

Community Improvement Plan Review

Presented To:	Finance and Administration Committee
Meeting Date:	June 18, 2024
Type:	Managers' Reports
Prepared by:	Ed Landry Planning Services
Recommended by:	General Manager of Growth and Infrastructure

Report Summary

This report provides recommendations regarding a review of certain incentive programs within the City's Community Improvement Plans in response to Council direction.

Resolutions

Resolution 1:

THAT The City of Greater Sudbury directs staff to prepare an amendment to the Strategic Core Areas Community Improvement Plan, as outlined in the report entitled "Community Improvement Plan Review", from the General Manager of Growth and Infrastructure, presented at the June 18, 2024 Finance and Administration Committee Meeting.

Resolution 2:

THAT The City of Greater Sudbury directs staff to accept only those façade improvement program applications related to commercial or mixed-use buildings, as outlined in the report entitled "Community Improvement Plan Review", from the General Manager of Growth and Infrastructure, presented at the June 18, 2024 Finance and Administration Committee Meeting.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

The City of Greater Sudbury, through Council's Corporate Strategic Plan (2019-2027) directs staff to prioritize Economic Capacity and Investment Readiness. Objective 2.4 aims to "Revitalize Greater Sudbury's Downtown and Town Centres with Public Investment that Supports Private Investment."

Providing incentives to develop and redevelop the city's built-up cores is consistent with Goal 1 of the CEEP, which seeks to help sustain compact, complete communities.

Financial Implications

There are no financial implications associated with this report. Council has approved an ongoing allocation of \$250,000 to the Tax Rate Stabilization Reserve – Committed to fund current and future Community

Improvement Plan Applications. Should Council adopt the proposed changes to the Strategic Core Areas Community Improvement Plan, it is anticipated that the financial implications of the new or amended programs would be similar to what is currently available. Staff would continue to report on CIP Reserves and Commitments with every application.

Background

Motion to Review Certain Elements of the Strategic Core Areas Community Improvement Plan

Planning Committee passed the following Members Motion on February 26, 2024:

(PL2024-38 – As Amended)

WHEREAS The City's 2019-2027 Strategic Plan includes a goal to revitalize Greater Sudbury's Downtown and Town Centres with public investment that supports private investment;

AND WHEREAS it is a goal of the Strategic Plan to demonstrate the creative use of Community Improvement Plans (CIPs) to incentivize economic growth;

AND WHEREAS the Strategic Plan seeks to evaluate the potential to partner with private sector developers through CIPs or directly to increase or accelerate mixed-use rental housing projects;

AND WHEREAS The City regularly conducts service reviews to examine options for improving service levels and/or reducing the City's net costs;

NOW THEREFORE BE IT RESOLVED that staff be directed to return with a report by the end of Q2, 2024 outlining policy options, including but not limited to, the following parameters of the Strategic Core Areas Community Improvement Plan:

- All Façade Improvements
- Concurrent applications per property (owner and tenant)
- Business Improvement Areas Tenant Attraction (Loan) program
- Program Caps based on project value vs set amounts

AND BE IT FURTHER RESOLVED THAT effective March 1, 2024, those portions of new applications to CIP programs which include non-commercial façade improvements, the loan program, or concurrent applications involving both an owner and tenant on the same property, will not be accepted by the City pending further direction from Council;

AND BE IT FURTHER RESOLVED THAT all other applications or portions of applications which do not include the above elements will be considered by the City per established processes.

Direction to Review Brownfields Strategy and Community Improvement Plan

On March 18, 2024, Staff presented an overview of the City's Brownfield Strategy and Community Improvement Plan (BSCIP), an uptake of the existing programs, and a best practice review of what other municipalities are offering in terms of brownfield redevelopment incentives. Staff received direction return with a draft amendment to the BSCIP by the end of Q4, 2024" (See Reference 1).

Direction to prepare a Heritage Community Improvement Plan

At the March 29, 2022 Finance and Administration Committee Meeting, staff was directed to "include in their 2023 workplan a review of options for a Heritage CIP" (resolution number FA2022-08-A2).

2017-2024 Overview

Since 2017, Council has budgeted a total of \$2,859,000 for CIP programs.¹ To date, the City has issued approximately \$1.6M in grants and loans and has approximately \$1.5M in remaining commitments.

The City has received 107 applications to the Town Centre, Downtown, and now Strategic Core Areas CIPs. Most (77 applications, or 75%) of the CIP applications were within the City's Downtown Core. The balance, 30 applications (or 25%) were from the Town Centres which include Capreol, Chelmsford, Copper Cliff, Flour Mill, Kathleen Street, Levack, and Lively. The City has paid out approximately \$1.12M (70%) in grants and loans in the downtown, compared to \$480K (30%) in the Town Centres.

Staff reviewed the building permit data for each community from the 2017-2023 period and had the following findings:

- There was a total of 604 building permit requests in the CIP areas over the period: 448 for the Downtown CIP Area (75%) compared to 156 (25%) in the Town Centre CIP Area
- Most building permit activity in communities occurs outside the CIP nodes. For example, the Chelmsford Node had 23 (or 4.1%) of all building permit activity for Chelmsford (560).
- The building permits outside the nodes are for projects that are outside the scope of a CIP (e.g., foundation repair, roof replacement, siding repair).
- Within the Chelmsford node, for example, 13 Building Permits could have potentially qualified for CIP funding. Of those, 10 (77%) applied and were approved.
- Within the Levack node, 2 (100%) of the 2 building permits that were issued had received CIP funding.
- Of the 24 Building Permits issued in the Capreol Node, four of those could potentially have been eligible for other CIP funding, however, none applied.

While there isn't a direct correlation between a building permit and a potential CIP application, staff can make the following observations:

1. The number of applications we receive is commensurate with the rate of development in the nodes (i.e., 75% to Downtown Sudbury compared to 25% in all other nodes).
2. The City is providing incentives in line with the goals outlined in the CIP (main-street beautification via façade improvements, and increasing commercial, residential and office uses within the nodes).
3. Within the communities themselves, the boundaries appear to be in the right locations. The areas were defined where there are traditional downtowns with zero lot lines and two-storey mixed-use buildings.
4. The City could better communicate the incentive programs available, particularly in the Town Centres.

Policy Options – SCACIP

The following section provides an overview, and policy options associated with, façade improvement programs, concurrent applications per property, the business improvement areas tenant attraction (loan) program, and program caps. Staff had recently completed a review of the City's CIPs, resulting in the adoption of the Strategic Core Areas Community Improvement Plan. This report should therefore be read in conjunction with the 2022 review (See References 2 and 3).

The best practice review conducted by staff included the following municipalities:

- Barrie
- Hamilton
- Kingston
- London

¹ In addition to the funding since 2017, Council transferred \$125K from the Financial Incentives for Downtown Renewal Pilot Program to the Town Centre CIP in 2012. The City also received \$162,487 from Provincial Mainstreet funding in 2018 which was also allocated to the Town Centre CIP.

- North Bay
- Ottawa (Montreal Road)
- Sault Ste Marie
- Thunder Bay
- Toronto
- Waterloo

Façade Improvement

Background

The City's Façade Improvement Program currently provides grants to owners or tenants who rehabilitate and improve facades (including signs, lighting, and other security features including CPTED) to achieve aesthetic improvements to the streetscapes, for a maximum of \$20,000, or 50% of the eligible costs, whichever is lesser. The City encourages prospective applicants to use the grants to achieve greater energy efficiency of buildings. Outdoor patios and decks are eligible, to a maximum of 50% of eligible costs, or \$5,000, whichever is lesser.

Analysis

Based on the best practice review, the City could refine the façade improvement program by making only commercial and/or mixed-use buildings eligible. The City could also incorporate design guidelines with a point system and scaled grants based on the points received for a particular design. For example, if a proposed façade improvement only has 60% of the desired design guideline elements, it would only be eligible for 60% of the available grant. To make the program available to a greater extent across Greater Sudbury, the City could make designated heritage buildings eligible for the grant.

Recommendation

Staff recommends that the façade improvement program only apply to commercial and mixed used buildings. This can take effect immediately upon Council passing the recommended resolution. Since the pause took effect on March 1, 2024, staff has received multiple inquiries on the program.

Staff can return with an amendment to the CIP to incorporate a heritage element. This would be accompanied by changes to the feasibility study that would encourage heritage-related studies such as cultural heritage evaluations, heritage impact assessments, and the hiring of heritage architects. The grant parameters can further be refined to specify that Façade Improvement Grants apply to existing buildings only and that proposals to address deferred maintenance are ineligible.

Given that the façade improvement program applies to the City's many nodes, all with different styles and characteristics, staff does not recommend implementing CIP-related design guidelines at this time.

Concurrent Applications Per Property

Background

Subsection 28(7) of the Planning Act enables municipalities to provide grants or loans to registered owners, assessed owner and tenants of lands and buildings within a community improvement project area for the purpose of carrying out a municipality's community improvement plan (CIP). There is nothing in the Planning Act, nor in the City's current CIPs, that prevents concurrent applications per property. However, there is a SCACIP policy on repeat applicants as follows:

"The City will not accept applications from same applicant for same program and address, unless 5 years has elapsed since the last grant payment associated with the program for said address. This time frame is retroactive and includes any other CIP in effect within a 5-year period."

"Concurrent" is defined by the Oxford Dictionary as "existing or operating at the same time," or "existing or acting together." Applying the term to the CIP context would mean that an owner or tenant, or two tenants,

would not be able to have two applications or two agreements at the same time. This could be further refined by applying the rule on a CIP-program basis, meaning that if an owner applied for a façade improvement grant, then a tenant could not apply for that program but could apply to other programs.

In 2022, staff recommended a new policy on repeat applicants on a per-property basis. Council requested a change in the proposed policy from “property” to “address” to permit separate tenants in a multi-unit building (e.g., separate suites) to access the CIP programs, independent of the owner. Applicants have made use of this provision since its inclusion in the SCACIP, for example, at 158 Elgin (Suite 0, Suite 101, 102, 103), 73-75 Larch, 40 Elm, and 517-519 Notre-Dame.

Recommendation

Based on the best practice review, staff recommend the following change to the City’s CIP:

“The City will not accept applications from same property and program, including concurrent applications involving an owner and tenant, unless 5 years has elapsed since the last grant or loan payment associated with the program for said property. This time frame is retroactive and includes any other CIP in effect within a 5-year period.”

Business Improvement Areas Tenant Attraction (Loan) Program

Background

The City has a loan program to “support the creation of new office space and improve the marketability and attractiveness of existing office space within Business Improvement Areas. The program offers interest-free loans for eligible leasehold improvements to office space.”

The City has had a version of a CIP loan program since 2007 with the adoption of the “Building Improvement Loan Program” from the “Financial Incentives for Downtown Renewal” (FIDR) Pilot Program CIP. The same loan program was brought into the Town Centre Community Improvement Plan (2012).

The (2012) Downtown Master Plan (DMP) specifically recommended that the Building Improvement Loan program be removed from the CIP framework given the lack of take-up during the FIDR Pilot Program CIP and low interest rates offered by lending institutions. In 2016, staff recommended that a loan program not be carried forward into a new Downtown Sudbury CIP, given the DMP recommendation and the resources required to undertake a loan program.

Council ultimately directed staff to include a multi-residential loan program as part of the Downtown Sudbury CIP (2016-2022). In 2022, staff recommended that the multi-residential loan program be changed to an office space renewal program in the Strategic Core Areas CIP as a strategy for post-pandemic recovery.

Analysis and Recommendation

Since the adoption of the SCACIP in 2022, the City has approved 4 loan applications, though no installments have yet been paid out. Prior to this, the City had approved 6 loans as part of the DSCIP and 2 loans as part of the TCCIP. Of these 8 loans, 2 have been paid out and the applicants are making payments back to the City. Regarding the other 6, the City has not yet paid any installments.

Despite these relatively low numbers, the loan program requires a significant amount of staff resources to administer. Beyond the initial review and approval stages, staff has been involved in registering loans on title, monitoring repayments, refinancing and postponements of mortgages, liens and holdbacks, etc.

Staff recommend that the loan program be removed as part of the upcoming amendment process.

Program Caps based on Project Value vs Set Amounts

Council directed staff to provide options regarding program caps based on the project value vs. the set amounts.

The SCACIP currently provides the following programs at a set amount:

Program	Grant Value
Planning Fee Rebate Program	Actual costs up to \$5,000
Building Permit Fee Rebate Program	Actual costs up to \$30,000
Residential Incentive Program	\$20/per sq foot, up to \$200,000 per property. However, an applicant can ask beyond the caps so long as the grant is not greater than 50% of the construction value.
Feasibility Study Grant	Actual cost up to \$7,500

The SCACIP currently provides the following programs based on project value:

Program	Grant or Loan Value
Tax Increment Equivalent Grant	Up to 100% of the increase in municipal taxes resulting from the development or redevelopment – 5, 10 or 20 year programs available.
Façade Improvement Program	50% of the cost to improve the façade, to a maximum of \$20,000.
Commercial Vacancy Assistance Program	50% of eligible costs, or \$5,000, whichever is lesser, for leases between 3 and 6 months. 50% of eligible costs, or \$10,000, whichever is lesser, for leases greater than 6 months.
Business Improvement Areas Tenant Attraction Program	Max loan of up to \$250,000, 90% of eligible costs, or a formula based square footage and term of lease, whichever is lesser.

The City's programs are therefore "half and half" when it comes to providing grants at set amounts vs project value.

Analysis and Recommendation

A municipal scan has shown that the calculation of the values for the above programs are a standard approach used across Ontario municipalities. The City could decide to have an overriding 50% rule (or other percentage value) over all programs. This would impact all the programs in the first table, as well as the TIEG program and Loan Program.

Staff does not recommend any changes to the program amounts in the CIP. It is only in occasions where applicants are requesting a façade improvement grant only that the City's contribution reaches 50% of the project's construction value, and only where the construction value amount is less than \$40,000 (to get the maximum \$20,000 grant). In some cases, applicants only requested a façade improvement grant but the projects themselves were much larger (e.g., \$400k (City contribution \$15K (3.75%); \$200k (7.5%)). In all other cases, the City's contribution has been less than 50% of the project costs. The construction values therefore vary, depending on the scope of a project. To institute an overall cap based on overall project value may therefore be arbitrary.

The City recently amended the SCACIP to allow for requests greater than the program caps for the

Residential Incentive Program, as long as the proposal contains 10 or more units and that the City's contribution is not greater than 50% of the construction value prepared by a qualified professional.

Other

Combine CIPs

Given the recent direction to review the Brownfield Strategy and CIP, the direction to investigate a Heritage CIP, a desire to update the Affordable Housing CIP and to make the CIP applicable to more areas of the city, staff is recommending that these CIPs be combined with the SCACIP under one *Greater Sudbury Community Improvement Plan*. Doing so would facilitate the review, administration and promotion of the City's incentive programs. This will require amendments to the City's current CIPs, with the exception of the Employment L

Let the Commercial Vacancy Assistance Program Lapse

Adopted in 2022 as a COVID recovery measure, the Commercial Vacancy Assistance Program was adopted as a time-limited program with the following clause:

"This Program will cease two years from the date this Plan is adopted by City Council [August 9, 2024] unless an extension is provided by City Council via resolution. Such an extension shall not require an amendment to this Plan."

Since 2022, Council has approved 8 applications and of those, 4 proposals have been completed and paid out. Staff recommends that Council let the program expire.

Future-Ready Development Services Ad-Hoc Committee

The mandate of the Future-Ready Development Services Ad-Hoc Committee is to "assess the potential for the City of Greater Sudbury's development services to reflect leading practices that ensure support for growth is timely and efficient and the municipality has the capacity, best-in-class policies and processes to support anticipated growth in residential and nonresidential development over the next 10-15 years."

Fifty-four Calls to Action were presented in a report presented at the May 1, 2024 committee meeting (See Reference 4). Some of these calls to action are directly related to the Community Improvement Plans (e.g., more incentives for multi-residential development; provide new Tax Increment Equivalent Grant programs) and can be considered either as part of this review or as part of the Downtown Master Plan Update. As directed as Council, Staff will be providing a response to these calls to action along with the others by September 30, 2024.

Summary

In February 2024, Council directed staff to review elements of the Strategic Core Areas Community Improvement Plan (SCACIP). This report has outlined options regarding the SCACIP and recommends the following:

1. That the City accepts façade improvement program applications for commercial and mixed-use buildings only
2. That the review of the Brownfield Strategy and CIP be incorporated into the SCACIP review
3. That the Commercial Vacancy Assistance program be allowed to lapse
4. That the Business Improvement Area Tenant Attraction (Loan Program) be removed

Resources Cited

1. "Brownfield Strategy and Community Improvement Plan Review", Manager's Report presented at the March 18, 2024 Planning Committee Meeting
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=52704>
2. "Five Year Review", Manager's Report presented at the March 29, 2022 Finance and Administration Committee Meeting
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=43647>
3. "Strategic Core Areas Community Improvement Plan", Public Hearing Report presented at the June 27, 2022 Planning Committee Meeting
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=46998>
4. "Accelerating Growth and Development in Greater Sudbury: 2024 Report of the Future-Ready Development Services Ad-Hoc Committee", Presentation from the May 1, 2024 Future-Ready Development Services Ad-Hoc Committee Meeting
<https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=53242>