

Bill No. 533
2021

By-Law No. C.P.-1523()-____

A by-law to amend the Hamilton Road Area 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 Hamilton Road community improvement project area;

AND WHEREAS the Hamilton Road 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 Hamilton Road Area Community Improvement Plan;

AND WHEREAS the Municipal Council of The Corporation of the City of London deems it appropriate to amend the Hamilton Road Area 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 Hamilton Road Area Community Improvement Plan, as contained in the text attached hereto as Schedule “1” and forming part of this By-law being “Appendix to the Hamilton Road Area 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 November 16, 2021.

Ed Holder
Mayor

Catharine Saunders
City Clerk

First Reading – November 16, 2021
Second Reading – November 16, 2021
Third Reading – November 16, 2021

AMENDMENT NO. ____
to
THE HAMILTON ROAD AREA COMMUNITY IMPROVEMENT PLAN

A. PURPOSE OF THIS AMENDMENT

The purpose of this Amendment is to add an appendix to the Hamilton Road Area Community Improvement Plan relating to performance measures, indicators of success, and targets for the financial incentive programs (Façade Improvement Loan, Upgrade to Building Code, Forgivable Façade Improvement Loan, and Forgivable Upgrade to Building Code Improvement Loan).

B. LOCATION OF THIS AMENDMENT

This Amendment applies to all lands within the Hamilton Road community improvement project area that are currently eligible for the financial incentives.

C. BASIS OF THE AMENDMENT

The addition of an appendix to the Hamilton Road Area 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 programs and improve the 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 Hamilton Road Area Community Improvement Plan is hereby amended as follows:

1. Schedule "1" – Appendix to the Hamilton Road Area Community Improvement Plan is added as Appendix F to the Hamilton Road Community Improvement Plan.

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

Appendix F outlines performance measures, indicators of success, and the related targets for the loan programs available through the Hamilton Road Area Community Improvement Plan.

These measures and indicators will:

- Assist Civic Administration with the management of the loan programs
- Help determine if the loan programs are being successful in achieving the objectives of the Hamilton Road Area 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 programs

Civic Administration may also recommend changes to the loan 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 loans mentioned in Appendix F may be reduced, amended, or discontinued at the direction of Municipal Council without amendment to the Hamilton Road Area Community Improvement Plan.

The performance measures, indicators of success, and targets linked to the loan programs are:

- Building façade condition
- % of targeted uses
- Ground floor vacancy rate
- The private sector investment generated by offering public sector loans for building improvements
- Number of loans issued per year

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. 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. Within each of the CIP areas subject of this report, there are improvement policies meant to target specific areas, such as commercial corridors. 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 has been developed to determine the baseline data. Baseline data will be collected in year one (2021).

Civic Administration will complete a comprehensive review of the façade condition on a biennial basis for the Hamilton Road CIP area.

Target

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

Considerations

The evaluation of a façade's condition tends to be subjective. City Staff developed the façade evaluation tool to mitigate the subjectivity of evaluating the façade condition. The calculation of the façade value will provide a percentage of applicable façade attributes that need improvement or not. Further, evaluations may include multiple individuals reviewing the same façade independently and taking the average of the results as the final value.

It is also important to note that the façade 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 or a Heritage Alteration Permit process.

Changes to Façade Improvement Loan Program

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 Hamilton Road Area 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 targeted uses in the Hamilton Road 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 Hamilton Road Area CIP and key directions of The London Plan?

Why It Matters

Targeted Uses are uses that are considered pedestrian generators by helping increase the liveliness of a neighbourhood and encouraging shopping and eating in the Hamilton Road area. Common examples include, restaurants, retail stores, and support 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 Hamilton Road area, only properties with a Targeted Use are eligible to receive a Forgivable Loan. The London Plan Strategic 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

In the Hamilton Road area, 126 (37.3 %) storefronts and properties were considered to have a targeted use in 2021 measured in the Targeted Incentive Zone of the CIP. From the 2019 data: 105 (40.2 %) storefronts and properties were considered to have a targeted use in 2019 measured in the Targeted Incentive Zone of the CIP.

Proposed Targets

Hamilton Road Area – 75% to trigger a refinement; 95% to eliminate the forgivable portion of the Façade Improvement Loan.

Considerations

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

Proposed Changes to the Loan Programs

Civic Administration will complete a comprehensive review of the targeted uses in the Hamilton Road Area on a biennial basis to determine the number of properties with a targeted use on the ground floor.

Once the 95% target is met, eliminate the Forgivable Façade Improvement Loan. If the target is not met, continue the programs to encourage targeted uses where they are needed most.

The Forgivable Upgrade to Building Code Loan amount will remain at a maximum of \$200,000 with 12.5% of the annual loan repayment being forgivable if the ground floor of the property is actively occupied by a Targeted Use. This will continue until the next Community Improvement Plan Review for the 2024-2027 Multi-Year Budget.

Ground Floor Vacancy Rate

Indicator

A healthy ground floor vacancy rate in the Hamilton Road Area.

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 1: Hamilton Road Area Baseline Ground Floor Vacancy Rate

CIP	2019	2021	Average
Hamilton Road	7.3 %	6 %	6.65 %

Target

A ground floor vacancy rate below 3%.

Considerations

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 Hamilton Road Area CIP 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 program to target areas seeing the highest level of vacancies where they are needed most, 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 and Upgrade to Building Code Loan programs offer property owners with access to inexpensive funding (0% interest) to incentivize them to improve their properties.

Quality facades, storefronts, and signs beautify the form of buildings in our communities and helps to ensure a building's long-term viability. Further, renovated buildings may result in fewer vacancies.

Baseline

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

Targets

1. A minimum of \$2.8 to \$1 for both loan programs (for both loan programs)
2. A minimum of three (3) loans issued per year in total in the Hamilton Road area

Considerations

The number of loan applications received, and the amount of private sector investment may be impacted by external forces outside the control of the City.

Changes to the Loan Programs

Not applicable at this time, however, up-take of both loan programs is constantly monitored. As a result of the Community Improvement Plan Review for the 2024-2027 Multi-Year Budget, Civic Administration may consider the following depending on findings:

- Refining the loan programs to tackle other City priorities (for example, building retrofits to address climate change);
- Focusing the loan programs on areas of Hamilton Road area; and

Removing a loan program from the Hamilton Road area.