

Bill No. 142  
2021

By-Law No. C.P.-1357(\_)-\_\_

A by-law to amend the Downtown Community Improvement Plan (CIP) to add an Appendix that sets out performance measures and indicators of success for the CIP.

WHEREAS subsection 28(4) of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, enables the Council of a municipal corporation to adopt a community improvement plan for a community improvement project area;

AND WHEREAS the Council of The Corporation of the City of London has, by by-law, designated a community improvement project area identified as the Downtown community improvement project areas;

AND WHEREAS the Downtown community improvement project area is in conformity with *The London Plan*, 2016, the Official Plan for the City of London;

AND WHEREAS the Municipal Council of The Corporation of the City of London has, by by-law, adopted the Downtown Community Improvement Plan;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to amend the Downtown Community Improvement Plan to add an Appendix that sets out performance measures and indicators of success for the CIP;

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

1. Amendment No. \_\_ to the Downtown Community Improvement Plan, as contained in the text attached hereto as Schedule “1” to this By-law being “Appendix to the Downtown Community Improvement Plan”, is hereby adopted.
2. This by-law shall come into effect in accordance with subsection 17(27) of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended.

PASSED in Open Council on April 13, 2021.

Ed Holder  
Mayor

Catharine Saunders  
City Clerk

First Reading – April 13, 2021  
Second Reading – April 13, 2021  
Third Reading – April 13, 2021

**Amendment No. \_\_\_\_  
to the  
Downtown Community Improvement Plan**

A. Purpose of this Amendment

The purpose of this Amendment is to add an appendix to the Downtown Community Improvement Plan relating to performance measures, indicators of success, and targets for the financial incentive programs (Rehabilitation and Redevelopment Tax Grant, Residential Development Charges Grant, Façade Improvement Loan, and the Upgrade to Building Code Loan).

B. Location of this Amendment

This Amendment applies to all lands within the Downtown community improvement project areas.

C. Basis of the Amendment

The addition of an appendix to the Downtown Community Improvement Plan relating to performance measures, indicators of success, and targets for the financial incentive programs maintains the intent of the London Plan regarding the application of community improvement policies. The performance measures, indicators of success, and targets will allow Civic Administration to better measure the success of the loan and grant programs and put a better mechanism in place to help recommend future changes to the programs including scaling back or shifting priorities as targets are met.

D. The Amendment

The Downtown Community Improvement Plan is hereby amended as follows:

1. Schedule "1" – Appendix to the Downtown Community Improvement Plan is added as Appendix B to the Downtown Community Improvement Plan.

## Schedule “1”

### **Appendix B: Performance Measures, Indicators of Success, and Targets**

Appendix B outlines performance measures, indicators of success, and the related targets for the loan and grant programs available through the Downtown Community Improvement Plan.

These measures and indicators will:

- Assist Civic Administration with the management of the loan and grant programs
- Help determine if the loan and grant programs are being successful in achieving the objectives of the Downtown Community Improvement Plan and *The London Plan*
- Assist Civic Administration with providing recommendations to Municipal Council on when to reduce funding and/or amend or discontinue the loan and grant programs

Civic Administration may also recommend changes to the loan and grant programs through other mechanisms such as a Community Improvement Plan service review; however, these changes should only be recommended after consulting this Appendix and taking into consideration its contents.

The loan and grant programs mentioned in Appendix B may be reduced, amended, or discontinued at the direction of Municipal Council without amendment to the Downtown Community Improvement Plan.

The performance measures and indicators of success are:

- Residential population
- The assessment value of the properties in the community improvement project area
- Building façade condition
- The percentage of targeted uses in the community improvement project area
- A healthy ground floor vacancy rate
- The private sector investment generated by offering public sector loans for building improvements
- Number of loans issued per year

## **Population**

### **Indicator**

Residential population in the downtown.

### **Question**

Has the downtown residential population grown enough to support the needs — both daily and long-term — of the residential and commercial community?

### **Why it Matters**

The downtown in *The London Plan* is identified as becoming a neighbourhood rich with housing, services, and amenities targeted to serve a wide spectrum of lifestyles such as families, seniors, and young adults. The revitalization and regeneration of downtown and other urban neighbourhoods and inward and upward growth are key themes throughout *The London Plan*.

Strategic Direction 5 ‘Build a great neighbourhood’ of Our Move Forward: London’s Downtown Plan is to support the development of a larger residential community in the downtown to foster a local trade market to offer a diverse array of neighbourhood “daily needs” commercial enterprises.

### **Baseline (excluding Richmond Row)**

- The 2016 Census of Canada indicated the population at 4,415 people
- The 2016 residential population density is 43.5 people / hectare
- The five-year residential population growth rate (2011 to 2016) is 10%

### **Targets**

- A population of 12,000 people in the Downtown community improvement project area has been identified as the target needed to achieve a substantial residential population better able to support the area
- A population of 12,000 people is 118 people / hectare
- Five-year residential population growth:
  - 2016 to 2021: 25%
  - 2021 to 2026: 25%
  - 2026 to 2031: 15%

### **Considerations**

The Protected Major Transit Station Areas reports presented in August 2020 and November 2020 at the Planning and Environment Committee contained forecasted density (residents and jobs combined per hectare) for the downtown up to 2034.

Based on that report and the City of London Population and Employment Growth Forecast by Traffic Zone data it uses, by 2034, the downtown is projected to have a population of 9,701 or a residential density of 79 people / hectare. Noting that the size of the downtown in the Protected Major Transit Station report is calculated by summing the area in hectares of the Traffic Zones that comprise the Downtown Place Type in *The London Plan* (122.6 hectares). Whereas the Downtown community improvement project area equals 101.4 hectares and a similar population of 9,700 would have a density of 96 people / hectare.

### **Changes to Grant Programs**

The **Downtown Residential Development Charges Grant** program will reduce as follows as population targets are met, except that affordable housing units with an appropriate contribution agreement and/or Affordable Housing Community Improvement Plan loan agreement will remain eligible for a 100% Residential Development Charges Grant.

**Table 1: Changes to Grant Level as Population Increases**

<b>Downtown Population</b>	<b>Residential DC Grant (%)</b>
7,500	75%
9,000	50%

<b>Downtown Population</b>	<b>Residential DC Grant (%)</b>
10,500	25%
12,000	0%

As each population target is met as confirmed by Census of Canada data, a two-year grace period will be set before the grant percentage is reduced.

The trigger for a development project to be included in the program is the submission of a building permit application and the payment of the required development charges prior to the end of the grace period.

Upon reaching the final target population of 12,000, the Residential Development Charges Grant program will conclude. At that time, Civic Administration will make a recommendation if the grant program should continue for affordable housing units only.

The **Downtown Rehabilitation and Redevelopment Tax Grant Program** will continue to operate as outlined in the program guidelines until a population target of 12,000 is met.

When the above population target is met, the Level 3 grant for the development of vacant or cleared land will be reduced by 50% as shown below:

**Table 2: Level 3 Grant (Vacant or Cleared Land)**

<b>Year</b>	<b>Existing</b>	<b>New</b>
1	60%	30%
2	60%	30%
3	50%	25%
4	40%	20%
5	30%	15%
6	20%	10%
7	10%	5%
8	10%	5%
9	10%	5%
10	10%	5%

The Level 1 grant for properties designated under Part IV of the *Ontario Heritage Act* and the Level 2 grant for existing buildings will continue to offer the grant schedules as outlined in the program guidelines for the Downtown, unless modified through another mechanism such as a Community Improvement Plan service review.

Once the population target is met as confirmed by Census of Canada data, a two-year grace period will be set before the grant percentage is reduced.

The trigger for a development project to be included in the program is the submission of a building permit application prior to the end of the grace period.

## **Assessment Value**

### **Indicator**

The assessment value of the properties in the Downtown community improvement project area.

### **Question**

Is the assessment value growing?

### **Why it Matters**

An increasing assessment value can indicate that property values are increasing because of growth and investment in the community. This can help increase the tax base city-wide.

### **Baseline**

**Table 3: Downtown Baseline Assessment Value (2015 to 2019)**

<b>Year</b>	<b>Value (in millions)</b>	<b>Annual Growth Rate</b>
2015	\$1,645.3	
2016	\$1,702.9	3.5%
2017	\$1,747.7	2.6%
2018	\$1,811.5	3.7%
2019	\$1,956.8	8.0%

### **Target**

A 1% per year assessment value growth rate in the Downtown community improvement project area.

### **Considerations**

None.

### **Changes to Grant Programs**

Not applicable.

## **Façade Condition**

### **Indicator**

Building façade condition.

### **Question**

Are building façades being improved and upgraded?

### **Why It Matters**

A well-maintained building façade provides an interesting and aesthetically pleasing environment for people to enjoy while living in or visiting a neighbourhood. Further, the maintenance, improvement, and beautification of the exterior appearances of buildings is a key theme throughout the Downtown Community Improvement Plan. The intent of the community improvement policies in the *London Plan* are to stimulate private sector property maintenance, repair, rehabilitation, redevelopment, and other forms of private sector investment and reinvestment activity. Specific community improvement policies also help to foster the revitalization and continued improvement of the downtown. Community improvement policies also encourage the conservation, restoration, adaptive re-use, and improvement of cultural heritage resources — including the façades of any heritage resource.

### **Baseline**

A façade condition evaluation tool is being developed to determine the baseline data. Baseline data will be collected in year one.

### **Target**

90% of façade condition being rated ‘does not need improvement.’

### **Considerations**

The evaluation of a façade’s condition will be subjective. Civic Administration is developing an internal review process using the façade condition evaluation tool to account for this subjectivity, including potentially having multiple individuals review the same façade independently and taking the average of the results as the final value.

It is also important to note that the façade condition evaluation tool is for purposes only related to the Façade Improvement Loan Program and does not replace or overrule the City of London’s Property Standards By-Law.

Many properties may also be subject to specific processes or guidelines including the Downtown Heritage Conservation District Plan Guidelines and the Heritage Alteration Permit process.

Some unique properties will not be subject to the façade condition review, for example, the London Courthouse at 80 Dundas Street.

### **Changes to Façade Improvement Loan Program**

Civic Administration will complete a comprehensive review of façade condition on a biennial basis for the downtown.

Once the target is met for façade conditions that are rated ‘does not need improvement’, Civic Administration will begin to transition the loan program to:

- Focus on the areas in downtown that are rated needs improvement
- Focus on Dundas Place
- Focus on the parts of façades that are receiving the lowest scores (for example, upper façades, storefronts, or lighting)

## **Targeted Uses**

### **Indicator**

The percentage of ground floor targeted uses in the community improvement project area.

### **Question**

Are the financial incentive programs being used to establish businesses and uses that are in line with the objectives of the Downtown CIP and Key Directions of *The London Plan*?

### **Why It Matters**

Targeted uses are uses that are considered pedestrian generators by helping to increase the liveliness of a neighbourhood and encouraging shopping and eating in the Downtown. Common examples include, restaurants, retail stores, and personal services for the surrounding residential community and people who work in the area.

Targeted uses play an important role in the City's Loan programs. In the Downtown, only properties with a targeted use are eligible to receive a Forgivable Loan. *The London Plan* Key Direction #5 discusses building a mixed-use compact city - mixing stores, restaurants, clean industry, live-work arrangements, and services in ways that respect the character of neighbourhoods, while enhancing walkability and generating pedestrian activity. By incentivizing for targeted uses, the City can help achieve this direction.

### **Baseline**

144 storefronts and properties were measured in the targeted area.

Three-year (2017-2019) average: 66.5%

2020 data was not collected due to the COVID-19 pandemic.

### **Targets**

75% to trigger a refinement; 90% to eliminate programs

### **Considerations**

To reach the proposed targets in the Downtown, properties that are consistently vacant will require targeted use tenants and non-targeted uses will need to be replaced with targeted-uses.

### **Changes to the Loan Programs**

Civic Administration will complete a comprehensive review of the targeted area in the Downtown on a biennial basis to determine the number of properties with a targeted use on the ground floor.

Once the 90% target is met, eliminate the forgivable component of the loan programs. If the target is not met, continue the program, and refine the targeted area to encourage targeted uses where they are needed most.



## **Ground Floor Vacancy Rate**

### **Indicator**

A healthy ground floor vacancy rate in the Downtown.

### **Question**

Are the loan programs being used to renovate properties to help reduce ground floor vacancies?

### **Why It Matters**

A healthy ground floor vacancy rate indicates there is choice in the market for interested business owners to locate in the neighbourhood.

A high vacancy rate may create gaps in the streetscape with little to no “eyes on the street” to help reduce undesirable behaviour.

### **Baseline**

**Table 4: Downtown Baseline Ground Floor Vacancy Rate**

<b>CIP</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Average</b>
Downtown	16.0%	N/A	14.1%	<b>15.1%</b>

2018 data was not collected due to resource constraints.

2020 data was not collected due to the COVID-19 pandemic.

### **Target**

A ground floor vacancy rate below 9%.

### **Considerations**

The COVID-19 pandemic is having a significant impact on businesses across the city.

Civic Administration notes that the loan programs may contribute to reducing ground floor vacancies for property owners who are interested and motivated in finding tenants; however, there are property owners that do not always have that motivation.

Baseline data is a “snap-shot” of ground floor vacancies on the day the surveying was done.

### **Changes to the Loan Programs**

Civic Administration will complete a comprehensive review of the ground floor businesses in the Downtown on a biennial basis to determine the number of properties with a vacant ground floor.

If the target is not met, continue the program, and refine the loan programs to target areas of the Downtown seeing the highest level of vacancies, prior to the adoption of the 2024-2027 Multi-Year Budget.

If the target is met, focus the loan programs to ensure the ground floor businesses are filled with targeted uses.

## **Existing Loan Measures**

### **Indicators**

1. The private sector investment generated by offering public sector loans for building improvements
2. Number of loans issued per year

### **Questions**

1. Are the loan programs generating a positive rate of return and incentivizing property owners to invest?
2. Are property owners and tenants continuing to use the loans?

### **Why It Matters**

The City's Façade Improvement Loan and Upgrade to Building Code Loan offer private property owners access to inexpensive funding (0% interest) to incentivize them to improve their properties.

Quality facades and storefronts will help conserve the built heritage and form of the downtown. Renovating facades, storefronts, roofs, and interiors will help ensure a buildings long-term viability. Renovated buildings may result in less vacancies.

### **Baseline**

The minimum ratio is \$2 invested by the private sector for \$1 invested by the City.

The loan values were increased beginning in 2018 to reflect the increase in construction costs for renovation projects but this increase in loan value has a negative impact on the ratio. For example, prior to 2018, a \$200,000 investment in interior upgrades would result in a maximum \$50,000 loan for a 4.0 ratio, whereas post-2018, a \$200,000 investment would result in a \$100,000 loan for a 2.0 ratio.

**Table 5: Upgrade to Building Code Loans for Old East Village and Downtown (2015 to 2020)**

<b>Year</b>	<b>Ratio</b>	<b># of Loans Issued</b>
2015	3.7:1	12
2016	2.5:1	12
2017	2.0:1	6
2018	2.8:1	10
2019	2.2:1	14
2020	2.7:1	12
<b>AVG</b>	<b>2.7:1</b>	<b>11</b>

**Table 6: Façade Improvement Loans for Old East Village and Downtown (2015 to 2020)**

<b>Year</b>	<b>Ratio</b>	<b># of loans issued</b>
2015	2.8:1	7
2016	3.6:1	7
2017	2.0:1	1
2018	2.1:1	8
2019	2.8:1	6
2020	2.5:1	3
<b>AVG</b>	<b>2.6:1</b>	<b>5</b>

### **Targets**

1. A minimum of \$2.8 to \$1 for both loan programs (same as the Core Area Action Plan)
2. A minimum of nine (9) loans issued per year in total in the Downtown

### **Considerations**

Though Civic Administration continues to meet with prospective applicants, the number of new applications has declined in 2020-21, likely due to the COVID-19 pandemic.

### **Changes to the Loan Programs**

Not applicable at this time, but up-take of both loan programs is constantly monitored. If up-take of the loan programs begins to decline and remain low in the Downtown, as part of the Community Improvement Plan service review for the 2024-2027 Multi-Year Budget and future service reviews, Civic Administration will consider:

- Refining the loan programs to tackle other City priorities (for example, building retrofits to address climate change)
- Focusing the loan programs on areas of the downtown that have seen little up-take
- Removing a loan program from the downtown

