Financial Impact: Reduction in City Funding</p>
14.	that Civic Administration BE DIRECTED to review the effectiveness of the Financial Incentive Programs supporting the City of London Community Improvement Plan for Brownfield Incentives;	<p>The four Financial Incentive Programs that support the City of London Community Improvement Plan for Brownfield Incentives are more expensive than forecasted when the Programs were first established. As an example, soil remediation costs were added as an eligible grant expense. This change has been shown to drive up the cost of the Development Charge Rebate program offered under the Brownfields CIP. The average of the Council Approved remediation costs for Brownfield grants before the addition of soil remediation cost was \$230,837.34 compared to the average afterwards of \$3,114,636.75. The Grant Commitments represent money reserved from the budget that is unavailable for other Financial Incentive Programs.</p> <p>Financial Impact: Reduction in City Funding</p>
15.	that the Development Charges Grant and the Tax Increment Equivalent Grant Programs in the City of London Community Improvement Plan for Brownfield Incentives BE AMENDED to limit the duration of Municipal Council’s commitment, it being noted that the Program does not define a time limit for holding City funds committed in future budgets;	<p>There is no expiration on the City’s Financial Commitments made in Brownfields Financial Incentives Programs, whereas Financial Commitments made in other incentive Programs have an expiration date. For example, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Core Area Safety Audit Grant have an expiration of one year from when the Commitment Letter is sent. This program change is intended to help reduce vacancies and bring brownfield properties into productive use faster. Further, this program change is expected to have little financial impact to the Multi-Year Budget, other than possibly making funds available to other Financial Incentive Programs.</p> <p>Financial Impact: Reduction to No impact (No change in City Funding)</p>

Table 6: Increase Financial Incentive Program’s Scope (Appendix “A”: Table 6)

	Recommendation	Rationale
16.	that the Core Area Community Improvement Plan BE AMENDED to make available to properties facing Dundas Street in the Midtown Area, the Façade Improvement Loan, Upgrade to Building Code Loan, and the Rehabilitation and Redevelopment Tax Grant Programs;	<p>Input received during public consultation inquired about Midtown being eligible for these Financial Incentive Programs that are already available in the Downtown and Old East Village CIPs. Administration determined that doing so would encompass 36 additional eligible properties along Dundas Street in Midtown which is expected to have a negligible impact in the 2024-2027 Multi-Year Budget. Further, Midtown is already within the Core Area CIP Project Area boundary and is eligible for other Core Area grants (Core Area Safety Audit Grant, Core Area Sign Grant, and the Core Area Boulevard Café Grant Programs).</p> <p>Financial Impact: No impact (No change in City Funding) to low (increase in City Funding)</p>
17.	that Civic Administration BE DIRECTED to investigate the feasibility of funding the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs approved in 2021 for the Argyle Core Area CIP, including consideration of a forgivable loan component for properties facing Dundas Street between Clarke Road and Hale Street;	<p>When the Upgrade to Building Code Loan, the Façade Improvement Loan, and the Rehabilitation and Redevelopment Tax Grant Programs were approved in late 2021, Council referred their funding to the 2024-2027 Multi-Year Budget. Input received from Argyle community representatives during public consultation for this 5-Year Review indicated that eligible applicants are more likely to undertake community improvement investments when financial incentive programs offer forgivable loans rather than fully repayable loans. Input from consultation also indicated that if forgivable loans were made available in the Argyle Core Area CIP Programs, the eligible area should be defined to the 181 properties facing Dundas Street between Clark Road and Hale Street.</p> <p>Financial Impact: Low impact (Increase in City Funding)</p>
18.	that Civic Administration BE DIRECTED to investigate the feasibility of amending the Upgrade to Building Code Loan Program offered in the Downtown and Old East Village Community Improvement Project Plans to increase the amount of the forgivable portion from 12.5% to 50% for residential units created in building levels above the ground floor and from 12.5% to 75% for commercial units created in building levels above the ground floor;	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, the proposed changes to the forgivable loan amount would be a potential means of increasing the interest of eligible applicants in improving the condition of Core Area vacant buildings to be made suitable for occupancy. Approximately, 591 properties in these CIP Areas are eligible for the Upgrade to Building Code Loan.</p> <p>This recommended program amendment feasibility investigation would be undertaken for consideration in in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p>

		Financial Impact: Medium impact (Increase in City Funding)																																				
19.	that Civic Administration BE DIRECTED to review the feasibility of including a Safety Audit Grant Program in the Hamilton Road Area and Argyle Core Area Community Improvement Plans;	<p>Input received during public consultation requested that a Safety Audit Grant Program, modeled after the Core Area Safety Audit Grant Program, be also made available in the Hamilton Road Area and the Argyle Core Area Community Improvement Plans. Both CIPs list improving safety as an Area for Improvement. Further, Action Item 2.5 in the Argyle Core Area CIP directs the undertaking of a Safety Audit to identify specific safety concerns in the Argyle Core Area CIP Project Area. In addition, at the time of writing this Report, funds remain available in the existing Core Area Safety Audit Grant budget that could be redirected to other areas.</p> <p>Financial Impact: Low to Medium impact (Increase in City Funding)</p>																																				
20.	that Civic Administration BE DIRECTED to report back to Municipal Council with recommendations for eligible property security improvements under the Core Area Safety Audit Grant Program to supplement recommended improvements from safety audits which also consider community visual impact;	<p>From the public consultation received, the eligible improvements under the Core Area Safety Audit Grant Program (gates and security cameras) could give a negative impression of a community. The goal of a CIP is in part to rehabilitate and beautify a community. Financial Incentives used to improve property security in a community in ways that may detract from its visual appeal work at cross-purposes.</p> <p>Financial Impact: Low to medium (Increase in City Funding)</p>																																				
21.	that Civic Administration BE DIRECTED to investigate the feasibility of amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value for Level 2 properties to promote occupancy in above ground floors;	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, the proposed grant increase would be a potential means of increasing the interest of eligible applicants in improving the condition of Core Area vacant properties to be made suitable for occupancy. This amendment is intended to help reduce vacancies in existing buildings (which is what Level 2 targets). The Tax Grant Rebate currently starts at a 70% rebate in year 1 and scales down to 10% at year 10.</p> <p>Example of a potential revision: Based on a post-construction Tax increment of \$35,111.</p> <table border="1"> <thead> <tr> <th>Existing %</th> <th>Revised %</th> <th>Existing Grant</th> <th>Revised Grant</th> </tr> </thead> <tbody> <tr> <td>70%</td> <td>90%</td> <td>24,578</td> <td>31,600</td> </tr> <tr> <td>70%</td> <td>90%</td> <td>24,578</td> <td>31,600</td> </tr> <tr> <td>60%</td> <td>90%</td> <td>21,067</td> <td>31,600</td> </tr> <tr> <td>50%</td> <td>80%</td> <td>17,556</td> <td>28,089</td> </tr> <tr> <td>40%</td> <td>70%</td> <td>14,044</td> <td>24,578</td> </tr> <tr> <td>30%</td> <td>60%</td> <td>10,533</td> <td>21,067</td> </tr> <tr> <td>20%</td> <td>50%</td> <td>7,022</td> <td>17,556</td> </tr> <tr> <td>10%</td> <td>40%</td> <td>3,511</td> <td>14,044</td> </tr> </tbody> </table>	Existing %	Revised %	Existing Grant	Revised Grant	70%	90%	24,578	31,600	70%	90%	24,578	31,600	60%	90%	21,067	31,600	50%	80%	17,556	28,089	40%	70%	14,044	24,578	30%	60%	10,533	21,067	20%	50%	7,022	17,556	10%	40%	3,511	14,044
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		10%	30%	3,511	10,533
		10%	20%	3,511	7,022
		Total		129,911	217,688
		<p>There are approximately 673 properties in the Downtown, OEV, and SoHo Area CIPs that are eligible for the Tax Grant Program.</p> <p>This recommended program amendment feasibility investigation would be undertaken for consideration in in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>			
22.	that Civic Administration BE DIRECTED to investigate improving the functionality of the existing Additional Residential Unit Loan Program to encourage the construction of Additional Residential Units in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to encourage the construction of Additional Residential Units to provide lower cost housing for Londoners. An annual funding cap for this program will also be recommended.</p> <p>Financial Impact: High, may be eligible for senior level government funding (Increase in City funding)</p>			

Table 7: Create a New Financial Incentive Program (Appendix A: Table 7)

	Recommendation	Rationale
23.	that the Heritage Community Improvement Plan BE AMENDED to add a new Heritage Grant Program to incentivize the rehabilitation of Heritage properties up to \$5,000 capped at 50% of completed eligible improvements;	<p>The current Tax Grant and Development Charges Grant Programs under the Heritage CIP are intended to encourage the rehabilitation of Part IV Heritage Designated Properties in larger property redevelopments by offsetting the financial burden of increased property taxes and Development Charges that form part of rehabilitation costs.</p> <p>A gap analysis of this CIP completed by Administration highlighted the lack of a grant program to target smaller Part IV Heritage Designated properties. A grant of up to \$5,000, capped at 50%, for completed eligible improvements may help offset the cost of smaller scale improvements that require a Heritage Alteration Permit. The annual cost of the program is estimated at \$130,000 based on Heritage Alteration Permit data collected.</p> <p>Legislation has changed significantly since the adoption of the CIP – particularly the introduction of Bill 23 that requires properties on a municipal registry to be removed if no notice of intention to designate has been issued by January 1, 2025.</p> <p>Civic Administration would introduce an annual funding cap for the proposed Program no higher than the estimated annual program cost to ensure the Program cost remains within the 2024-2027 Multi-Year Budget for CIP Financial Incentives.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>

	Recommendation	Rationale
24.	that Civic Administration BE DIRECTED to investigate the feasibility of adding energy upgrades and climate change adaptation measures into London’s Community Improvement Plans;	<p>Input received during public consultation suggested the addition of climate change objectives into the CIPs and making Financial Incentives Programs available for environmentally friendly retrofit projects. Currently, improvements for green building measures for sustainable developments, such as living walls and green roofs, are eligible under the Upgrade to Building Code Loan Program.</p> <p>The Climate Emergency Action Plan Area of Focus 3 – Transforming buildings and development workplan listed reviewing the options for energy upgrades and climate adaptation measures for building upgrades using the Community Improvement Plan Program as a key action item.</p> <p>An annual funding cap for this program will also be recommended.</p> <p>Financial Impact: Medium to high impact (Increase in City Funding)</p>
25.	that Civic Administration BE DIRECTED to review the Affordable Housing Community Improvement Plan and report back to Municipal Council on how to improve the Plan to incentivize affordable housing developments;	<p>Three applications have been received under the two Financial Incentive Programs introduced the 2020 Affordable Housing CIP. Development Charges and Property Tax Rebate Grant incentives are available to Not-for-Profit housing providers. In addition, recent legislative changes introduced through Bill 23 changed the DC requirements for some affordable housing providers, making the structure of the existing CIP loan programs less attractive and effective.</p> <p>The intent of the Affordable Housing CIP is to incentivize the development of affordable housing in support of the plan set out in the Roadmap to 3,000 Affordable Units Report, and in subsequent commitments and reports. The Affordable Housing Development Loan Program may not provide sufficient incentive to encourage the development of affordable units.</p> <p>Financial Impact: No to Low impact (No change in City Funding to Increase in City Funding). Existing funding was previously approved for the Affordable Housing CIP that remains available for financial incentives during the upcoming Multi-Year Budget.</p>

	Recommendation	Rationale
26.	that Civic Administration BE DIRECTED to prepare new Community Improvement Plans and programs to support low-cost housing within primary transit areas;	<p>The London Plan states that the highest level of transit service will be provided within the Primary Transit Area. This initiative would support construction of additional units within a defined radius of the London Plan’s Rapid Transit Corridors and Transit Villages. Because the rapid transit network will connect Transit Villages and major activity generators, including many of our educational and health care institutions, with the Downtown, low-cost housing will be linked to many community destinations and services.</p> <p>Financial Impact: No to Low impact (No change in City Funding to Increase in City Funding). Existing funding was previously approved for the Affordable Housing CIP that remains available for financial incentives during the upcoming Multi-Year Budget.</p>
27.	that Civic Administration BE DIRECTED to investigate the feasibility of introducing a new grant program in the Downtown, Old East Village, SoHo, Argyle Core Area, Lambeth, and Hamilton Road Area Community Improvement Plans for funding 100% of eligible interior and exterior building improvements undertaken by business tenants, up to a maximum of \$5,000;	<p>Input received during public consultation noted that the current Financial Incentive Programs only fund improvements initiated by property owners. Likewise, it was observed that many business tenants would like to improve the appearance of the buildings they occupy even when the property owners will not invest in renovations.</p> <p>Council in 2021-2022 initiated and approved funding for the Recovery Grant Program proposed by the London Community Recovery Network. That Program was available to tenants and was very successful (100% of funds made available in 2021-2022 were spent on building improvements). This proposed grant program could be an extension or adaptation of the Recovery Grant Program to help fund interior/exterior improvements, broken windows, and signs that support continued business occupancy.</p> <p>This recommended new program feasibility investigation would be undertaken for consideration in the 2024-2027 Multi-Year Budget, including a recommended annual cap for funding the program.</p> <p>Financial Impact: Medium (Increase in City Funding)</p>

	Recommendation	Rationale
28.	that Civic Administration BE DIRECTED to investigate the feasibility of a new community improvement financial incentive program to support conversion of vacant commercial buildings with a low potential for continued commercial use to residential units in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to accelerate the conversion of vacant commercial buildings with a low potential for continued commercial use to residential apartment units.</p> <p>Financial Impact: Medium to high, may be eligible for senior level government funding (Increase in City funding)</p>
29.	that Civic Administration BE DIRECTED to investigate the feasibility of introducing a new community improvement financial incentive program to support attainable housing within primary transit areas in alignment with the multi-year budget process;	<p>On February 15, 2023, Council made a pledge to accelerate the housing supply of 47,000 units in our community by 2031 and on April 4th, 2023, Council resolved that “there is an untenable emergency in our city related to housing and homelessness”. The objective of this initiative would be to accelerate the construction of attainable housing in areas with access to primary transit routes.</p> <p>Financial Impact: Medium to high, may be eligible for senior level government funding (Increase in City funding)</p>
30.	that Civic Administration BE DIRECTED to review the Core Area Community Improvement Plan to consider amendments addressing property acquisition options and financial incentive programs aimed at identifying and encouraging commercial occupancy options identified through the Core Area Land and Building Vacancy Reduction Strategy.	<p>Through research being undertaken for the Core Area Land and Building Vacancy Reduction Strategy, it has been identified that property acquisition to advance strategic directions and new incentive programs aimed at cultivating commercial occupancy demand should be explored.</p> <p>Financial Impact: High (Increase in City Funding)</p>

Table 8: Suspend a Current FIP (Appendix “A”: Table 8)

	Recommendation	Rationale
31.	The funding for the Property Tax Assistance Grant Program in the London Community Improvement Plan for Brownfield Incentives BE SUSPENDED in the next Multi-Year Budget pending review of the impact of 2023 changes made to the Provincial Brownfield Financial Tax Incentive Program.	<p>Administration has received only one application for the Property Tax Assistance Grant Program since 2006. The Program terms are cumbersome for applicants, offering modest grant funding, and requiring Ministry approval to offset Provincial education property taxes.</p> <p>The Province of Ontario has made recent changes to its Brownfield Financial Tax Incentive Program (BFTIP) that might alleviate some of Civic Administration’s past concerns with the Property Tax Assistance Program and the related cancellation of the matching education property taxes; however, suspending the Program pending further analysis is recommended. Suspending the Property Tax Assistance Program is expected to have a negligible impact in the next four years on the uptake of Brownfield CIP applications.</p> <p>Financial Impact: No impact (No change in City Funding)</p>
32.	that funding for the Wharncliffe Road Corridor Sign Loan Program in the Lambeth Area Community Improvement Plan BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Lambeth Area Community Improvement Plan;	<p>Administration received no applications under this loan program since the adoption of the Lambeth Area CIP in 2019. Normally signs are a tenant’s expense, who are normally not eligible for City loans unless the landlord / property owner agrees to take on responsibility for the loan. Suspending funding for the Wharncliffe Road Corridor Sign Loan Program would allow for reallocation of funding to more frequently used Programs.</p> <p>Financial Impact: No impact (No change in City Funding)</p>

Appendix “B” Proposed Changes Not Recommended

	Potential Change	Rationale for not Recommending
1.	Increasing the forgivable portion offered in the Façade Improvement Loan Program	It was determined that this potential change would have less of an impact compared to increasing the forgivable component of the Upgrade to Building Code Loan. The Upgrade to Building Code Loan Program has the potential to increase the usable Gross Floor Area of a building whereas the Façade Improvement Loan would not. Therefore, it was found that there is greater return on investment on focusing budget funds on improving the interior of buildings than the façade.
2.	Introducing a new Financial Incentive program for a one-time 50% grant up to \$20,000 for property owners to renovate the building interiors	Input received in public consultation suggested a new program for a 50% grant up to \$20,000 to renovate building interiors. Recommendation #19 is a stronger incentive to address the improvement objective of more building rehabilitations to encourage greater occupancy in the Core Area.
3.	Dissolving the Lambeth CIP Project Area	Although there have been no applications received through the Façade Improvement Loan or the Wharnccliffe Road Corridor Sign Loan Programs offered in the Lambeth CIP, the 3% vacancy target set in the Lambeth CIP has not been met (The most recent 2021 field data showed a 4.1 % vacancy rate). Further, Lambeth uptake of the 2021-2022 Recovery Grant Program indicates interest in Financial Incentive Programs.
4.	Amending the Rehabilitation and Redevelopment Tax Grant Program offered in the Downtown and Old East Village Community Improvement Plans to increase the grant value offered for Level 3 properties	The Level 3 Tax Grant targets vacant lands available under the Rehabilitation and Redevelopment Tax Grant Program of the Old East Village and Downtown CIPs. No evidence received suggested that increasing Tax Grants on vacant lands would further incentivize the development of vacant lots enough to justify improving the grant schedule as with the Level 2 Tax Grant.
5.	Dissolving the Airport Area CIP Project Area	The Airport Area Community Improvement Plan Tax Grant program has received few applications since its adoption in 2007. Civic Administration consulted with the London Economic Development Corporation (LEDC) and the Airport Authority, that emphasized the importance of the Airport Area CIP for future investment opportunities. Further, the Airport Area CIP’s purpose of stimulating community economic development by retaining

		aerospace companies within London is still relevant.
6.	Offering Forgivable Loans in the in the SoHo and Lambeth Community Improvement Plan Project Areas	Forgivable Loans for the Façade Improvement Loan and Upgrade to Building Code Loan Programs are already offered in the Downtown, Old East Village, and Hamilton Road Area CIPs. Given the costs of funding forgivable loans, and budget pressures anticipated in the 2024-2027 Multi-Year Budget, expanding the offer of forgivable loans beyond what is current is not recommended.
7.	Expanding the Downtown CIP boundary to include Pall Mall Street, Piccadilly, and Central Street.	Expanding the Downtown CIP boundary would require an assessment of whether the additional proposed areas conform with community improvement criteria in the London Plan, and an examination of the impact on extending available Financial Incentives Program funding to a wider downtown area. Given budget pressures anticipated in the 2024-2027 Multi-Year Budget, the staff/resources needed to pursue this expansion are better prioritized within existing boundaries of existing CIPs.
8.	Expanding the boundaries of the Core Area CIP to expand the southern boundary along the CN railroad tracks, the western boundary to the Thames River and the eastern boundary to Egerton Street.	Expanding the Core Area CIP boundary would require an assessment of whether the additional proposed areas in Old East, Midtown, and Downtown conform with community improvement criteria in the London Plan, and an examination of the impact on extending available funding to a wider Core Area territory. Given budget pressures anticipated in the 2024-2027 Multi-Year Budget, the staff/resources needed to pursue this expansion are better prioritized within existing boundaries of existing CIPs. There are recommended changes to CIP boundaries and Financial Incentive Programs made in this report that are intended to address requests for improvements within the existing Core Area CIP boundaries.

Appendix “C” Summary of the Grant and Loan Programs

The Grants:

Airport Tax Grant: Through this program, the City provides a ten-year tax grant for eligible properties. The grant is based on the increase in municipal taxes resulting from the development of the property for aerospace related uses.

Brownfields Contamination Assessment Study Grant: This program provides a grant for 50 percent of the cost to conduct a Phase II Environmental Site Assessment, Remedial Action Plan and/or Risk Assessment in accordance with the requirements under the *Environmental Protection Act*. The maximum grant provided is \$10,000 per property, subject to available funding.

Brownfields Property Tax Assistance Grant: This program provides for the cancellation of 25 percent of the municipal property taxes for up to three years during which rehabilitation and development activity is taking place. The property would also be eligible to receive matching education tax assistance from the Province, subject to available funding and approval by the Minister of Finance.

Brownfields Development Charge Rebate: This program provides a grant for up to 50 percent of the normal development charges to cover eligible remediation costs. This rebate is intended to reduce the “up-front” development costs and encourage investment by landowners.

Brownfields Tax Increment Equivalent Grant: This program provides a grant equal to the increase between the pre-development and post-development municipal property tax after rehabilitation and development has taken place. The grant can be provided for a maximum of three years from the date of the increase in assessed value.

Heritage Development Charge Equivalent Grant: This program provides a grant in the amount of the development charges rate that would have applied to the heritage building, had it been built today, when that structure is rehabilitated or incorporated into a development project. The intent is for the owner to preserve the heritage features and/or historic context of the designated building.

Heritage Tax Increment Grant: This program provides a grant equivalent to the increase in the municipal portion of the property tax following from a reassessment resulting from a development or rehabilitation project related to an intensification or a change of use that rehabilitates an associated designated heritage property. The development or rehabilitation project, however, must not compromise the reasons for designation of a heritage structure.

Industrial Corridor Enhancement Grant: This program provides a grant to enhance the public realm of industrial lands directly abutting the Highway 401/402 Investment Corridor. This program provides a grant equal to 50% of the cost of eligible landscaping, fencing, berming, screening, and public art on industrial properties that sufficiently improves the aesthetics of industrial sites, and/or provides effective screening of outside storage areas. The maximum grant per property is \$20,000.

Industrial Development Charges Grant: This program provides a grant for Targeted and Non-Targeted industrial uses to reduce the amount of Development Charges (DC) paid by the applicant. The program offers a 100% DC grant for Targeted industrial uses. For Non-Targeted industrial uses, a grant equivalent to 50% of the DCs to be paid, up to a maximum grant of \$250,000, with the remainder of the DCs to be fully paid by the applicant is available.

DCs that are owed for a non-targeted industrial use, will be required to be paid at building permit issuance. For speculative or shell buildings, when a non-targeted industrial use occupies the building or a unit in the building, DCs will be paid when the building permit is issued at the tenant finish stage.

Targeted Industrial Uses are: Advanced Manufacturing (Renewable and Clean Technology, Automotive, Agri-Food/Food Processing, and Defense and Aerospace), Life and Health Sciences, Information Technology and Digital Media, and Research and Development.

Rehabilitation & Redevelopment Tax Grant: This program rebates a portion of the municipal tax increase that results from the rehabilitation of an existing building or construction of a new building. A percentage of this tax increment is rebated back to the property owner each year, for ten years.

Residential development charges Incentive Grant: This program provides a grant equal to a rebate of Development Charges (DCs) for residential units constructed. DCs are required to be paid “up-front” at the time the building permit is issued. The program grants back a portion of the residential DCs paid by the applicant over an approximately 10-year schedule until 100% of the residential DCs have been repaid to the applicant. The program is aimed at encouraging private sector investment in residential development in the Downtown and Old East Village.

The Loans:

Affordable Housing Development Loan Program: This program provides a loan per affordable rental unit created. A minimum of five affordable rental units must be created. The amount of the loan depends on the level of affordability being provided compared to Average Market Rent (AMR), the location of the project, and whether the developer pays property taxes.

Additional Residential Unit Loan Program: This program provides a loan of up to \$20,000 for the creation of an additional residential unit (ARU) within an existing residential building or on the same property (for example, above a detached garage or in a coach house). To be eligible for this loan, the main dwelling on the property must be owner-occupied and a valid Residential Rental Unit License (RRUL) must be maintained and renewed annually with the City.

Façade Improvement Loan: This program provides a loan for building façade improvements. The loan can be up to a maximum of \$50,000 or half the value of work, whichever is less. Loans are paid back at 0% interest over a 10-year period. In certain areas of Downtown, Old East Village, and Hamilton Road, a portion of the loan may be forgivable.

Upgrade to Building Code Loan: This program provides loans to property owners who improve their buildings for items that relate to Ontario Building Code requirements. Loans are up to \$200,000 or half the value of work, whichever is less. Loans are paid back at 0% interest over a 10-year period. In certain areas of Downtown, Old East Village, and Hamilton Road Area a portion of the loan may be forgivable.

Wharncliffe Road Corridor Sign Loan: This program provides loans for business owners to improve their signage and bring their properties into conformity with the Property Standards By-law, Sign By-law, and applicable City Design Guidelines. The City may provide no-interest loans that are paid back to the City over a 10-year period. A maximum of \$5,000 per eligible property for up to 50% of eligible works can be provided.

Appendix “C” Table 1: Financial Incentives available under each CIP

(* denotes recent CIPs that were not available in the last 5-year review)

CIPs	Financial Incentive Programs Offered			
Airport Area	Tax Increment Grant			
Brownfield	Contamination Assessment Study Grant	Tax Increment Equivalent Grant	Development Charge Rebate	Property Tax Assistance Program
Downtown	Façade Improvement	Upgrade to Building Code	Tax Grant Program	Residential DC Grant
Heritage	Tax Increment Grant		Development Charge Equivalent Grant	
Industrial	Industrial Corridor Enhancement Grant		Development Charge Grant	
Old East Village	Façade Improvement	Upgrade to Building Code	Residential DC Grant	Tax Grant Program
SoHo	Façade Improvement	Tax Grant Program	Upgrade to Building Code	
Lambeth*	Façade Improvement		Wharncliffe Road Corridor Sign Loan	
Hamilton* Road	Façade Improvement		Upgrade to Building Code	
Core Area*	Core Area Safety Audit	Core Area Boulevard Café Grant	Core Area Sign Grant	
Affordable* Housing	Affordable Housing Development Loan		Additional Residential Unit Loan	
Argyle Core* Area	Façade Improvement	Upgrade to Building Code	Tax Grant Program	

Appendix “D” Community Consultation and Engagement

A GetInvolved London webpage for this project was published on August 8, 2022, and has remained live at the time of writing this report. There was a total of 621 visitors to the webpage and supporting documents were downloaded 69 times.

The Get Involved page included three (3) quick poll questions. Below are the questions and the results received.

1. How Important do you feel Financial Incentives are for Community Improvement?

There was one response received that answered that they thought Financial Incentives were ‘very important’ for Community Improvement.

2. If eligible, how likely are you to apply for a Grant or Loan in the next 5 years?

There was no response received for this question.

3. Were you aware that the City of London offers Financial Incentive Programs?

There were three responses received: two responded ‘yes’ and one responded ‘no’.

Further, the GetInvolved webpage had an opportunity for webpage viewers to ask questions regarding the project. One response on the GetInvolved webpage was received and answered by Civic Administration. In addition, there is a survey on the GetInvolved webpage that has not been filled out at the time of writing.

Facebook Ads: Facebook ads were published on the City of London Facebook page between September 7, 2022, through September 22nd, 2022.

Below are the Facebook ads that were published:

Affordable housing

Housing affordability is on top of mind of many Londoners. Did you know that there is an Affordable Housing Community Improvement Plan (CIP) to encourage the development of affordable homes? Through the CIP, there are two loan Programs available. The City is undergoing a 5-Year review of all CIPs and Financial Incentive Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Heritage

Did you know that the City has a Heritage Community Improvement Plan (CIP)? Through the CIP, the City offers grants to help retain London’s beautiful heritage properties. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Industrial and Brownfields

Did you know that the City has Community Improvement Plans (CIPs) for Industrial Lands and Brownfields? Through the CIP, the City offers grants to encourage the development of Industrial Lands and to rehabilitate Brownfield sites. The City is undergoing a 5-Year review of all CIPs and Financial Incentive Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Area Specific:

Argyle

Did you know that there is a new Community Improvement Plan (CIP) for the Argyle area? Through the CIP, the City can offer loans and grants to businesses to help revitalize Dundas Street. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Downtown and Old East Village, Core Area

There are Community Improvement Plans (CIPs) for Core Area, Old East Village, and Downtown. Through these CIPs, the City offers loans and grants to help revitalize the mainstreets of these communities. The City is currently undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

SoHo

Did you know that there is a SoHo Community Improvement Plan (CIP)? Through the CIP, the City offers loans and grants to businesses to help revitalize Wellington Street. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Lambeth

Did you know that there is a Lambeth Community Improvement Plan? Through the CIP, the City can offer loans to businesses to help revitalize the main streets. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Hamilton Road

Did you know there is a Hamilton Road Community Improvement Plan? Through the CIP, the City can offer loans to businesses to help revitalize Hamilton Road. The City is undergoing a 5-Year review of all CIPs and Financial Incentives Programs. Check out www.getinvolved.london.ca/cip-financial-incentives to learn more!

Community Consultation Meetings

Using the questions listed in Section 1.4 of this report, which have guided the review of the CIPs and Financial Incentive Programs, feedback was received at three meetings.

A virtual Public Meeting was held on September 22, 2022, between 6 and 7 PM. Several matters were raised and are documented in **Appendix “D”: Table 1** below.

Representatives of London’s Business Improvement Associations met on November 3, 2022. Their concerns and questions are likewise documented in **Appendix “D”: Table 1** below.

A presentation of the 5-Year Review Community Improvement Plans and Financial Incentives project was given during an Urban League meeting held on November 24, 2022. No comments were received from the Urban League.

Appendix “D”: Table 1: What We Heard

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
1	Are there other options available for the Core Area Safety Audit grant, such as shatter proof film for windows, indoor cameras that face outdoors, and automatic locking mechanism triggered by a button?	GetInvolved.London Webpage	September 24, 2022	Civic Administration will examine the program guidelines for the Core Area Safety Audit Grant to include more esthetically pleasing options in the program eligibility.	Review of the program guidelines of the Core Area Safety Audit Grant. Possible recommendation to change the guidelines to ensure safety options are more attractive to the community.
2	Combine the OEV and Downtown CIP’s (along with their goals, vision, and objectives,) and place them into the Core Area Community Improvement plan. That way the entire Core Area will be able to access all the tools and Programs such as the “Façade Improvement Loan” that is necessary to achieve the above goals and objectives. Failing this, then it would be beneficial for there to be a separate CIP created, for the Midtown Neighbourhood.	Email	October 18, 2022	Civic Administration will examine the possibility of including the Façade Improvement Loan in the Midtown area.	Possible recommendation that Council Direct Civic Administration to examine the feasibility of combining the Downtown, Core Area, and OEV Area CIPs.
3	Would like to see that the boundaries of the Core Area CIP, be redrawn. So that the Core Area CIP, southern boundary is along the CN railroad tracks. From the Thames River in the West to Egerton Street in the East.	Public Meeting	September 22, 2022	Civic Administration is reviewing the boundaries of all our Area CIPs as part of the 5-Year Review.	Possible recommendation to amend the boundaries of the Core Area CIP.
4	Can we expand the Downtown CIP boundary to Pall Mall, Piccadilly, Central Street? As they have asked about financial incentives and could not get	Public Meeting	September 22, 2022	Civic Administration is reviewing the boundaries of all our Area CIPs as part of the 5-Year Review.	Possible recommendation that Civic Administration to consider the expansion of the Downtown Area CIP boundary to include Pall Mall, Piccadilly, and Central Street.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	them because they are outside the boundary.				
5	Are Residential DCs still required? No one is going to build a building that isn't going to rent or sell, currently you will fill the building anyways even without the grant, the grant is helpful for the profit of the building, 30 years I would understand it to rehabilitate it, are the Residential DC grants still necessary when industrial leaders are saying that the demand will continue as its been and are these DC grants.	Public Meeting	September 22, 2022	The Downtown and OEV CIPs were amended in 2021 to include a target population for when Residential DC Grants will be scaled back. At the time of writing, the populations in Downtown and OEV did not trigger a scale back of Residential DC Grants.	No action required.
6	For the Tax Grant, it would be helpful to be able to apply after starting construction because it is challenging to apply retroactively and we don't always catch everyone, why is it not always caught when someone comes in with plans maybe we should fix the process first before allowing those to apply after the fact. Is there a change of the property taxes just because of inflation?	Public Meeting	September 22, 2022	It would be preferable if applicants are reminded of the available Tax Grants prior to starting the building permit process. Applicants can apply retroactively to the Tax Grant program, but that would require approval from Council.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
7	Affordable housing loans – when secondary dwelling units were required in the London plan and there was hope that would lead to more secondary suits to add to affordable housing, which part of affordable housing part are we talking (shelter beds to affordable single-family	Public Meeting	September 22 nd , 2022	Currently, the Affordable Housing Community Improvement Loans do not consider the type of Affordable dwellings, only the how many units are created and how affordable they are	Possible recommendation that Civic Administration be directed to amend the Affordable Housing Loans to better align with the market needs for affordable dwellings.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	housing) what is affordable housing is it just the percentage of market rents? Will social housing be part of it? we need to be clear about what part of the affordable housing loans are addressing in the affordable housing continuum.			compared to market rate rentals.	
8	Are you reviewing the metrics and targets in the Area CIPs	Public Meeting	September 22, 2022	Yes, Civic Administration is reviewing the metrics and targets of the CIPs to ensure they are still accurate and properly examining the effectiveness of the Programs.	No action required.
9	Will there be a climate lens be put on the goals of the CIPs? More funding for green solutions.	Public Meeting	September 22, 2022	Eco-friendly retrofits are eligible under the Upgrade to Building Code Loan.	Possible amendment that Civic Administration be directed to examine other ways to incorporate more green solutions into the CIPs and Financial Incentive Programs.
10	Does the city step in a buy these properties if you are not getting cooperation? Could make things much faster.	Public Meeting	September 22, 2022	The City typically does not purchase properties if the owners are not cooperating.	No action required.
11	Could we have a District Focused CIP that would be focused on arts and culture?	BIA Meeting	November 1, 2022	Perhaps that could be better suited to be addressed in the Core Area Action Plan instead of a CIP.	No action required.
12	A Sign Grant beyond the Core Area Sign Grant would be helpful to businesses.	BIA Meeting	November 1, 2022	Improvements that add Signs affixed to the façade is	Possible recommendation that Civic Administration be directed to add more grants for Façade Improvement.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
				eligible under the Façade Improvement Loan program.	
13	With Financial Incentives, you need to focus on the awareness piece (i.e., marketing of the Programs) CAUR needs to work with Building Department to ensure applicants are aware of the Programs early on.	BIA Meeting	November 1, 2022	Civic Administration has heard that there may not be enough awareness of the Financial Incentive Programs.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
15	Consider expanding forgivable loans	BIA Meeting	November 1, 2022	Boundary reviews and amendments to the percentage of forgivable loans property owners are eligible for is part of the 5-Year review.	Possible recommendation to increase in the percentage of the forgivable portion of the Upgrade to Building Code Loan.
16	Consider that property taxes in Downtown generate more income to the City than other parts of the City of London	BIA Meeting	November 1, 2022	Civic Administration understands that some areas of the City have higher property taxes rate than others.	No action required.
17	Façade Improvement Loan and Upgrade to Building Code Loan applications are too confusing for applicants and BIAs don't get compensation for championing CIPs and Financial Incentives Recommendation, that City Staff handle all applications and are responsible for marketing the Financial Incentive Programs	BIA Meeting	November 2, 2022	Civic Administration is currently processing all Façade Improvement and Upgrade to Building Code Loan applications.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
18	0% interest on a loan is not incentivizing enough for small businesses; grants are preferable	BIA Meeting	November 2, 2022	Civic Administration is examining ways to better incentivize private sector investment.	Possible increase to forgivable portion of loan repayments or offering grants.
19	Could the Argyle area get the Core Area Grants, such as the safety audit grant?	BIA Meeting	November 2, 2022	The Core Area Safety Audit Grant is only available in the CIP. However, Action Item 2.5 states that a Safety Audit to be conducted for the Argyle CIP project area.	Possible recommendation that Civic Administration examine the possibility of a Safety Audit Grant for the Argyle CIP in a future Multi-Year Budget.
20	Forgivable Loans for beautification are best for properties facing Dundas Street from Clark Road to the train tracks.	BIA Meeting	November 2, 2022	Civic Administration is reviewing where forgivable loans are most appropriate.	Possible recommendation that Civic Administration examine the possibility of including forgivable loans in the Argyle CIP project areas for a future Multi-Year Budgets.
21	Patio Grant is great, except you have to pay up front and could be a hindrance to some small businesses	BIA Meeting	November 2, 2022	The LCRN Patio Grant is not provided through a CIP Financial Incentive Program.	No action required
22	Interior state of buildings is a hindrance to reducing vacancies. Perhaps a forgivable part could be backed up to 50% with a sunset clause that improvements need to be made for 2 years to honor the Commitment. City of Toronto example that grants \$40K for up to 2 years to reduce vacancies.	BIA Meeting	November 3, 2022	Civic Administration is reviewing the Forgivable portion of the Upgrade to Building Code Loan. Commitments for loans are good for a year after issuance.	Possible recommendation that the Forgivable percentage of the Upgrade to Building Code Loan be increased to 50%.
23	Boundaries of the CIP matches the BIA and that remains valid. The CIP shouldn't be expanded to properties outside the BIA	BIA Meeting	November 3, 2022	The BIA boundaries and CIP boundaries are not necessarily correlated.	No action required

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
	as they would get financial incentives without paying levies.			Likewise, an area could have a CIP without a BIA and vice versa.	
24	Affordable Housing is a function of the price of land. We want a spectrum of housing and surrounded around the City (not just certain areas).	BIA Meeting	November 3, 2022	Civic Administration is reviewing the effectiveness of all CIPs, including the Affordable Housing CIP.	Possible recommendation that Civic Administration be directed to revise the Affordable Housing CIP to better incentive affordable housing.
25	Core Area Safety Audit Grant fine for now, but long-term unappealing, prefer to see it evolve to include more esthetically pleasing methods	BIA Meeting	November 3, 2022	Civic Administration is examining the guidelines of the Core Area Safety Audit Grant.	Possible recommendation that Civic Administration revise the Core Area Safety Audit Guidelines to include more esthetically pleasing methods for property safety.
26	Brownfields CIP need to own property, but sometimes the sale of the land is contingent on the results of the ESA. Perhaps an agency letter for landowners to find authority to tenants so they benefit from the loan.	BIA Meeting	November 3, 2022	Civic Administration will examine possible administration changes of the Brownfields CIP grant Programs.	Possible recommendation that Civic Administration be directed to review the Brownfields CIP and its Financial Incentive program guidelines.
28	DC discounts the most effective with our industry and property tax Programs can also drive investment and development.	LDI Letter	January 4, 2023	Our analysis of the Financial Incentives come up with the same conclusion.	Possible recommendation that the Property Tax Grants and DC Grants in Downtown and Old East Village are continued.
29	Stronger financial Incentives are required for the creation of secondary unit opportunities in new construction.	LDI Letter	January 4, 2023	Civic Administration will consider opportunities for further incentivizing secondary unit developments.	Possible recommendation that Civic Administration be directed to amend current Financial Incentive Programs to target secondary unit opportunities.
30	Development of a Climate Sustainability CIP could be developed as a driver to encourage environmentally sustainable developments	LDI Letter	January 4, 2023	The Upgrade to Building Code Loan program guidelines includes green	Possible recommendation that Civic Administration be directed to incorporate climate sustainability into the Community Improvement Programs.

	Question/Comment	Where it Came From	Date	Staff Analysis	Action
				technologies as eligible upgrades.	
31	The City needs to improve its communications with the public on the role and importance of the CIP Programs for the City of London. The public tends to view CIPs as a “bonus” to developers and not an incentive for redevelopment.	LDI Letter	January 4, 2023	Civic Administration will consider opportunities to increase the public’s awareness of the CIPs and Financial Incentive Programs.	Possible recommendation that Civic Administration be directed to prepare a communication strategy to build more awareness of the available Financial Incentives Programs.
32	Regarding the Core Area Safety Audit Grant Program, we are interested in having it included in the Hamilton Road Community Improvement plan review project as draft recommendation.	Email from Hamilton Road BIA	March 16, 2023	Civic Administration will consider expanding the Core Area Safety Audit Grant Program to other CIP areas.	Possible recommendation that Civic Administration investigate the possibility of expanding the Core Area Safety Audit Grant to the Hamilton Road CIP Project Area.

Below are the written comments received during project consultation:

From: [REDACTED]
Sent: Tuesday, October 18, 2022 7:08 PM
To: Hall, Jasmine <jahall@london.ca>
Subject: [EXTERNAL] Regarding the CIPs-Financial incentives 5-year Review.

October 18, 2022

Jasmine Hall
Planner II, Core Area & Urban Regeneration, Economic Services and Supports

Thank you for the presentation. Regarding the Community improvement Plans-Financial incentives 5-year Review. That is on the Get Involved Website. Please accept the Midtown Community Organization response below.

On behalf of Midtown Community Organization,(MCO) and after reading the Core Area Community improvement plan pdf, document, the goals of this plan, is something that this organization would also like to work towards for our Urban Neighbourhood.

The last time CIPs were reviewed was in 2016/2017. The Midtown Neighbourhood, located in the middle of the Core Area was left out of discussions. This resulted in the area only being able to access the Grants/loans that are available in the city-wide CIPs.

Later, and less than five years ago, the CIP, known as the Core Area Community Improvement Plan, was created, and it covers the middle of the Core Area, which was created out of the Core Area Action Plan. However, the three programs within the Core Area CIP are great to have, and work well with the Downtown and OEV CIPs. But for the middle of the Core Area, that do not have their own CIP. Such as Midtown. Then these three programs in the current Core Area CIP, are not enough.

We feel that in order to reach the goals and objectives in the current Core Area CIP pdf document it will need to be amended.

We at Midtown Community Organization (MCO), (given that we are not planners), but if it can be accomplished, then we believe that the easiest way of achieving this is to combine the OEV and Downtown CIP's (along with their goals, vision, and objectives,) and place them into the Core Area Community Improvement plan. That way the entire Core Area will be able to access all the tools and programs such as the "Façade Improvement Loan" that is necessary to achieve the above goals and objectives. Failing this, then it would be beneficial for there to be a separate CIP created, for the Midtown Neighbourhood.

In addition, the phrase, "Offer compassionate care for those who need it" we ask that it be deleted as one of the goals, for that should be expected as part of the objective/goal/vision in all the CIPs.

MCO, would like to see that the boundaries of the Core Area CIP, be redrawn. So that the Core Area CIP, southern boundary is along the CN railroad tracks. From the Thames River in the West to Egerton Street in the East.

Thank you for your time.

Best regards,

[REDACTED]
Coordinator
Midtown Community Organization



LONDON DEVELOPMENT INSTITUTE

January 4, 2023

Jim Yanchula, MCIP RPP
Manager, Core Area & Urban Regeneration
Economic Services & Supports
City of London

Dear Mr. Yanchula

Please accept the following comments regarding the review of the Community Improvement Programs (CIP) for the City of London.

Currently, the CIP programs are not used often by our LDI members and not the significant driver of development decision making by our members.

In general, the current CIP's involving DC reductions and property tax discounts can be an effective development incentive. The current Brownfield CIP incentives are the most comprehensive and effective in driving redevelopment of the applicable properties.

Going forward, we believe that any CIP program needs to be robust enough to be considered a "driver" of development and not just "incentives" for our industry to be an active partner.

The following points would be key components of any further CIP programs:

1. DC discounts the most effective with our industry
2. Property tax programs can also drive investment and development
3. Stronger financial incentives are required for the creation of secondary unit opportunities in new construction
4. Development of a Climate Sustainability CIP could be developed as a driver to encourage environmentally sustainable developments

Finally, the City needs to improve its communications with the public on the role and importance of the CIP programs for the City of London. The public tend to view CIPs as a "bonus" to developers and not an incentive for redevelopment. The City needs to take a stronger position that CIPs as the name indicates are drivers of development that have "community" benefits.

LDI would be happy to work with the City on any future CIP program development.

Sincerely,



Mike Wallace
Executive Director

562 Wellington St., Suite 203, London, Ontario, N6A 3R5

tel. (519) 642-4331

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londondev@rogers.com

The number of applications and funds disbursed for Financial Incentives from 2018 to the time of writing this report are available in **Appendix “E” Table 1** which summarizes the grants and loans issued and committed under the Financial Incentive Programs. A list and description of each Financial Incentive program is available in **Appendix “C”** of this report.

Appendix “E” Financial Incentives Programs Cost Summary

Table 1: Financial Incentives Applications Issued 2018 to February 2023

This Table indicates the number of applications and funds disbursed for Financial Incentives from 2018 to the time of writing this report and the grants and loans issued and committed under the Financial Incentive Programs. A list and description of each Financial Incentive program is available in **Appendix “C”** of this report.

Incentive Program	Number of Approved Financial Incentives Applications	Cost (\$) of Approved Financial Incentives by Program		
		Total	Issued	Committed/Estimated
Façade Improvement Loan	31	452,633	161,627	614,260
Upgrade to Building Code Loan	54	3,550,919	760,326	4,311,245
Downtown Rehabilitation and Redevelopment Tax Grant	47	624,675	14,587,686	15,212,360.79
Old East Village Rehabilitation and Redevelopment Tax Grant	52	3,934,612	1,245,439	5,180,051
Downtown Residential Charges Grant	7	17,495,372	7,702,192	25,197,564
Old East Village Residential Charges Grant	1	0	53,439	53,439
Brownfields CIP Grants (4 Programs)	7	63,151	12,867,389	12,930,540
Heritage Development Charge Equivalent Grant	2	79,177	4,500,000	4,579,177
Recovery Grants	55	226,365	12,635	239,000
Safety Audit Grants	11	32,428	68,052	100,478
Airport Increment Tax Grant	3	669,526	242,104	911,630
Industrial Development Charges Grant	30	33,202,176	0	33,202,176
Industrial Corridor Enhancement Grant	0	0	0	0
Affordable Housing Development Loan	2	0	2,100,000	2,100,000
Wharncliffe Road Corridor Sign Loan	0	0	0	0
Additional Residential Unit Loan	2	0	40,000	40,000
Total	304	\$60,331,034	\$44,340,889	\$104,671,923

5-Year CIP/Financial Incentives Review



Planning and Environment Committee
June 12, 2023

London's CIPs & FIPs

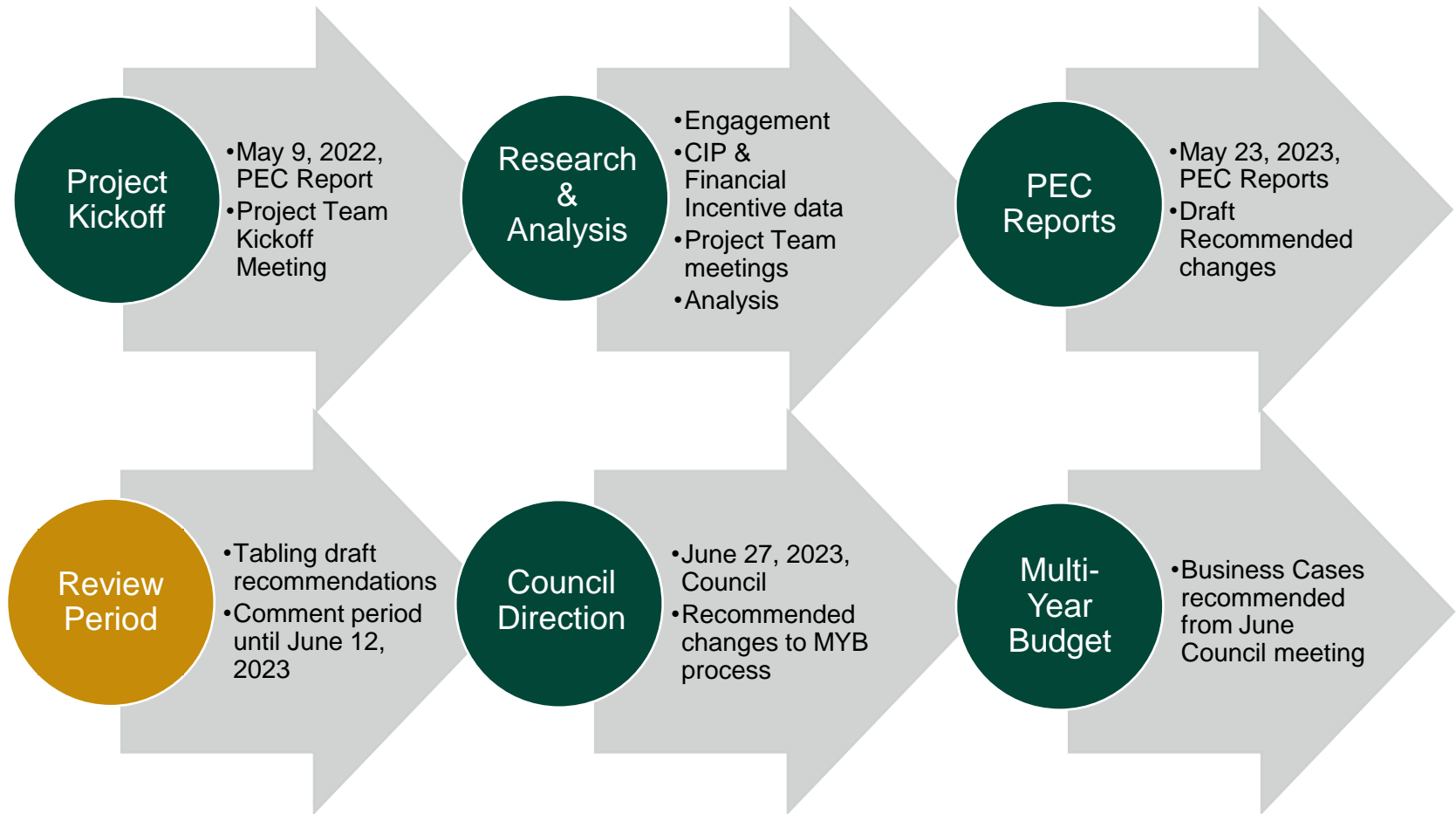
- The *Planning Act* permits municipalities to adopt **Community Improvement Plans (CIPs)** for areas and purposes that meet social, environmental and economic objectives cited in The London Plan.
- **Financial Incentive Programs (FIPs)** are one of several tools permitted through a CIP. FIPs encourage private sector investment that implements the CIP's improvement goals and objectives.
- The City of London has 12 CIPs:
 - 8 for specific areas in the city
 - 4 applicable city-wide



Purpose of the 5-Year Review

- Are the improvement goals and objectives of each CIP still valid?
- Do CIP boundaries need to be amended?
- Are there new areas of concern that can be addressed through new or amended CIPs? Or new or revised programs?
- Are the improvement incentives meeting the intent they were established for?
- What are the financial impacts of CIPs and incentive programs?

The Process



Research & Analysis

- Project-led research and analysis
- Staff Project Team for enterprise-wide expertise
- Community engagement held to help inform the analysis and the draft recommendations:
 - Get Involved London
 - Virtual public meeting
 - Several community and specialty group meetings
 - Facebook promotion
- Meetings and presentations were held with LEDC, BIAs, LIA, LDI, LHBA, and others

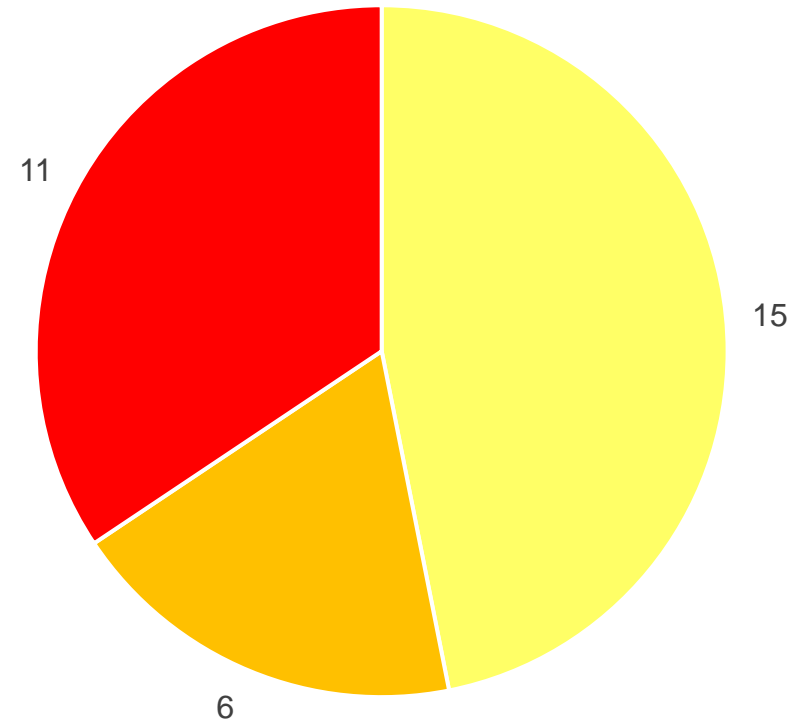
Recommendations

- 32 recommendations organized in 4 categories:
 - 9 in clause a) that can implement Plan or incentive program administrative changes using existing budgets
 - 3 in clause b) being financial incentive programs that can be suspended based on low use
 - 1 in clause c) which would continue existing funding for 19 existing incentive programs
 - In clause d):
 - 7 that would enhance funding of existing incentive programs
 - 9 that would create new CIPs or incentive programs
 - 3 that would result in CIP boundary changes

Financial Impacts

- New CIPs, new programs, and program changes will be considered through the 2024-2027 Multi-Year Budget [MYB] process.
- Each draft recommendation has a preliminary financial impact. Full estimates will be established through MYB business case(s)
- \$7.6 million is estimated total order of magnitude preliminary cost for the 19 recommendations in clause d) - Appendix A, Table 3 in the report

Preliminary Financial Impacts of Recommendations

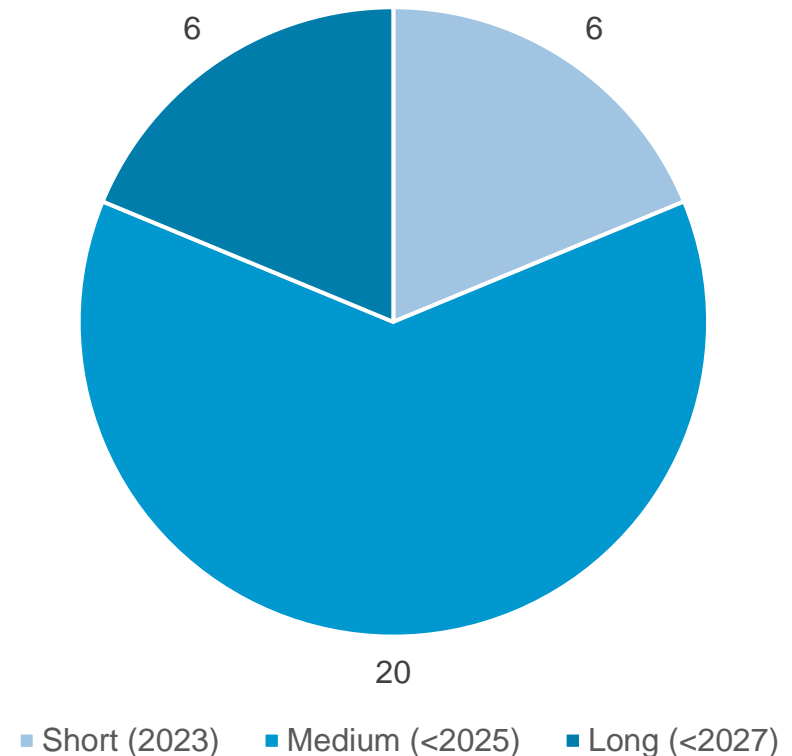


- Low impact (No impact, Reduction in City Funding, Reduction to No impact)
- Medium impact (Low impact, No to Low impact, No to Medium impact)
- High impact (Low to Medium impact, Medium impact, Medium to high impact, High impact)

Timing Impacts

- Not all the recommendations will be ready for implementation by January 1, 2024.
- Many of the recommendations (e.g., amending a CIP) require additional public consultation and process as directed by the *Planning Act*.
- Meeting estimated timelines will require additional staff

Estimated Time to Complete Recommendations





Next Steps

- Committee recommendations decided at June 12, 2023, PEC meeting.
- Council decision at June 27, 2023, meeting
- Council's approved list of recommendations referred to the 2024-2027 MYB deliberations



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

To the members of PEC

June 12th 2023

I applaud the work that staff have undertaken in compiling our CIP's and offering an opportunity for us to review the effectiveness of our CIP programs. They've also done a wonderful job in offering suggestions for new CIP's that align with our strategic goals. As such, I believe given the review and the information presented to us, we could continue to refine what incentives we offer the community, to meet our targets.

In simple terms, London has provided developers and business just over \$100 million over 5 years through these programs, with varying results. Some of the most impactful have been the smaller CIP's – including facade and building code grants, which mean the difference between a small business starting or not.

The largest area of funding is \$25 million over five years for 7 buildings in the Downtown. I'll argue that these developments would likely have occurred with or without the support of the incentives. This does not include the most recent 300-320 King St which will receive around \$13.4 million in CIP funding upon completion and provide no new affordable units (to my knowledge) but will provide the community more supply.


The London Development Institute (LDI) submitted a letter stating that "*Currently, the CIP programs are not used often by our LDI members and not the significant driver of development decision making by our members.*" LDI further encourages us to "*take a stronger position that CIPs as the name indicates are drivers of development that have "community" benefits.*"

I agree with LDI and believe that our Community Improvement Plans should focus on **incentivizing the benefits we need the most for our community, which are affordable units**. By suspending the Downtown – Residential Development Charges Grant Program for 4 years, this will provide a few opportunities including;

- 1) Allow us to reallocate funding to affordable unit incentives.
- 2) Provide the opportunity for us to pilot and see if this CIP program is influencing the development community to build Downtown.
- 3) Developers will be able to access waived DC's for affordable units (Bill 23), and also receive incentives for affordable units, effectively stacking and deeply incentivizing these units.

Therefore, I seek your support to provide more opportunity for the City of London to focus our efforts on providing the community affordable housing.

Thank you,

 Councillor Skylar Franke

The Corporation of the City of London
Office 519.661.5095
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P.O. Box 5035
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b) the recommendations identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that result in a funding reduction, or a program being suspended, BE IMPLEMENTED:

i. that funding for the Industrial Lands Corridor Enhancement Grant Program BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved under the Community Improvement Plan for Industrial Land Uses;

ii. The funding for the Property Tax Assistance Grant Program in the London Community Improvement Plan for Brownfield Incentives BE SUSPENDED in the next Multi-Year Budget pending review of the impact of 2023 changes made to the Provincial Brownfield Financial Tax Incentive Program; and,

iii. that funding for the Wharncliffe Road Corridor Sign Loan Program in the Lambeth Area Community Improvement Plan BE SUSPENDED in the 2024- 2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Lambeth Area Community Improvement Plan.

iv. that funding for the Residential Development Charges Grant Programs offered in the Downtown BE SUSPENDED in the 2024-2027 Multi-Year Budget, it being noted that this program will continue to be approved as part of the Downtown London Community Improvement Plan

c) the recommendation identified through the 5-Year Community Improvement Plans and Financial Incentives Programs Review that continues existing financial incentive programs with an existing budget BE IMPLEMENTED:

i. that, based on results from the review of the City's current Community Improvement Plans and the associated Incentive Programs, the following Programs, BE CONTINUED, noting that funding for these Programs was set to expire December 31, 2023:

- A) Residential Development Charges Grant Programs offered in ~~Downtown and~~ Old East Village Community Improvement Project Areas;
- B) Downtown, Old East Village, and SoHo Rehabilitation and Redevelopment Tax Grant Programs;
- C) Downtown, Old East Village, Hamilton Road, and SoHo Upgrade to Building Code Loan Programs;
- D) Downtown, Old East Village, and Hamilton Road Upgrade to Building Code Loan Programs, including existing provisions for forgivable loans;
- E) Downtown, Hamilton Road, Old East Village, and SoHo Façade Improvement Loan Programs;
- F) Downtown and Old East Village Façade Improvement Loan Programs, including existing provisions for forgivable loans; and,
- G) City-wide Industrial Development Charge Program that continues to distinguish between targeted and non-targeted industrial uses.



June 8, 2023

To Members of the City of London Planning and Environmental Committee

Re: Five-year Review of CIP Incentives

Downtown London has worked side-by-side with the City of London for over 20 years to help inform Community Improvement Plan incentives and improve the awareness of these programs to our members, new businesses, and investors interested in locating downtown and contacting our office. We value the partnership we have with City staff and Council members, and we are pleased to share our feedback on the current five-year CIP Review for your consideration.

According to the 2023 Core Area Land and Building Vacancy Reduction Strategy staff report, London's downtown occupies 0.2% of the total land area in our city, yet generates 5.5% of the property tax revenues. When looking at the **tax assessment generated by properties within the boundaries of the London Downtown Business Association, it is 8 times more, per sq km compared to anywhere in the city of London**. That said, although there is still much more to do, the CIP incentives have played an important role in helping to revitalize our core commercial buildings and grow tax revenues which have supported a wide variety of City-led programs and investments.

We encourage the City Council to take a balanced approach to ensure the longer-term success of our downtown. We recognize that the residential CIPs, including CIPs for affordable housing, are part of the solution to generating economic vitality and a strong quality of life for downtown, however it needs to be balanced with ensuring there are robust programs for rehabilitating the commercial buildings in our district to ensure we attract high-quality businesses and jobs. A strengthened residential footprint symbiotically supports a thriving street-level commercial presence, just as that commercial presence acts as an attractor to continued residential investment.

Additionally, the Vacancy Reduction Strategy report cautions that residential properties do not have the same population density as commercial office properties within the same square footage footprint. This not only has financial implications for municipalities but it also impacts the magnitude of the consumer base required for core businesses to survive.

Similarly, we strongly recommend that City Council support the long-term investment of dedicated downtown economic development programs while leveraging commercial incentives as vital tools to attract business investment and rebuild and revitalize our core. One successful, short-term example in which the City invested was the 2022 Core Area Vacancy Reduction Pilot



Program, through a \$300,000 grant from the Local Community Recovery Network. Partners in this pilot program included London Economic Development Corp., London Small Business Centre, Downtown London and Old East Village BIAs. This program provided us with dedicated resources and the ability to create incentives and proactively recruit businesses and target entrepreneurs to fill core area vacancies. In just 10 months after this collaborative received funding, Downtown welcomed 54 businesses in 2022 with 18 of these businesses receiving start-up grants to offset some of the costs related to opening their business downtown. This pilot program is just one example of the results we can achieve when resources are committed to economic development and commercial financial incentives in the core area.

Further, we strongly encourage the City to further examine the underlying reasons why property owners and tenants are not taking full advantage of some CIP incentives. Often what we have heard from our members and new businesses, it is due to a lack of awareness of these programs. We have also heard from some tenants that certain incentives require their landlord to apply for these. Often, landlords are not willing to apply for some incentives available to them, due to the criteria it requires. For example if the incentive is an interest-free loan then a lien on the title of the owner's property is applied, which is considered unfavourable by many.

Downtown London remains ready and eager to work with the City of London to strike a balanced approach to CIP incentives aimed to increase commercial and residential intensification, revitalize the core and ensure we achieve our mutual priorities and goals.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Maly".

Barbara Maly
Downtown London Executive Director

A handwritten signature in blue ink, appearing to read "Scott Andrew Collyer".

Scott Andrew Collyer
LDBA Board Chair

June 8, 2023

Planning and Environment Committee
City of London
300 Dufferin Ave
London, ON N6A 4L9



To the Members of the Planning and Environment Committee,

I am writing this letter as the Chair of Mainstreet London, an organization dedicated to promoting a vibrant mix of history, commerce, residents, visitors, and unique experiences in the core of our City.

I wish to express our organization's strong support for the recommendations outlined in the report submitted by the Deputy City Manager, Scott Mathers, on the 5-Year Review of Community Improvement Plans and Financial Incentive Programs, particularly the recommendations under Section D – those related to the enhancement to, and creation of, financial incentives.

Mainstreet London was created in 2001 as a collaboration between the City of London and the London Downtown Business Association. Since 2012, the organization has been solely funded by the LDBA members and has continued to operate with limited resources to promote the Downtown as an economic driver of the City and key investment destination.

In recent years, the focus of re-development efforts has expanded, rightfully so, to the greater Core Area comprising three distinct areas: Downtown, Midtown, and Old East Village.

Mainstreet London is well structured to continue the successful work of last year's Core Area Vacancy Pilot Program with a targeted recruitment campaign to the Core Area with the CIP incentives and leveraging other financial incentives available last year through the My Main Street program and the Small Business Centre, as key tactics of any marketing campaign to both new and existing businesses and property owners. This campaign would be further enhanced with tactics recommended and currently being considered from the Core Area Vacancy Report. All programs and services will foster economic development activities that will promote investment and support projects that reflect our shared vision for our local neighbourhoods.

We have many talented organizations in our City (LEDC, Small Business Center, Downtown London BIA, and Old East Village BIA, Chamber of Commerce, Covent Garden Market, Tourism London, Film London, London Music Office) – which in partnership with a properly staffed and resourced Mainstreet London can foster the environment for investment for all Londoners. We will act as a catalyst, connector, and collaborative partner, working with a broad network of organizations and community stakeholders to encourage main street commerce.

A vibrant economic area will need to strike the symbiotic balance of residential needs and commercial amenities, both in regards to the day-time economy (retail, quick serve, lunch service) and the night-time economy (fine dining, culture, entertainment, arts, pubs and bars). As such we strongly caution against directing CIP funds towards any sole sector, neighbourhood, and/or planning district and instead recommend applying proportionately based on estimated impact on tax base growth.

We sincerely appreciate your attention to these recommendations, and we pledge our continued cooperation with the committee in meeting the multifaceted needs of our city.

Respectfully,

Andrew McClenaghan, Chair, Mainstreet London

June 9, 2023

Chair and Members
Planning and Environment Committee
City of London

Re: June item 3.2 - 5 Year Review - Community Improvement Plans and Financial Incentive Programs (Final)

A. Items not addressed in the current report:

1. Schedule 3 of Industrial Development Charges Grant– Incentive Program Guidelines

The definition of “Industrial Building” includes the following:

a building used for:

Businesses that develop computer software or hardware for license or sale to end users that are on lands zoned for industrial uses.

This was included back in my day on council for one site that has never developed. Whether this type of business in an industrial zone should be considered industrial in the 21st century in order to qualify for a DC subsidy should be reviewed.

2. Institutional DC Incentive (\$2.4 M per year of tax support money)

At the DC Stakeholder Table, staff indicated that the provincial government pays the costs of hospital, university and college construction including development charges. Does it make sense to continue using city tax money to pay the province?

B. Item from the Report - Downtown/Core area Residential Development Charges Grant Programs

Certainly agree with new metrics but strongly encourage you have them in place before you OK continuing the Downtown program for more than this year (by law changes required, section 2.2 of your report).

The Downtown incentive/subsidy has been in existence in pretty much the same form since the 1990s except for the timing of payment to the proponent. In good times and in bad times. And with limited if any sense of when it might no longer be needed. I am sure the industry will say it is needed. However, who is going to say “gee, I don’t need millions of dollars in grants, I’m good.” But for the Council to continue a tax supported program without clearer metrics is questionable.

It is good to see that staff are recommending something other than population as a metric because by itself, a population target doesn't mean anything. The previous report to this Committee from the consulting firm said that population is an indicator of a "prosperous community" without explaining the characteristics of such a community. Population of a defined area also ignores that people from outside the defined area visit and spend money in that area. The maps of the CIPs seem to suggest the CIP areas exist in isolation from the rest of the city.

Suggestions for measurable objectives BEFORE agreeing to continue the program:

Staff know how many units constructed under the DC Grant Program are 2 bedrooms or more because your DC for multi residential is different for a unit with less than 2 bedrooms than it is for a unit with 2 or more bedrooms. If the effort is to help families, consider the following before passing the recommendation:

- **How many of each type of unit the subsidy has supported and if a change to specifically provide an incentive for larger units is more consistent with Council's goals.**
- **Perhaps funds should be directed to rent geared to income subsidies for tenants of new units? I suggest rent geared to income and not 80% of market rent because 80% of market is a fool's game when market rents go up by 20% in a year.**
- **Perhaps to support your Climate Emergency Action Plan, funds be redirected to buildings that meet LEED or other similar standards for energy efficiency and/or less carbon intensive construction methods.**
- **Or funds should be redirected to innovation measures to support attainable housing (whatever that ends up meaning).**

On June 8 in the Globe and Mail, the CEO of Meridian Credit Union suggested ideas for creating attainable and affordable housing including:

- **Community investment bonds specifically for attainable and affordable housing creation**
- **Shared equity appreciation lending that allows those with modest incomes to afford the down payment on a home and share in the equity appreciation of that home over time with a patient investor.**

I also note with interest the following in your report on page 35 right before the conclusion. While it may be true, there is no data (historical, financial or other) in the report to support it. Council should get the details from staff.

It is important to note that the financial impact of the financial incentive programs should also be considered relative to the return on investment of the programs. The more expensive grants (e.g., DC and Tax) tend to have bigger returns.

Finally, think long and hard about whether you even want staff to look at consolidating the Downtown, Core and Old East CIPs. Old East's incentive programs are much newer than the other two. And they are different places in a number of ways. And the metrics might very well be different because each areas' needs are different.

Sandy Levin

████████████████████

████████████████████

████████████████

DEFERRED MATTERS

**PLANNING AND ENVIRONMENT COMMITTEE
(AS OF JUNE 5, 2023)**

File No.	Subject	Request Date	Requested/ Expected Reply Date	Person Responsible	Status
1	Inclusionary Zoning for the delivery of affordable housing - the Civic Administration BE DIRECTED to report back to the Planning and Environment Committee outlining options and approaches to implement Inclusionary Zoning in London, following consultation with the London Home Builders Association and the London Development Institute.	August 28/18 (2.1/13/PEC)	Q4 2023	McNeely/Adema	Council approved Terms of Reference in January, 2021 for the Inclusionary Zoning review. In February, 2022 Council submitted a request to the Province to allow for the consideration of Inclusionary Zoning polices that apply City-wide. Work is currently underway to update the analysis, with recommended policies anticipated in Q4, 2023.
2	Draft City-Wide Urban Design Guidelines – Civic Admin to report back at a future PPM of the PEC	Oct 29/19 (2.1/18/PEC)	Q4 2024	McNeely/Edwards	Staff are working to incorporate the contents of the draft Urban Design Guidelines into the Site Plan Control By-law update (expected Q2 2024) as well as the new Zoning By-law (expected Q4 2024). The need for additional independent UDG will be assessed after those projects are complete.
3	Homeowner Education Package – 3 rd Report of EEPAC - part c) the Civic Administration BE REQUESTED to report back at a future Planning and Environment Committee meeting with respect to the feasibility of	May 4/21 (3.1/7/PEC)	Q4 2023	McNeely/Davenport/ Edwards	Through the EIS Monitoring Project, staff are assessing the efficacy and implementation of EIS recommendations across a number of now assumed developments. Following the completion of this project, a more detailed review of the

File No.	Subject	Request Date	Requested/ Expected Reply Date	Person Responsible	Status
	continuing with the homeowner education package as part of Special Provisions or to replace it with a requirement to post descriptive signage describing the adjacent natural feature; it being noted that the Environmental and Ecological Planning Advisory Committee (EEPAC) was asked to undertake research on best practices of other municipalities to assist in determining the best method(s) of advising new residents as to the importance of and the need to protect, the adjacent feature; and,				recommendations made in the EIS and overall best practices will be reviewed.
4	Medway Valley Heritage Forest ESA – c) the portion of the pathway and trail system from Gloucester Road (Access A11) to its connection with the pathway in the Valley shown on “Appendix B” of the Medway Valley Heritage Environmentally Significant Area (South) Conservation Master Plan BE DEFERRED to be considered at a future meeting of the Planning and Environment Committee following further consultation and review with the adjacent neighbours, the Upper Thames River Conservation Authority, the Environmental and Ecological Planning Advisory Committee and the Accessibility Advisory Committee	August 10/21 (3.9/11/PEC)	Q4 2023	McNeely/Edwards	Staff are resolving the detailed design aspects of the project in advance of initiating consultation with the adjacent neighbours, UTRCA, ECAC and ACAAC. Following the detailed design recommendations of the retained consultants and community consultation, staff will recommend a preferred alternative.

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5	Food Based Businesses – Regulations in Zoning By-law Z-1 for home occupations as it relates to food based businesses	Nov 16/21 (4.2/16/PEC)		McNeely/Adema	Issue to be addressed via ReThink Zoning.
6	Global Bird Rescue – update Site Plan Control By-law and Guidelines for Bird Friendly Buildings; CA to contact London Bird Team to finalize bird-friendly pamphlet; pamphlet to be circulated to EEPAC and AWAC when completed	Nov 16/21 (4.3/16/PEC)	Q2 2024 Q3 2023	McNeely/O’Hagan Bennett/Tucker	<p>Staff are working to update the Site Plan Control by-law (expected Q2 2024), which will include Bird Friendly standards and guidelines.</p> <p>Staff have prepared a printable Bird-Friendly pamphlet that can be distributed to homeowners. The preparation of an online version of the pamphlet is underway and will be circulated to the advisory committees once complete (expected Q3 2023).</p> <p>Overall, being managed via different project.</p> <p>The preparation of a pamphlet is underway that will be circulated to the Advisory group for feedback. Expected completion by Q3 2022.</p>
7	Community Improvement Plan (CIP) Financial Incentive Programs 5-Year Review - the Civic Administration BE DIRECTED to report back with a comprehensive review, including a sensitivity analysis, of the City’s	May 24/22 (2.2/10/PEC)	Q2 2023	S. Thompson/ Yanchula	Staff at the May 23, 2023 PEC meeting submitted its comprehensive review of the existing Community Improvement Plans and Financial Incentive programs, including recommendations for changes to Community Improvement Plans and

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	existing Community Improvement Plans and associated financial incentives; and, the Civic Administration BE DIRECTED to report back at a future meeting with preliminary information for the 2024-2027 multi-year Budget.				<p>preliminary impacts of recommended changes to Financial Incentives ahead of the upcoming 2024-2027 budget.</p> <p>Final approval of all recommended changes is anticipated to be completed Q3 2023.</p>

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