

Bill No. 143
2021

By-Law No. C.P.-1444(__)-__

A by-law to amend the Old East Village 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 Old East Village community improvement project area;

AND WHEREAS the Old East Village 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 Old East Village Community Improvement Plan;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to amend the Old East Village 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 Old East Village Community Improvement Plan, as contained in the text attached hereto as Schedule "1" to this By-law being "Appendix to the Old East Village 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
Old East Village Community Improvement Plan**

A. Purpose of this Amendment

The purpose of this Amendment is to add an appendix to the Old East Village 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 Old East Village community improvement project area.

C. Basis of the Amendment

The addition of an appendix to the Old East Village 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 Old East Village Community Improvement Plan is hereby amended as follows:

1. Schedule "1" – Appendix to the Old East Village Community Improvement Plan is added as Appendix A to the Old East Village Community Improvement Plan.

Schedule “1”

Appendix A: Performance Measures, Indicators of Success, and Targets

Appendix A outlines performance measures, indicators of success, and the related targets for the loan and grant programs available through the Old East Village 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 Old East Village Community Improvement Plan and the policies of *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 A may be reduced, amended, or discontinued at the direction of Municipal Council without amendment to the Old East Village 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 Old East Village.

Question

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

Why it Matters

The Old East Village in *The London Plan* is identified as a Rapid Transit Corridor Main Street segment. Main Street segments will continue to provide local shopping and commercial options so that residents can walk to meet their daily needs. The *Old East Village Dundas Street Corridor Secondary Plan* area is envisioned as a vibrant commercial core with a unique heritage character that serves as a community hub for residents and draws visitors as a distinct destination.

Baseline

- The 2016 Census of Canada indicated the population at 1,059
- The 2016 residential population density is 64.2 people / hectare
- The five-year residential population growth rate (2011 to 2016) is 85.8%

Targets

- A population of 3,500 people in the Old East Village community improvement project area has been identified as the target needed to achieve a substantial residential population better able to support the Dundas Street commercial corridor
- A population of 3,500 people is 212 people / hectare
- Five-year residential population growth:
 - 2016 to 2021: 25%
 - 2021 to 2026: 25%
 - 2026 to 2031: 25%

Changes to Grant Programs

The **Old East Village 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

Old East Village Population	Residential DC Grant (%)
2,000	75%
2,500	50%
3,000	25%
3,500	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 3,500, 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 **Old East Village Rehabilitation and Redevelopment Tax Grant Program** will continue to operate as outlined in the program guidelines until a population target of 3,500 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)

Year	Existing	New
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 Old East Village, 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 Old East Village 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: Old East Village Baseline Assessment Value (2015 to 2019)

Year	Value (in millions)	Annual Growth Rate
2015	\$86.4	
2016	\$92.6	7.2%
2017	\$137.3	48.3%
2018	\$126.8	-7.6%
2019	\$132.4	4.4%

Target

A 1% per year assessment value growth rate in the Old East Village 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 Old East Village 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. 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 Old East Village Commercial Corridor Design Guidelines or a Heritage Alteration Permit process.

Some unique properties will not be subject to the façade condition review.

Changes to Façade Improvement Loan Program

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

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 Old East Village that are rated needs improvement
- 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 Old East Village 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 Old East Village. 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 Old East Village, 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

165 storefronts and properties were measured in the targeted area.

Two-year (2017 & 2019) average: 53.4%

2018 data was not collected due to resource constraints.

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

Targets

70% to trigger a refinement; 90% to eliminate programs

Considerations

To reach the proposed targets in the Old East Village, properties that are consistently vacant will require targeted use tenants, non-targeted uses will need to be replaced with targeted-uses, and numerous residential only buildings existing in the commercial corridor will need to be converted to include a ground floor targeted commercial use. Alternatively, existing ground floor residential uses could be removed from the calculation if Civic Administration is okay with the residential uses remaining.

Changes to the Loan Programs

Civic Administration will complete a comprehensive review of the targeted area in the Old East Village 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 Old East Village.

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: Old East Village Baseline Ground Floor Vacancy Rate

CIP	2017	2018	2019	Average
Old East Village	16.0%	N/A	14.1%	15.1%

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 Old East Village 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 Old East Village 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 Old East Village. 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)

Year	Ratio	# of Loans Issued
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
AVG	2.7:1	11

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

Year	Ratio	# of loans issued
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
AVG	2.6:1	5

Targets

1. A minimum of \$2.8 to \$1 for both loan programs (same as the Core Area Action Plan)
2. A minimum of six (6) loans issued per year in total in the Old East Village

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 Old East Village, 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 Old East Village that have seen little up-take
- Removing a loan program from the Old East Village

