



ADMINISTRATIVE REPORT

Report Date: January 25, 2019
Contact: Jason Olinek
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VanRIMS No.: 08-2000-20
Meeting Date: March 13, 2019

TO: Standing Committee on City Finance and Services
FROM: General Manager of Planning, Urban Design and Sustainability
SUBJECT: Heritage Incentive Program

RECOMMENDATION

- A. THAT Council approve the 2019-2022 Heritage Incentive Program to support heritage conservation and seismic upgrades of heritage designated buildings citywide, generally in accordance with the HIP Policies and Procedures attached as Appendix A;

FURTHER THAT Council endorse the Transfer of Density Program to allow for the transfer of heritage density, for use within the THD catchment area only, and to establish annual density creation limit of 80,000 sq. ft. (320,000 sq. ft. over a 4-year period), generally in accordance with the HIP Policies and Procedures; and

FURTHER THAT Council approve a multi-year capital project budget of \$13,750,000 for the 2019 Heritage Incentive Program Grants to be funded by development contributions allocated to the Heritage Conservation Reserve as provided for in the 2019-2022 Capital Plan for Heritage.

- B. THAT Council approve the 2019-2022 Heritage House Conservation Program developed and implemented by the Vancouver Heritage Foundation to support conservation of heritage resources citywide, generally in accordance with the proposal attached as Appendix B;

FURTHER THAT Council instruct the Director of Legal Services to prepare an Agreement between the City of Vancouver and the Vancouver Heritage Foundation for an initial term of 4 years (2019-2022) to enable implementation of the Heritage House Conservation Program.

- C. THAT Council approve the amendment to the Heritage Façade Rehabilitation Program Policies and Procedures (formerly known as the Heritage Façade Rehabilitation Program Policies and Procedures for Gastown, Chinatown, Hastings Street Corridor, and Victory Square) to apply across the city as set out in Appendix C.

REPORT SUMMARY

In 2013, Council approved the Heritage Action Plan (HAP) consisting of 14 action Items to initiate an update the City's Heritage Conservation Program. This report addresses HAP actions specifically related to a heritage incentive program:

- #8 - Extend existing incentive program in the Downtown Eastside, and
- #9 - Examine incentive program for applicability elsewhere.

The report proposes citywide heritage conservation incentives, and provides an update on the status of the Density Bank and the Transfer of Density Program (ToD). Other outstanding HAP action items will be addressed in separate reports. Two further reports on the Heritage Program and Heritage Register will follow later in 2019 (for more information see the *Background/Context* section).

In preparation for the Heritage Conservation Program review, the City commissioned a comprehensive consultant study from Donald Luxton and Associates Inc., entitled Heritage Conservation Program Review, which included the Global Best Practice Review featuring 10 major world cities that were found most relevant. The study also featured the Vancouver Heritage Foundation report on Financial Incentives. In section 4.3.7 of the consultant study, a number of recommendations for the Heritage Incentive Program have been provided. Staff have considered recommendations provided by consultants, conducted an internal review of the City's heritage incentive programs, consulted with internal and external stakeholders, advisory committees and the public, and developed the proposal which is presented here (for more information on consultant studies see Appendix F).

There are three major components to the citywide heritage conservation incentive package being proposed in this report:

- Heritage Incentive Program (HIP)
- Heritage House Conservation Program (HHCP)
- Heritage Façade Rehabilitation Program (HFRP)

The Heritage Incentive Program (HIP) is to encourage heritage conservation and seismic upgrades of buildings primarily of unreinforced masonry that are listed on the Vancouver Heritage Register (VHR) and protected by heritage designation bylaw. The HIP is proposed to replace the Heritage Building Rehabilitation Program (HBRP) which expired in 2015, and be available citywide. The program will be available for privately owned commercial and non-commercial properties that meet eligibility criteria, as well as those City-owned properties operated by a non-profit organization under a long-term lease agreement. The HIP will provide grants for 50% of eligible costs to a maximum of \$4 million per qualified building. It will also provide the transferable heritage density (THD) option for any new heritage designation of sites located in Gastown, Chinatown, Victory Square and the Hastings Street Corridor (former Heritage Building Rehabilitation Program incentive catchment area). Successful HIP applicants,

subject to Council approval of the grant, will require a legal agreement as described in the next section of this report, to be registered on title (Appendix A).

Funding for the HIP will come from Community Amenity Contribution (CAC) allocations and Density Bonus Heritage Amenity Share (DBZ) purchases from various new developments throughout the city, held in the Heritage Conservation Reserve. During development of the HIP staff estimated that forecast development contributions could support approximately \$18 million of annual HIP grants over a 10 year period. This forecast annual amount was also included in the 2019-2022 Capital Plan. On average, \$18 million would be sufficient to support six (6) to eight (8) conservation projects per year.

This funding model is dependent on ongoing funding allocated through the development activities and therefore may fluctuate from year to year. The annual HIP budget will always be limited to the funding available in the Heritage Conservation Reserve. As at December 31, 2018 there is \$13,750,000 of funding in the Heritage Conservation Reserve available to support the 2019 HIP grants. Qualified applications will be presented to Council for approval once a year.

Heritage Density Bank and Transfer of Density Program

This report provides the current status of the Heritage Density Bank and proposes the Transfer of Density (ToD) program to be reintroduced for implementation with the Heritage Incentive Program. If approved, this would allow for the transfer of heritage density from eligible properties located within the THD catchment area (Gastown, Chinatown, Hastings Street Corridor and Victory Square). The annual amount of density approved for transfer through the HIP should not exceed 80,000 sq. ft. (or 320,000 sq.ft. over 4-year term). Transfers of density would be in accordance with the Transfer of Density Policies and Procedures, and would require Heritage Revitalization Agreement (HRA) approved by Council at public hearing.

The Heritage Façade Rehabilitation Program (HFRP) introduced in 2003 (and expanded in 2005) is still available. Its intent is to provide access to grants of up to \$50,000 per principal façade for the rehabilitation of heritage building facades (buildings that are listed on the VHR). Sites in Gastown, Chinatown, Hastings Street Corridor, and Victory Square area were eligible to apply for grants. It is proposed that the HFRP be expanded to a citywide application and to include the additional requirement of seismic stabilization of the heritage façade and/or its major components (e.g. cornices, pediment walls, historic signs, and other projecting features of façade), to be funded with \$1.2 million of City contributions included in the 2019-2022 Capital Plan. Annual funding for the HFRP of \$300,000 will be brought forward as part of the annual Capital Budget process. 2019 Capital Budget has approved the initial 2019 amount of \$300,000. The HFRP Policies and Procedures will be amended to include proposed changes (Appendix C). Applications will be reported to Council for approval.

The Heritage House Conservation Program (HHCP) is designed to support privately owned single/two family buildings, small apartment buildings, multifamily conversions or similarly adaptively reused buildings (house typology) that are primarily constructed of wood-frame structural assemblies and otherwise ineligible for an incentive under the HIP. The HHCP program will apply citywide and will be available to owners of buildings that are listed on the VHR and, in case of major grants, municipally designated. It will be funded with \$1.2 million of City contributions included in the 2019-2022 Capital Plan. A limited number of basic grants will be available to heritage character properties pursuing addition to the VHR. Larger HHCP grants will have a seismic upgrade requirement (see Appendix B). The HHCP program is proposed to be administered by the Vancouver Heritage Foundation (VHF) and will be supported by an annual grant of \$300,000 which has been approved by Council as part of the 2019 Capital

Budget approval process. Implementation of the program will require a separate agreement between the City and VHF, and the outcomes will be reported to Council in annual VHF report.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In 2003, Council approved the Heritage Building Rehabilitation Program (HBRP) and Heritage Façade Rehabilitation Program (HFRP) for Gastown, Chinatown and Hastings Street Corridor for economic revitalization and heritage conservation of those buildings listed on the Vancouver Heritage Register. In 2005, Council approved an extension to include Victory Square. The HBRP incentives included facade grant, property tax exemption, transferable bonus and residual density where applicable. Incentives generated by HBRP projects contributed to the accumulation of density in the Heritage Density Bank.

In 2007 (RTS 6812), Council approved a number of actions to rebalance the Heritage Density Bank, limit creation of additional density and improve the absorption of density already in the Heritage Amenity Bank. New inquiries for the creation of transferable density were put on hold.

In 2009 (RTS 7281), additional measures were approved including establishing an annual absorption target of 200,000 square feet and the prohibition of the creation of new heritage density until such time that the balance in the Heritage Density Bank achieved equilibrium. Equilibrium would be reached when the balance of the Bank was at the level equal to or less than the total of the previous three years of absorption.

Throughout 2009 and 2010, several initiatives approved by Council created additional public benefit capacity by establishing areas for potential density transfers, as follows: Downtown South (April 2009), Northeast False Creek (November 2009), Downtown Capacity and View Corridor Review (January 2010), Chinatown South (January 2010), and Southeast False Creek (July 2010).

In 2013 (RTS 10130), Council approved amendments to the Transfer of Density Policy and Procedure to expand the use of the heritage density transfers as public benefit contributions in rezonings to be citywide.

In 2013 (RTS 10148) Council approved the Heritage Action Plan, including the review of the HBRP and HFRP. The HBRP was extended until the end of 2015, maintaining the existing ban on density generation.

Council approved heritage amenity density allocations as part of the public benefit strategy in a number of community plans including Cambie Corridor, Downtown Eastside, Grandview Woodland, Marpole, Mount Pleasant, and the West End. As a result rezonings in these areas often include a portion of the CAC to be allocated to purchase from the Heritage Amenity Bank.

In 2016 (RTS 11682), Council authorized the City to accept cash payments in lieu of the purchase of heritage density for rezoning applications. These payments were to be set aside in the Heritage Conservation Reserve for citywide heritage conservation purposes, pending the outcome of the incentive program review as part of the Heritage Action Plan.

In 2017 (RTS 12116), Council approved amendment to the Zoning and Development By-law No. 3875 (Zoning District Schedules C-3A, C-5, C-5A, C-6, RM-5, RM-5A, RM-5B, RM-5C, RM-5D)

and the Downtown Official Development Plan to allow increase to the permitted floor area up to a maximum of 10% to be available through amenity shares for heritage conservation.

In 2016 (RTS 11368), Council approved 2017-2019 Operating Agreement between COV and the Vancouver Heritage Conservation Foundation to support the conservation of the heritage buildings and structures in recognition of their contribution to the economy, sustainability, and culture of the City of Vancouver.

CITY MANAGER'S COMMENTS

The City Manager recommends approval of the foregoing.

REPORT

Background/Context

Heritage Action Plan

Many of the HAP goals have been met through completed initiatives approved by Council and the Parks Board:

- *Heritage Conservation Area Official Development Plan* (approved 2015),
- Energy Retrofit Pilot Program (approved in 2015),
- *Green Demolition By-law* (approved 2014-18),
- A citywide Heritage Conservation Fund and amendments to the Downtown District, some C and RM zone district schedules (approved 2016-17),
- Character Home Zoning Review, and Character Home Retention Incentives (approved 2017), and
- *Urban Forest Strategy Update* (approved 2018).

Following the Heritage Incentive Program report, staff will bring forward two further reports with number of new policies and by-law amendments which will address many of consultant recommendations. Reports coming forward to Council in 2019 are:

1. Heritage Program Renewal (April 2019)

This report will propose immediate and next steps to address:

- New and updated policies and regulatory by-laws,
- Intensify stewardship of City-owned property on the Heritage Register and public realm historic features,
- Develop the Green Building Policy for Existing Buildings and expand the Green Demolition By-law,
- Develop the Creative City Strategy which includes heritage and public history,
- Integrate heritage and culture with land use, urban design and social policy in community planning programs (e.g. Broadway Plan, Jericho Lands Policy Statement) and place making (e.g. public art, public realm design),
- Shift the Heritage Strategy to be groundwork for the City-Wide Plan through integration of heritage with community planning,
- Update the approach to heritage sites and “intangibles” of cultural heritage,
- Align policy and action for reconciliation, heritage and culture through MST consultation and community dialogues, including with cultural communities,

- Begin to notify the property owners of priority sites in the Heritage Register Update study, as part of local area planning underway (i.e. Broadway Plan).
2. Heritage Register Update (Autumn 2019)
- This report will propose the comprehensive renewal of the Heritage Register:
- New categories of heritage property to align with the overall national system,
 - Simplified ranking of property on the Register,
 - New values-based criteria to evaluate property and fill gaps on the Register,
 - Options for considering the addition of priority sites in the Heritage Register Update study, including engagement of owners, as part of the City-Wide Plan.

Also in 2019, based on consultant recommendations to more closely integrate heritage and community planning, staff will seek direction from Council to advance the development of heritage policies within the City-Wide Plan process. Policies regarding broader heritage, cultural and intangible assets are anticipated to be further developed as part of the City-Wide Plan initiative which will be subject of a scoping report forthcoming to Council.

Heritage Building Rehabilitation Program (HBRP)

The HBRP was introduced in 2003 when City Council approved a program of incentives (transferable density, property tax exemption, and façade grants) to facilitate the economic revitalization and heritage rehabilitation of heritage buildings in the Downtown East (DTES) in particular Gastown, Chinatown, and the Hastings Street Corridor (Victory Square was added in 2005). By the end of 2015, 23 major heritage rehabilitation projects were processed through the HBRP resulting in approx. \$555 million of total direct investment in heritage conservation projects (based on projected project cost, non-adjusted). \$110 million of this amount represented the total value of HBRP heritage incentives leveraging approx. \$445 million in private investment (Appendix D).

During the program's first 4 years, HBRP projects generated a significant amount of density contributing to the balance of 1.85 M sq. ft. of transferable density in the Heritage Density Bank. At the same time the city's absorption capacity which has traditionally been about 200,000 sq. ft. per year, remained unchanged. In 2005 and 2006 the creation of density was particularly high, with 1.2 M sq. ft. being approved in 2006 alone. As a result, a number of measures were introduced by Council, to both restrict creation and enable absorption of transferable bonus density accumulated in the Bank. Since 2009, when Council prohibited the creation of new heritage density, only one additional HBRP application was received. That application had a property tax exemption as the main incentive and did not generate transferable density. Maintaining the established absorption target rate of approx. 200,000 sq. ft. of density annually, in combination with other Council-approved measures, has helped to reduce the Bank to its current balance of 507,592 sq. ft. The HBRP expired at the end of 2015.

Heritage Density Bank – Current Status and Absorption Rate

Since 2009 the balance in the Bank has been steadily decreasing, as there is no supply of new density. Currently, the balance is approx. 500,000 sq. ft., of which 180,000 sq. ft. is available for sale, with 115,000 sq. ft. already committed to potential buyers. The rest of the banked density is kept by owners for their own needs, which results in 50,000 sq. ft. of density being actually available for sale in the Q4 of 2018 (Table 1).

	31-Aug-16	30-Apr-17	31-Dec-18
Balance of density	647,846 sq.ft.	560,000 sq.ft.	507,592 sq.ft.
Heritage projects approved but not completed (not available for sale/ transfer)	163,084 sq.ft.	116,228 sq.ft.	116,228 sq.ft.
Held for owner's project(s) (not available for sale/ transfer)	303,967 sq.ft.	303,967 sq.ft.	212,900 sq.ft.
Listed for sale	180,795 sq.ft.	139,805 sq.ft.	178,464 sq.ft.
Pending sales (Letter A)	21,992 sq.ft.	70,868 sq.ft.	114,499 sq.ft.
Remainder after pending sales satisfied	158,803 sq.ft.	68,937 sq.ft.	63,965 sq.ft.
Letter A or B not received but confirmed as sold by owner			13,436 sq.ft.
Density Available for sale - end of 2018			50,529 sq.ft.

Table 1 – Heritage Density Bank – Current Status

Over the last three years (2016-2018) citywide development activities absorbed approximately 480,000 sq. ft. of density, an average of 160,000 sq. ft. annually, with approximately 240,000 sq. ft. in 2018 alone (Figure 2). These amounts account for all density that was either transferred from the Bank or an equivalent of the Community Amenity Contributions (converted @ \$85 per sq. ft.) and Heritage Amenity Share purchases that were made as a result of density not being available through the Density Bank (Appendix D).

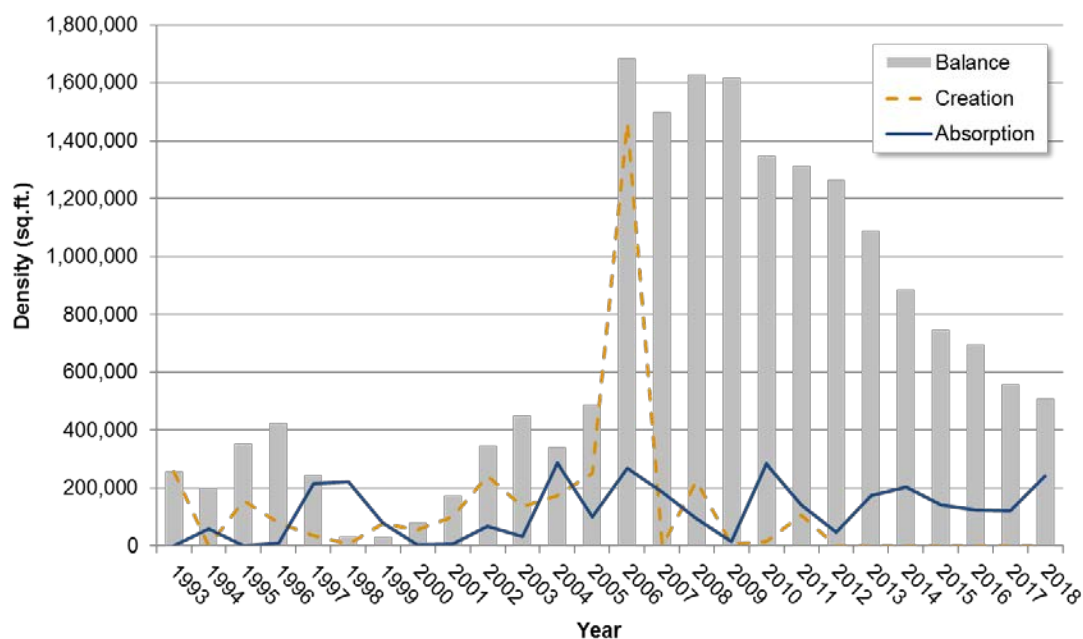


Figure 2 – Heritage Density Bank: Balance, Creation, and Absorption

Heritage Façade Rehabilitation Program (HFRP)

Since 2003, 45 heritage buildings received HFRP grants that accumulated to a total of \$3,185,000. All grants were disbursed within the Downtown Eastside (DTES) area. However, since 2013 only five façade grants were approved which suggests that some of the 2003 conservation targets for the DTES area may have been reasonably achieved.

Heritage House Conservation Program (HHCP)

Vancouver Heritage Foundation (VHF) is a non-profit society established by City Council in 1999 for the purpose of providing heritage building owners and members of the public with information, education and grants which encourage restoration and maintenance of heritage buildings. VHF operates to support the conservation of heritage buildings and structures in recognition of the economy, sustainability and culture of the City of Vancouver under the mission statement made part of the Operating Agreement (2017-2019). In order to assist VHF goals, City Council, agreed to contribute annual grant of 127,500 plus an inflation adjustment of two percent per year. VHF provides a report on activities and finances to Council annually.

The proposed HHCP program will build on the conservation grants offered by VHF since 1999, with additional funding and resources required to support more projects and greater heritage visibility. It will be developed, launched and managed by the Vancouver Heritage Foundation staff for the initial period of 4 years (2019-2022).

Strategic Analysis**Heritage Incentive Program (HIP)**

Through the evaluation of the Heritage Building Rehabilitation Program (HBRP), the best practice analysis provided by the commissioned team of heritage consultants, the VHF study, and internal staff review, the lack of systemic support for the conservation of heritage resources citywide has been fully identified. Key objectives of the new Heritage Incentive Program are to deliver equitable, balanced, citywide support for heritage conservation. This new incentive program intends to be more user-oriented, with improved application processing and a meaningful incentive to appeal to diverse community needs, including those of non-profit organizations. At the same time, heritage conservation has been widely recognized as an important public benefit, and it has been factored in the Community Amenity Contribution allocations under various public benefit strategies. Balancing the community needs for heritage conservation with the City's ability to provide sustained support for the program, the new HIP proposes a monetary incentive (grant) as its primary component. The funding for the HIP will be secured through development contributions allocated to the Heritage Conservation Reserve.

The HIP will also enable the optional incentive of transferable heritage density (THD) for any new heritage designation, geographically limited to zoning districts of Gastown, Chinatown, Victory Square and the Hastings Street Corridor (THD catchment area). This incentive has been introduced as an option to compensate owners of newly designated heritage properties under section 595 of the Vancouver Charter, and to assist with the preservation of areas' unique historic character. In most cases, the compensation (THD) would equal the amount of residual density on site. The THD catchment area matches the boundaries of the former HBRP area in its desire to provide continued support to the DTES area and its diverse communities. It also recognizes that this is the area of highest concentration of heritage resources in Vancouver, including municipally and federally designated historic areas of Chinatown and Gastown.

There are 2,287 sites currently listed on the Vancouver Heritage Register citywide. Approximately 10% of all VHR sites are also designated (223 sites) and thus eligible for grants through the HIP. In addition to this there are 73 sites within the THD catchment area that could become eligible for grants as well as for the optional THD incentive subject to heritage designation (Tables 3 and 4).

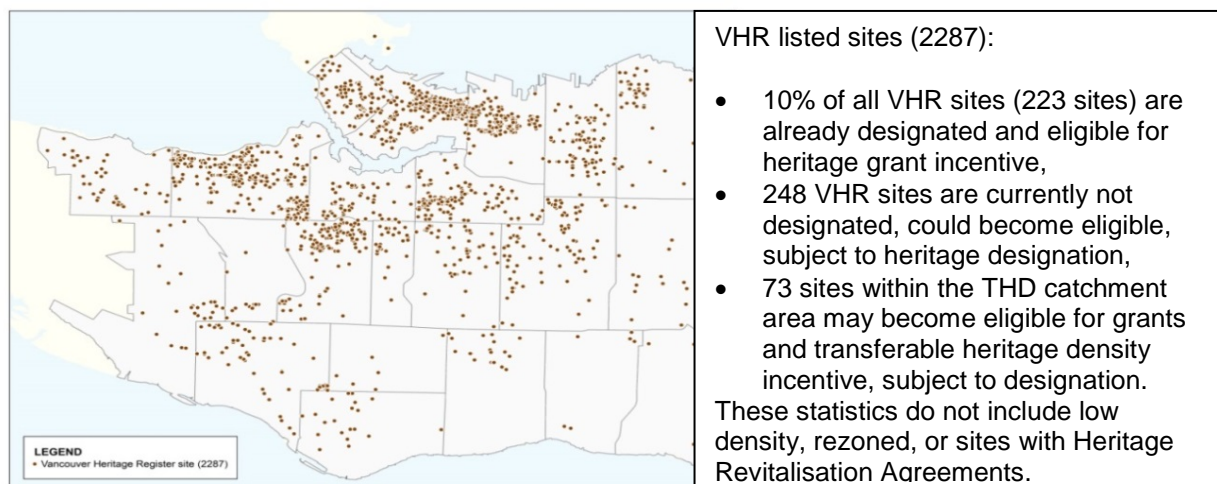


Table 3 – Vancouver Heritage Register resources

Heritage Amenity Bank and Transfer of Density Program

The density bank Rebalancing Plan approved in 2009 has established that no new density could be created until the density bank balance is at equilibrium. The equilibrium, in this case, would be reached when density in the bank is no more than an amount equal to the previous 3 years absorption. Given the absorption rate of 160,000 sq. ft. recorded over the past 3 years and the current bank balance of 180,000 sq. ft., it has been concluded that the equilibrium has been reached (balance of 180,000 sq. ft. is significantly lower than the three-year absorption rate of 480,000 sq. ft.) and that the Amenity Density Bank and an accompanying Transfer of Density Program could be considered for reintroduction. The annual creation, as per the 2009 Rebalancing Plan principles, should not exceed the absorption rate of 160,000 sq. ft. in any case.

Transferable Heritage Density (THD) Capacity Assessment

In order to determine the viability of the re-introduction of the Transfer of Density Program (ToD) staff have assessed the capacity of the HIP eligible area for the THD generating potential. It has been found that there are 248 heritage sites citywide that are currently not designated as having an average THD generating capacity of approx. 48,000 sq. ft. When focused on the THD catchment area with its 73 sites, where the THD incentive would actually apply, the average residual density capacity dropped to approx. 25,000 sq. ft. per site (Table 4). In addition, statistics collected during the implementation of the HBRP program have established an average of 13,000 sq. ft. of transferable residual density generated per project within the same catchment area. Both sets of data indicate that re-introduction of the Transfer of Density Program, to allow for a limited transfer of heritage density as described, would not create significant pressure on the Heritage Amenity Bank (Density Bank). Furthermore, the amount of created transferable heritage density is anticipated to be well within 80,000 sq. ft. per year.

Any amount of transferable density created by the Transfer of Density Program, at the time of landing on a receiver site through either Rezoning or DPB approval process, would be in lieu of a cash contribution to the Heritage Conservation Reserve (HCR). As the Heritage Incentive Program relies on the HCR, where the HCR is only heritage conservation funding source, it is critically important that the amount of created transferable density is closely monitored and its generation limited.

For these reasons, the annual density creation rate is proposed to be further reduced and limited to a maximum of 80,000 sq. ft. (or 320,000 sq. ft. over a 4-year period) for the initial HIP term 2019-2022. The 80,000 sq. ft. capacity would accommodate HIP projected needs and it would be well below the annual density absorption rate of 160,000 sq. ft. At the same time, this would prevent the density oversupply while ensuring the Heritage Conservation Reserve's long-term viability.

CATEGORY	NUMBER OF SITES	EST. RESIDUAL DENSITY (sq.ft.)	AVERAGE/ SITE (sq.ft.)
HIP Eligible - Designated VHR sites*	223	6,924,008	31,049
A-listed VHR sites	35	3,040,777	86,879
Sites in HIP boundary[†]	178	3,234,447	18,171
Potentially Eligible - Non-designated VHR sites*	248	11,999,077	48,363
A-listed VHR sites (non-designated)	22	6,260,840	284,584
Sites in HIP boundary[†]	73	1,854,342	25,402

Table 4 – Transferable Heritage Density (THD) - Capacity Assessment

* Does not include low density (i.e. wood-framed buildings), rezoned, or sites with Heritage Revitalisation Agreements; † Former Heritage Building Rehabilitation Program

Goals

HIP main goals are:

- To foster the retention, stewardship, and upgrading of the City's heritage resources by providing matching grants to encourage private investment and financially assist heritage conservation and mandatory seismic upgrades.
- To support other City's major initiatives and programs, including cultural, social, environmental and economic. This will be accomplished through the conservation of heritage buildings with cultural use, Single Room Occupancy or social housing use, or by implementing "greener" conservation procedures. The HIP will also contribute to the communities' "sense of place" through the preservation of the historic character of buildings and streetscapes while enhancing neighbourhoods' livability.
- To ensure long-term protection of heritage resources through respectful conservation and heritage designation.

Eligibility

To be considered for the HIP incentive, the property must meet the following criteria:

1. Listed on the VHR and protected by a heritage designation by-law.
2. Privately-owned commercial or non-commercial properties including non-profit organizations.
3. Primarily constructed of unreinforced masonry, often in combination with heavy-timber, steel or unreinforced concrete structural assemblies.

Heritage conservation work and seismic/structural upgrades are mandatory deliverables. The proposed project scope of work must ensure a high level of retention and continued use. Heritage conservation construction costs and associated professional fees are eligible for

incentives. Major redevelopment and façade-only retention projects, offering low retention levels of existing heritage structure while significantly altering heritage resources, may not be eligible. One-storey (in some cases two-storey) rooftop addition setback from primary facades or a side/rear addition may be considered if within the zoning limits. However, the related cost will not be eligible for heritage incentives.

All applications will be developed in accordance with the City of Vancouver Heritage Policy and Guidelines, applicable zoning and land-use planning policies and guidelines, and the Standards and Guidelines for the Conservation of the Historic Places in Canada.

Incentives

Grants

The HIP provides grants to encourage private investment and financially assist with the cost of heritage conservation, and the Transferable Heritage Density (THD) incentive as compensation for any new or additional heritage designation within the THD catchment area. The eligible grant is \$100 per sq. ft. of the total floor area of the building, limited to a maximum of 50% of the eligible heritage conservation construction costs. The maximum amount of a grant is \$4.0 million per building/site. The amount of grant will vary depending on the size of the building and the proposed scope of conservation. For the maximum amount of grant that may be available in relation to the size of the building and the qualified investment level (eligible cost) see Table 5.

Total Floor Area (sq. ft.)	Max. Eligible Grant \$ (@\$100 / sq. ft.)	Min. Eligible Cost \$ (required for max. grant)
5,000	500,000	1,000,000
10,000	1,000,000	2,000,000
15,000	1,500,000	3,000,000
20,000	2,000,000	4,000,000
25,000	2,500,000	5,000,000
30,000	3,000,000	6,000,000
35,000	3,500,000	7,000,000
40,000	4,000,000	8,000,000
40,001 or more	4,000,000 capped	8,000,001 or more
"A" listed designated sites with additional complexity (e.g. churches) less than 40,000 sq. ft.	4,000,000	8,000,000

Table 5 – Maximum eligible grant in relation to building size and eligible costs

Transferable Heritage Density (THD)

In Gastown, Chinatown, Hastings Street Corridor (up to the intersection with Heatley Avenue) and Victory Square, the heritage sites that are currently not designated (73 sites) may be eligible for the optional THD incentive (Table 6). Once the THD is approved and the project completed, the Heritage Revitalization Agreement would prevent any future addition or change of FSR to the site. As some owners may be sensitive to this aspect of the THD incentive, they may opt to not apply for the optional THD.

HIP - Transferable Residual Density Catchment Area

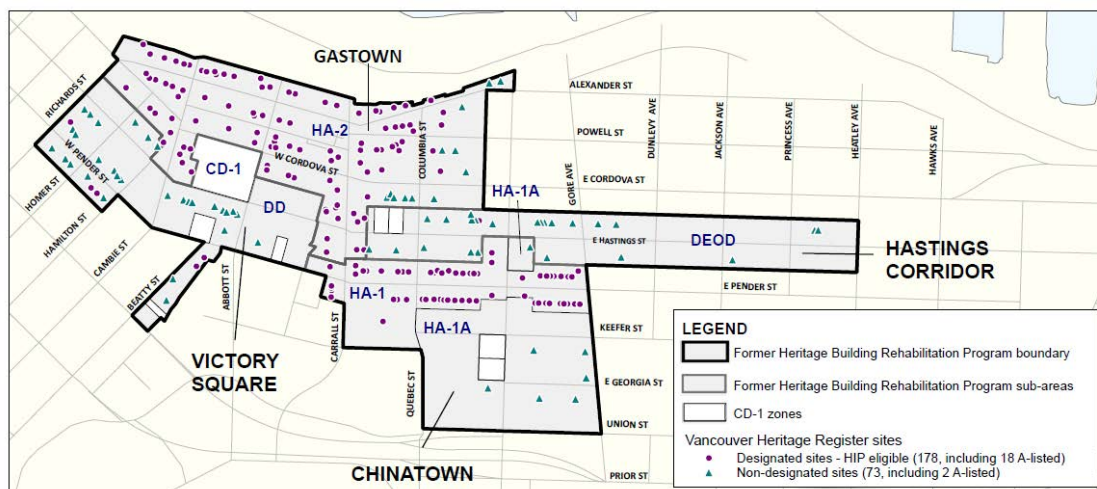


Table 6 – Transferable Heritage Density (THD) - Catchment Area

Application Process

HIP applications will be considered in two phases; pre-application and application phase. The pre-application evaluation process will determine eligibility and prioritize projects, particularly if the demand for incentives exceeds the annual HIP budget. Inquiries that successfully qualify through the pre-application evaluation process will proceed to the application phase where a complete set of application documentation including the development permit documentation, conservation plan, and professional assessment reports (seismic/structural, fire & life safety and other as the case may be) will be required. The intake of proposals will occur annually, with the application cycle starting in the third quarter of the current year. Once the development permit application documentation is received (no later than mid of the next calendar year) it will be reviewed by staff and presented to the Vancouver Heritage Commission (VHC) as well. Following the VHC review, the administrative report will be drafted and HIP applications will be presented to Council for consideration and approval of incentives. If approved, and subject to all conditions that City Council may have, processing will continue, including permits and preparation of necessary legal agreements.

Heritage Façade Rehabilitation Program (HFRP)

The proposal is to expand the program beyond the DTES, so the HFRP would become available to heritage buildings throughout the city that did not have access to this incentive in the past. The mandatory scope of work includes ground floor storefront conservation, and seismic stabilization of major projecting architectural components (cornices, parapets, historic signs). Other eligible work includes conservation of building envelope materials (e.g. brick, stone, wood), windows, doors, various exterior architectural features, historic signs and awnings, and architectural lighting on principal facades. Seismic stabilization of the cornice, parapet walls, and other major projecting components are mandatory unless confirmed by a Professional Structural Engineer to be in structurally sound condition. It is anticipated that this can be achieved within a previously approved annual budget of \$300,000. The unchanged budget would allow for at least six (6) grants of up to \$50,000 each, annually. Applications will be received throughout the year and cannot be combined with concurrent HIP applications. Council will be required to approve all grants.

Heritage House Conservation Program (HHCP)

The proposed HHCP will complement incentives for heritage conservation provided by the COV through the HIP and HFRP. The program aims to assist individuals and organizations who are interested in conserving and restoring historic places (primarily houses), contributing to sustaining and augmenting the public benefits that heritage places bring to the neighbourhood and communities of Vancouver. A wide variety of conservation work on house typologies and similar scale structures of primarily wood-frame construction will be supported by the program. Privately owned (individual or strata ownership) buildings as well as those owned by a registered non-profit society or federally registered charity, including a society with a long-term lease (minimum 10 years) in a municipally-owned building with responsibility for the structure and self-governing First Nation operated/owned structures, will be eligible. Grants will be applicable to exterior heritage elements, designated interior elements, structural, envelope and infrastructure work, as well as accessibility and other work considered directly related to the conservation of the structure. There will be two main categories of grants: planning and intervention. The eligible cost will include materials, labour and professional fees.

The program will provide a grant of up to a maximum of 50% of the eligible cost, typically in the range of 35%-50%. It is anticipated that at least 30-50 applications to the program will be received each year, resulting with a number of grants of \$2,000-\$25,000.

The program will be developed, launched and managed by the Vancouver Heritage Foundation staff for the initial period of 4 years (2019-2022). The HHCP will build on the conservation grants offered by VHF since 1999, with additional funding and resources required to support more projects and greater heritage visibility. VHF will create a Grant Officer or equivalent position, estimated at 4 days per week for this program. Unused grant funds will be carried over so that the program can respond to changes in demand from one year to the next. However, if the proposed carry-over amount exceeds 40% of the grant amount disbursed to VHF for the previous year, the amount over 40% will be deducted from the next year's grant amount. The total annual program implementation cost is estimated at \$300,000 with funding provided by the City through an annual grant. The implementation of the HHCP will require a new agreement between COV and VHF. The VHF would be required to report all HHCP activities as part of their annual report to City Council.

Public/Civic Agency Input

In June 2017, the Planning Department held three public open houses to help inform the Heritage Action Plan, including the development of the Heritage Incentive Program. These consultation events were well attended, attracted over 470 people and generated over 700 completed questionnaires. A majority of respondents (77 percent) supported the proposed Heritage Conservation goals, including effective heritage management tools and conservation incentives with feedback such as “Stronger Financial Incentives to Promote Preservation”.

The second and third rounds of targeted outreach and engagement focussed specifically on the proposed heritage incentive programs were held in May-July 2018 and January 2019. Staff met with pertinent City advisory committees, held seven stakeholder meetings, and presented to various heritage organizations and industry professionals. Their feedback helped to provide clarity and shape the program, as well as highlighted opportunities for further refinement in the future. The 70 attendees represented a broad range of stakeholders, including non-profit organizations, industry professionals, heritage property owners, and City advisory groups.

The proposed Heritage Incentive Program was generally supported by the Vancouver Heritage Commission, Chinatown and Gastown Historic Area Planning Committees, Chinatown Heritage Society Buildings Association, Vancouver Heritage Foundation and Urban Development Institute. The key feedback heard at the stakeholder workshops and City advisory committee meetings included support for:

- financial incentives, noting the program may require additional funding and more complex projects may need grants exceeding \$4 million;
- seismic upgrades as a key focus of conservation with the additional benefit of life safety, while others would like a greater priority to be placed on heritage retention and rehabilitation noting seismic upgrades costs can be prohibitive;
- incorporating intangible heritage, cultural, and sustainability into the incentive program overall, and in the ranking of grant applications;
- an inclusive citywide approach for a range of property sizes, types, and ownerships, noting the desire to prioritize the limited funding on heritage-rich areas and typologies at greatest risk of loss; and
- closely monitoring the program for efficiency and adequacy of funding.

Some suggested opportunities to improve the program included:

- providing greater incentives including the transfer of density to ensure heritage retention is more appealing than redevelopment;
- creating a comprehensive staff team specifically dedicated to processing heritage development applications, simplifying the permit process and reducing processing times;
- focusing on a target audience, such as projects where financial return is not anticipated and incentives will have the most meaningful impact to ensure conservation and rehabilitation;
- providing flexible application timelines as the timing of development permit processes can be challenging; and
- exploring other heritage conservation tools (e.g. Transfer of Density, Heritage Density Bank, property tax exemptions), considering incentives for different structure types (e.g. wood-frame buildings, public monuments) and aspects of heritage rehabilitation and conservation (e.g. ongoing maintenance, non-structural interiors).

A full list of meeting attendees and anonymized feedback, and a letter of comments from the Vancouver Heritage Foundation is attached in Appendix E.

Based on the feedback received, staff have additionally reviewed the current status of the Heritage Amenity Bank, assessed its capacity and concluded to propose reactivation of the Transfer of Density Program for application in association with new designations in Gastown, Chinatown, Hastings Street Corridor, and Victory Square (THD catchment area).

Financial Implications

The primary funding source for the HIP are development contributions allocated the Heritage Conservation Reserve (HCR) which was established in 2016 for citywide heritage conservation purposes. These include allocations from CACs collected within the Downtown District and the

West End (10% allocation), and citywide (5% allocation) and funding received from the purchase of Heritage Amenity Shares from Zoning District Schedules C-3A, C-5, C-5A, C-6, RM-5, RM-5A, RM-5B, RM-5C, RM-5D, and the Downtown Official Development Plan which allow the increase to the permitted floor area up to a maximum of 10% to be available through the purchase of amenity shares for heritage conservation.

Based on a 10-year outlook for development contributions it has been estimated that the \$18 million annually would be an attainable target that could support grant to six (6) to eight (8) conservation projects per year.

The 2019-2022 Capital Plan contemplated \$72 million of developer contributions for the Heritage Incentive Program (HIP) based. The 2019 HIP program budget included in this report will fund up to \$13,750,000 of grants under the HIP, each subject to Council approval. Future annual grants will be based on funding available in the Heritage Conservation Reserve and will vary annually depending on citywide development activities, including rezoning.

The 2019-2022 Capital Plan included \$1.2 million of City contributions for grants to the Vancouver Heritage Foundation (VHF) to implement the Heritage House Conservation Program (HHCP). The HHCP program implemented by VHF will be supported by an annual grant of \$300,000 to be brought forward as part of the annual capital budget process, a provision for 2019 was approved as part of the 2019 Capital Budget. The implementation of the program will require a new agreement between the City and VHF and annual reporting requirement for VHF. The 2019-2022 Capital Plan included \$1.2 million of City contributions for continuing support to the Heritage Façade Rehabilitation Program. Annual funding of \$300,000 will be brought forward as part of the annual Capital Budget process, a provision for 2019 was approved as part of the 2019 Capital Budget.

Legal Implications

Should Council approve an HIP grant, the applicant will be required to enter into an agreement with the City to ensure the continued maintenance of the conserved building. This agreement (Restoration Agreement or Heritage Revitalization Agreement in the cases where THD is considered) will be prepared by Legal Services and once finalized with the applicant, will be registered against title to the Property as a covenant under Section 219 of the Land Title Act. The agreement will require that the conservation work (including seismic upgrades) be supervised by a qualified heritage consultant, will contain the terms and conditions upon which the grant is to be paid and the THD allowed for transfer, if applicable, once the conservation work is complete. It will also require the owner of the property to keep the heritage building in good appearance and good repair after completion of the conservation work. Should the owner decide to further develop the site which received the HIP grant (but not the THD incentive) and by doing so potentially adversely affect the already conserved building, or the property becomes subject to a major redevelopment proposal within the period of fifteen years after completion of the conservation work, the full refund of the grant may be required. If the THD was made part of the incentive package/ compensation no further addition of density may be considered on the site.

The HIP grant will be issued and the transfer of heritage density allowed, if applicable, only after the agreement is registered on title to the property, the property is designated, the conservation work is completed in accordance with permits and associated agreements, the conservation plan is satisfactorily implemented, the Occupancy Permit is issued, and the owner has delivered to the City satisfactory proof of payment of the costs incurred in carrying out the conservation

work. No portion of additional density provided as compensation for heritage designation will be considered for transfer before the full completion of the project and Occupancy Permit issuance.

Should Council approve a façade grant application through the HFRP, the Applicant will be required to enter into an agreement with the City to ensure the continued maintenance of the restored/ rehabilitated façade. The procedure and conditions that apply for the processing of the Restoration Agreement for the HIP would apply to HFRP applications, except for the refund clause. The Restoration Agreement will be registered against title to the property for the period of 15 Years.

CONCLUSION

Proposed heritage incentives will provide comprehensive and financially sustainable heritage conservation support to the VHR listed resources citywide for an initial period 2019-2022. The three major components are:

- Heritage Incentive Program (HIP),
- Heritage Façade Rehabilitation Program (HFRP), and
- Heritage House Conservation Program (HHCP).

They were designed to accommodate a variety of building types, ownership, and tenure (including non-profit organizations), to complement each other, and to consolidate and improve the City's Heritage Conservation Program. Heritage incentive programs address a number of gaps identified in the heritage consultant study responding to the Heritage Action Plan directions. The proposed programs integrate well with other major City initiatives on environmental, cultural, affordable housing and economic plans. They advance the values-based community planning and encourage the city's diversity of community values.

One of the deliverables of the Heritage Incentive Program (HIP), the seismic upgrade of heritage structures is seen as an essential conservation procedure that would help protect both, citizens' lives as well as heritage structures. The HIP will disburse only funds that are actually available in the Heritage Conservation Reserve at the end of the previous calendar year. This will enable a sustainable and predictable program implementation. Funding for the other two programs (HHCP and HFRP) is secured through the 2019-2022 Capital Plan and approved annually through Capital Budget (approved for 2019). Participating HIP applications and associated incentives will be presented to Council for consideration and approval once a year. Staff will provide the program review report at the end of the initial 4-year term.

General Manager of Planning, Urban Design and Sustainability supports proposed three heritage incentive programs (HIP, HHCP, and HFRP) as well as the associated limited use of the Transfer of Density Program within the THD catchment area.

* * * * *

Heritage Incentive Program - Policies and Procedures - DRAFT

Last Update: January 25, 2019

1. Introduction

City Council approved the Heritage Incentive Program (HIP) to encourage the conservation of heritage designated buildings citywide. The program will be available for a 4-year period (2019 -2022) to owners of commercial and non-commercial privately owned buildings that meet program criteria. The HIP will provide grants to assist with heritage conservation cost to a maximum of 50% of the eligible cost, not to exceed \$4.0 million per property. In addition, transferable heritage density (THD) incentive may be available to eligible sites in Gastown, Chinatown, Victory Square, and Hastings Street Corridor as compensation for heritage designation. High level of retention, heritage conservation, and seismic upgrade are mandatory.

2. Background

In 2003, City Council approved a program of incentives to facilitate the conservation and rehabilitation of heritage buildings in Gastown, Chinatown, and the Hastings Street Corridor (Victory Square added later) - Heritage Building Rehabilitation Program (HBRP) and Heritage Façade Rehabilitation Program (HFRP). The HBRP expired at the end of 2015, whereas the HFRP continues to be available. In 2013, City Council approved the Heritage Action Plan (HAP) calling for a comprehensive review of the City's Heritage Conservation Program including heritage incentives. The HIP was developed in response to a citywide demand for a heritage conservation support and recognition of preservation of the city's heritage resources as an important public benefit. This document outlines policies and procedures for the HIP.

3. Participation

The city's heritage resources are rich with a diversity of building typologies, sizes, and uses, and represent a wide spectrum of community and heritage values. Owners of eligible properties throughout the city are encouraged to participate in the HIP. Privately owned commercial, residential, industrial, institutional, religious/spiritual, or mixed-use buildings, including those owned/operated by non-profit organizations, constructed primarily of unreinforced masonry that are listed on the Vancouver Heritage Register (VHR) and legally protected (by designation by-law) are eligible.

4. Goals and Objectives

The City's primary goal is to foster the retention, stewardship, and upgrading of the city's heritage resources by offering financial assistance to owners of eligible properties. The HIP provides grants to assist with heritage conservation construction costs, including seismic upgrades. In addition to grants, heritage properties located within the historic DTES (Gastown, Chinatown, Victory Square, and Hastings Street Corridor – former HBRP catchment area) that are currently not legally protected by heritage designation may be eligible for additional THD incentive as compensation for heritage designation.

The second goal is to support the City's other major initiatives and programs, including cultural, social, environmental, and economic. This is achieved through the conservation of heritage buildings with cultural use, Single Room Occupancy or social housing use, contribution to the City's sustainability targets by implementing "greener" conservation procedures (e.g. greenhouse gas emissions reduction targets, embodied energy retention, land field material reduction), maintaining the community's "sense of place" through preservation of unique historic character, nurturing a sense of communal continuity, and enhancing neighbourhoods' livability.

The third goal is the long-term protection of heritage resources through heritage designation, as well as meaningful and respectful conservation, including an adequate selection of adaptive uses where applicable. The following objectives are embedded within the three identified goals:

- a) citywide heritage incentives,
- b) quality heritage conservation,
- c) seismic/structural upgrades,
- d) retention and continued use of the entire structure,
- e) sustainable heritage rehabilitation practices,
- f) long-term protection for heritage resources.

5. Principles

5.1. Integrity and Continuity

An overarching heritage conservation principle adopted by this program is to conserve heritage value and character-defining elements of eligible heritage buildings in their existing or historic development form, preserving their built form, structure, exterior fabric, and in some cases use while discouraging unsympathetic alterations or inappropriate additions. It is important to emphasize that conserved heritage buildings critically contribute to the continuity of their respective historic streetscapes. Heritage conservation directly and positively contributes to a sense of belonging and enriched community living.

5.2. Adequate Level of Intervention

In addition to preservation as the primary heritage conservation approach, a restoration of character-defining elements that were lost in the past would be encouraged as part of a comprehensive conservation proposal for the site. Rehabilitation of a heritage building by adaptive re-use, or rehabilitation of its major components (e.g. reconfiguration of storefronts, rooftop addition, structure replacement or other major works) may also be considered. These are subject to a proper conservation approach and proposed changes not adversely affecting existing character-defining elements or heritage values. If a change of use is considered, the selection of appropriate use would be key to a successful rehabilitation, both from the perspective of future economic performance as well as the magnitude of intervention that could be triggered by it. Generally, adopting the historic use or maintaining existing use requires less physical intervention while triggering a lower level of Vancouver Building By-law (VBBL) upgrade requirements, compared to the choice of use that is new to the existing or originally intended design of the building. For these reasons, an aggressive rehabilitation approach may result in the project being ineligible for incentives under the HIP.

5.3. Sustainable Heritage Rehabilitation

Heritage rehabilitation is considered to be an inherently “green” procedure; moreover, the *sustainable heritage rehabilitation* directly contributes to achieving a variety of sustainability targets: cultural, social, economic and environmental. Heritage conservation is essential to creating and maintaining sustainable built environments and communities. Consideration of sustainability principles (environmental, cultural, social and economic) in combination with appropriate conservation procedures are strongly recommended when preparing heritage conservation proposals for places where a more intense level of intervention is proposed.

Traditionally, a majority of heritage buildings possess many sustainable design features as they reflect thoughtful design practices of the past. Some of them are floor layouts, orientation, passive heating and cooling design features and systems, structural assemblies, material selection, window assemblies, fenestration pattern, and façade solid-to-void ratio. These inherently sustainable features should always be identified and maintained throughout the conservation process wherever possible. Heritage conservation procedures should be developed to prevent

unnecessary loss of a building's inherently sustainable features, which are often unique and considered to be character-defining elements.

For more information see: "Building Resilience: Practical Guidelines for the Sustainable Rehabilitation of Buildings in Canada" by Federal, Provincial, and Territorial Directors of Culture and Heritage in Canada.

6. Incentives

6.1. Grant

The HIP provides grants, subject to Council approval pursuant to section 206(2) of the Vancouver Charter, to encourage private investment and financially assist with the cost of heritage conservation. The eligible grant is \$100 per sq. ft. of the total (gross) floor area of the building, limited to a maximum of 50% of the eligible heritage conservation construction costs (heritage premium cost). The maximum amount of a grant is \$4.0 million per property. The amount of grant varies depending on the size of the building and the proposed scope of conservation (see Sections 10 and 11). The only exception to the size rule may be a few of Vancouver's special heritage places (e.g. churches or large industrial buildings) that may have additional structural complexities and elaborate interiors/artifacts. These buildings may qualify for the maximum grant amount without qualifying under the total floor area criterion subject to meeting other HIP requirements and being listed in the Vancouver Heritage Register under the category "A". For a quick reference of the maximum amount of grant that may be available in relation to the size of the building and the qualified investment level (eligible cost) please see Table 1. The following are two examples of how to calculate the eligible grant amount:

1. For a building with a total floor area of 10,000 sq. ft., the maximum eligible grant would be \$1,000,000 (10,000 sq. ft. x \$100 = \$1,000,000) subject to the eligible cost being equal or higher than \$2,000,000. If the eligible cost is lower than \$2,000,000 (e.g. \$1,600,000) the grant amount would be adjusted to 50% of that lower amount which would result in a grant of \$800,000.
2. For a building with a total floor area of 35,000 sq. ft., the maximum eligible grant would be \$3,500,000 (35,000 sq. ft. x \$100 = \$3,500,000). To qualify for the full amount of eligible grant the eligible cost would need to be a minimum of \$7,000,000. If the eligible cost is lower than \$7,000,000 (e.g. \$5,000,000), the grant amount would be adjusted to 50% of that lower amount which would result in a grant of \$2,500,000.

Total Floor Area (sq. ft.)	Max. Eligible Grant (@ \$100 / sq. ft.)	Min. Eligible Cost (required for max. grant)
5,000	500,000	1,000,000
10,000	1,000,000	2,000,000
15,000	1,500,000	3,000,000
20,000	2,000,000	4,000,000
25,000	2,500,000	5,000,000
30,000	3,000,000	6,000,000
35,000	3,500,000	7,000,000
40,000	4,000,000	8,000,000
40,001 or more	4,000,000 capped	8,000,001 or more
"A" listed designated sites with additional complexity (e.g. churches) less than 40,000 sq. ft.	4,000,000	8,000,000

Table 1 – Maximum eligible grant in relation to building size and eligible cost

6.2. Transferable Heritage Density (THD)

Heritage properties located within the THD catchment area may be eligible for the optional THD incentive as compensation for any new or additional heritage designation of the property. This has been introduced as an option to compensate owners of newly designated heritage properties under section 595 of the Vancouver Charter, and to assist with the preservation of the historic character of the city's oldest urban areas, featuring historic buildings and streetscapes, saw-tooth profile, varied heights of existing built form, and a high level of historic continuity and physical integrity. These special urban environments are most consistently found in the historic areas of Gastown and Chinatown, the character area of Victory Square and along the Hastings Street Corridor (Table 2). The boundaries of the catchment area are consistent with those of the former HBRP area, to ensure continued support for heritage values identified by the DTES communities. The amount of transferable heritage density that may be provided as compensation will vary from site to site. In many cases, this may equal the difference between the maximum allowed density (floor space ratio - FSR) stipulated by the area's Zoning and the existing built density. The THD may not be available if the heritage conservation work is undertaken under the rezoning application or the property is already designated and no further designation is required.

Any transfer of heritage density provided as compensation for designation is subject to the property being designated as a protected heritage property and the owner entering into a Heritage Revitalization Agreement with the City, both of which will be subject to Council approval.

In addition, the City retains the right to not consider providing compensation in the form of transferable heritage density for sites that are found significantly underdeveloped (the existing FSR is less than 35% of allowed FSR) and where a compatible addition has not been considered as part of the proposal. The intent is to encourage redevelopment of severely underdeveloped heritage sites where opportunities for appropriately incorporated additions may exist, and would not adversely affect the site's heritage value or character-defining elements. This approach would also help to retain the associated economic potential within the DTES area.

Gastown: Unlike other areas, the City's Zoning By-law does not establish any density regulations in the historic area of Gastown. Instead, the HA-2 Zoning District Schedule sets a maximum building height of 75 ft., which generally applies when developing vacant sites or considering rooftop additions. If the site is occupied by a heritage building that is not legally protected, the planning policy would consider compensation for heritage designation in the form of a compatible one-storey setback rooftop addition, subject to not exceeding the height limit of 75 ft. The density resulting from a potential one-storey rooftop addition and/or rear/side addition on a vacant land, in some cases, would be used to establish the maximum FSR allowed. Owners would have a choice to use the additional density on site, as approved through the process of heritage conservation, or to claim it for transfer through the HIP application. Properties that currently meet or exceed the height limit of 75 ft. are considered fully developed and will not be eligible for the THD. Should the Zoning By-law change in future the updated FSR values would take precedence.

HIP - Transferable Residual Density Catchment Area

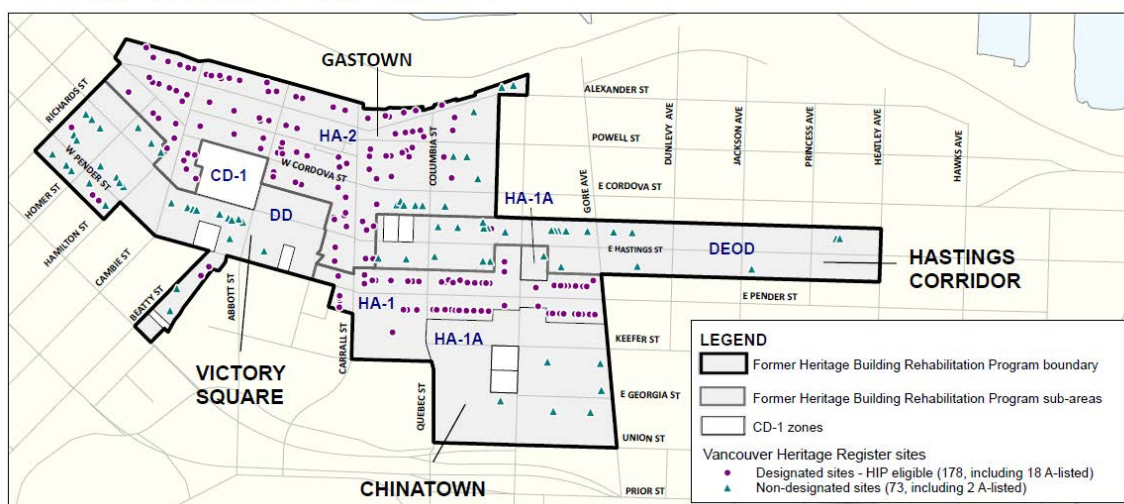


Table 2 – THD Catchment Area: Gastown, Chinatown, Hastings Street Corridor, and Victory Square

6.3. Zoning and Parking By-law Relaxations

Additional incentives consisting of zoning and parking by-law relaxations may be available if considered essential to securing quality heritage conservation. These are usually considered by the Director of Planning or Development Permit Board where strong heritage conservation rationale exists.

6.4. City of Vancouver Building By-law Alternate Compliance

For rehabilitation work on all existing buildings, including heritage, the City of Vancouver Building By-law (VBBL) requires a certain level of compliance. For heritage buildings undergoing a rehabilitation process, there may be some flexibility in order to accommodate the retention and conservation of a building's character-defining elements and heritage values, the VBBL offers an alternate compliance method to accommodate conservation efforts (for more information see Division B, VBBL 2014).

7. Eligibility Criteria

7.1. To be considered under the HIP, the application must meet the following eligibility criteria:

- 7.1.1. Buildings/sites must be listed on the VHR and legally protected by a heritage designation by-law. If not designated at the time of inquiry, the application may still be eligible subject to its designation prior to a development permit issuance. New designations within the THD catchment area will be eligible for transferable heritage density as compensation for the reduction in market value as a result of the designation.
- 7.1.2. Privately owned commercial (e.g. office, mix-use, rental residential, industrial, religious/spiritual and institutional) and non-commercial (e.g. strata residential use) properties, and buildings that are operated by a non-profit organization and managed under a long-term lease agreement (10 + years) with the City of Vancouver are eligible.
- 7.1.3. Buildings constructed primarily of unreinforced masonry (including when combined with heavy-timber post-and-beam, structural steel, unreinforced concrete, or other historic period structural assemblies) in need of seismic upgrade are eligible.
- 7.1.4. Those heritage properties that have already undergone seismic/structural upgrades that meet or exceed the current VBBL S3 structural upgrade level may be eligible if further

substantive upgrades are offered (e.g. fire-safety: sprinklers, seismic: enhanced S3 level, non-structural, accessibility or energy upgrades).

7.1.5. Buildings/sites that received City incentives through HFRP or have an active application for City incentives through other programs (e.g. cultural grants, economic revitalization grants etc.) may be eligible, except for the component of the work which was already incentivized.

7.1.6. Single-family and duplex dwellings, multi-family conversions, row-houses, and similar smaller building typologies that are primarily of wood-frame construction may be eligible through the Heritage House Conservation Program (see the HHCP Policies and Procedures) for more information.

7.2. The following section described the circumstances where buildings/sites may be ineligible for consideration under the HIP:

7.2.1. Buildings/sites that were redeveloped, rehabilitated, or rezoned, and received City incentives in some form (e.g. zoning and land use variances, density transfers, CAC credits, property tax exemption, or grants) in the past (through either HBRP, HRA, or a rezoning process).

7.2.2. Major redevelopment projects (either through the development permit or rezoning process) involving single or consolidated sites where eligible heritage resources are found, offering low retention levels of existing heritage structures and/or significantly altering heritage resources to accommodate new construction are ineligible for the HIP incentive.

7.3. The following requirements and conditions also apply:

7.3.1. The property owner must not be in arrears in payment of property taxes, or otherwise in contravention with City bylaws.

7.3.2. The applicant must comply with approved permits, heritage conservation standards, restoration agreement, design guidelines, policies, by-laws, or complementary standards and provisions that apply before grant funds will be released.

The City retains the right of ultimate approval throughout the review and the decision-making process.

8. Application Requirements & Process

HIP applications will be considered in two phases; pre-application and application phase. The approval of incentives is subject to City Council review and endorsement. Proposals will be received and processed annually, with the application cycle starting by end of September every year.

8.1. Pre-Application Phase (September – December)

The purpose of the pre-application phase is to provide public information, assist with inquiries, and engage those interested in participating. Property owners of eligible heritage buildings are invited to submit pre-application packages by end of the year, for the HIP consideration early in the following year.

8.1.1. Submission Requirements

To apply, the pre-application package consisting of the following documentation must be submitted:

a) HIP - Expression of Interest form featuring:

- A statement outlining how the proposal meets the HIP intent and eligibility criteria

- Statement of Significance (SOS) for the property
- Project rationale including the heritage conservation strategy outline
- b) Professional assessment of current building condition (structural/seismic /life-safety systems)*
- c) Early cost estimate to complete the heritage conservation scope of work

*Applicants are strongly encouraged to provide as much information as possible at this early stage, in particular, the structural /seismic and fire/life-safety assessment reports, and the heritage conservation strategy. Information collected at this stage will be used to finalize the selection process and short-list candidates. Incomplete submissions may be difficult to assess, would delay processing, or could be found ineligible.

8.1.2. Evaluation Process (January)

The pre-application evaluation process will determine eligibility and prioritize projects, particularly if the demand for incentives exceeds the annual HIP budget. Higher scoring proposals will have a better chance of proceeding to the application phase. The evaluation process will assess all participating proposals against the following five evaluation criteria:

8.1.2.1. Quality of heritage conservation:

- level of retention and conservation
- selection of use (the one that minimizes physical impact is favored)
- sustainable heritage rehabilitation approach

8.1.2.2. The proposed level of upgrades:

- verifiable seismic/structural upgrades are mandatory
- fire and life-safety upgrades are mandatory

8.1.2.3. Building/site is considered to be of special community importance where cultural, social, or housing uses comprise a significant part of their heritage values, and/or building/site is located within historic areas (e.g. Chinatown, Gastown) or character urban districts (e.g. Victory Square, Hastings Street Corridor, Powell Street, Granville Street).

8.1.2.4. The extent of deterioration or dysfunction (e.g. vacant or seriously underutilized for a prolonged period of time). The property which is intentionally neglected and where the owner may have not sufficiently responded to warnings or requests from the City to rectify issues may be considered ineligible for incentives.

8.1.2.5. Private/public capital investment ratio (eligible heritage conservation cost - private investment /eligible incentive - public investment. A higher level of private capital investment may yield favourable consideration under this criterion.

Evaluation will be completed by staff involved with the HIP implementation, consisting of the representatives of the following City departments:

1. Planning, Urban Design, and Sustainability Department – conservation review
2. Development, Buildings, and Licensing Department – seismic/building systems upgrade review
3. Real Estate and Facilities Department – financial review

The results of the evaluation review will consist of an evaluation score, an order of magnitude of potential incentive, as well as a recommendation to either “proceed”, “re-apply”, or “ineligible” for each of the participating projects. The final decision will be made by senior COV staff based on the evaluation score as described in Table 3.

	Evaluation Criteria	Item	Score per Item	Score per criterion
1	Conservation program	Retention Level	1	3
		Use Compatibility	1	
		Sustainable Rehabilitation	1	
2	Upgrade levels	Seismic / Structural systems	1	2
		Fire / Life-safety systems	1	
3	Contribution to other major City initiatives	Priority housing	1	3
		Cultural use	1	
		Within historic area	1	
4	Extent of deterioration	Vacant / seriously underutilized	1	1
5	Investment ratio	>2	1	1
	Total Score	10 out of 10	10	100%

Table 3 – Evaluation Scoring Sheet

Although the best effort will be made to accommodate all submissions, it is conceivable that not all of the projects would proceed to the Application Phase or receive the Council's support. Owners of the eligible projects that were not selected through the pre-application evaluation process will have the opportunity to re-apply in the following calendar year.

8.2. Application Phase (February – April)

Inquiries that successfully qualified through the pre-application evaluation process would proceed to the application phase where a complete set of documentation will be required, as follows:

- a) Heritage Conservation Plan, including:
 - Statement of Significance (for building and the area, if applicable)
 - Conservation Procedures
 - Sustainable rehabilitation rationale and procedures
 - Maintenance plan
- b) Structural/Seismic Assessment Report, with an upgrade proposal
- c) Fire & Life Safety Assessment Report, with an upgrade proposal
- d) Building Systems Assessment Report, with an upgrade proposal (only if proposed)
- e) The cost estimate by a Quantity Surveyor clearly identifying heritage conservation related costs
- f) Development Permit (DP) application documentation

Once the development permit application documentation is received (no later than May 1st of the current calendar year) it will be reviewed by staff and presented to the Vancouver Heritage Commission (VHC). Following the VHC review, the administrative report will be drafted and HIP applications will be presented to Council for consideration and conditional approval of incentives. If approved, and subject to all conditions that City Council may have, processing will continue, including permits processing and preparation of necessary legal agreements. The agreements should be registered on title and all required permits issued prior to the commencement of any construction and conservation work on site. It is expected that required development permits would be obtained by the end of the current calendar year, followed by the processing of building permits (Table 3). The application phase is time sensitive and would require the full cooperation of all parties involved, including applicants and consultants.

Note: Heritage buildings located on sites involved in a rezoning proposal may also be considered for heritage incentive (grant only) subject to compliance with HIP requirements. In this case, financial assistance for onsite heritage conservation may come in the form of approved heritage premium costs or the total HIP grant amount factored into the pro forma and would be subject to a maximum

amount as per the HIP criteria, reflecting the size of the building and the quality of the proposed heritage conservation work.

9. Budget

The budget for the HIP is secured primarily by the CAC heritage allocations collected citywide through rezoning activities. A percentage of the total CAC amount is allocated to the Heritage Conservation Reserve (HCR) for processing and distribution through the HIP. Given the diversity of heritage resources, applications of varying complexity levels are expected. Approximately six (6) to eight (8) applications are anticipated annually. The funding required to support this level of heritage conservation activities is projected to be \$18 million annually. The actually available funding may vary from year to year subject to citywide rezoning activities and the CAC payments received.

Important: The HIP will only use the funding that is actually available in the HCR. This may affect the number of annual applications that could be processed or the number of incentive packages offered and may necessitate evaluation procedure to short-list applications (Section 8, Table 3).

10. Eligible Cost

Heritage conservation construction costs and associated professional fees are eligible for consideration. For the purpose of the HIP, the heritage conservation construction cost is defined as the construction cost associated with the conservation work identified by the approved conservation plan and closely defined by its heritage conservation procedure. In addition, the following professional documentation costs are eligible: consultant fees to conduct heritage evaluation and develop the SOS, conservation plan, structural report to assess physical condition / seismic capacity of the building and create an upgrade proposal, other professional assessment reports as the case may be, and quantity surveyor's cost. An estimate prepared by a quantity surveyor is required and will be subject to verification and approval by the COV Real Estate Services. Costs related to any new construction on site (addition), land/building acquisition, contingency, financing fees, developer's profit and similar, are ineligible.

The professional fee cost claim should not exceed 10% of the total submitted eligible cost and cannot be claimed (refunded) should the application receive no support from staff or Council. The cost claimed for seismic/structural and other VBBL upgrades should not exceed 50% of the total eligible cost claimed.

The HIP will provide financial assistance to qualified applicants, as follows:

- \$100 per sq. ft. of the total floor area, up to 50 % of the eligible cost (see Section 6)
- Up to \$4.0 million per building /site, depending on the size and complexity
- If the site/project involves two (2) or more heritage buildings they will be assessed independently.

11. Eligible Work

To be eligible for HIP incentives, the proposed scope of work must meet the following requirements:

- Retention, conservation and the continued use of the building.
- Heritage conservation including but not limited to the conservation of the exterior and interior (as the case may be) architectural features, materials and finishes, seismic and structural upgrades, life-safety building system upgrades. Other building system upgrades may be eligible.

Major re-development projects, offering low retention levels of an existing heritage structure while significantly altering heritage resource (e.g. facade only retention or major addition to the building resulting in removal, or severe structural alterations) may not be eligible.

12. Additions

A compatible one or, in some cases, two-storey setback roof-top addition may be considered if additional height or floor area (density) meet the applicable zoning requirements.

Heritage buildings of up to three (3) storeys may be considered for a one-storey setback rooftop addition. Buildings with four (4) or more storeys may be considered for up to two-storey rooftop setback addition, subject to meeting other architectural, urban design and planning requirements (e.g. height or density limits), as well as the building's structural capacity to carry additional load without triggering removal of existing structure or major structural replacement. Where a proposed rooftop addition could result in the removal or replacement of primary structural components or addition of significant new structural elements adversely affecting existing heritage value (both interior or exterior), the rooftop addition may be limited to a more appropriate level (reduced height), denied, or may result in the project becoming ineligible for incentives.

Side or rear additions may be considered, on a site-specific basis, subject to land availability, its impact on the existing heritage resource, and architectural and urban design considerations. Construction costs related to new additions are ineligible for the purpose of the HIP. This principle also applies to potential rezoning sites occupied by a heritage building.

Severely underdeveloped sites (less than 35% of allowed density) within the THD catchment area may be required to consider further on-site development (rooftop, rear, or side addition) in order to become eligible for the optional THD incentive.

For additions to be considered, high levels of architectural and urban design excellence, as well as adherence to heritage principles of integrity, compatibility, and distinguishability must be demonstrated.

13. Retention Limited to Building Façade(s)

Façade-only retention (facadism) is not considered a heritage conservation procedure and thus a proposal based on this approach will be ineligible for HIP incentives.

Note: In a case where a significant portion of the heritage building was lost to a fire or earthquake, or otherwise found deteriorated beyond repair, the façade-only conservation scope of work may be supportable and eligible for a façade grant incentive through the Heritage Façade Rehabilitation Program (HFRP).

14. Seismic/Structural and other VBBL Upgrades

Seismic/structural, life-safety, and other building systems upgrade requirements will be carefully assessed through the application process to ensure an effective yet appropriate level of upgrade. Although it is not expected that the proposed heritage conservation project will always meet 100% of the Vancouver Building By-law (VBBL) or other applicable by-laws, substantive, tangible, and verifiable upgrades to the existing structure and its building systems are required. Each building is unique and may require its own solutions. Generally, overall upgrade levels should meet the following Major Renovation expectations: seismic and structural upgrades (enhanced S3), life-safety building system upgrades (F2 including sprinklers), conservation of exterior (N3), and energy (E4). Note: new additions may trigger a higher level of compliance with the VBBL requirements (S4, F4, N4, A4, and

E6) and potentially adversely affect heritage conservation efforts, ultimately resulting in a non-support for incentives.

The level of upgrade requirements will depend on a building's condition at the time of application and would be determined on a case by case basis. Both the assessed level of current condition and proposed level of upgrades must meet the requirements of the Chief Building Official and the Director of Planning. Heritage buildings that are primarily made of unreinforced masonry (often involving heavy timber, steel or concrete assemblies as well), that have not been seismically upgraded in the recent past (25 or more years), and are currently not subject to a major reconstruction proposal (rather, undertaking a sensible heritage conservation approach), may be eligible for VBBL heritage relaxations. Worth mentioning is sprinkler system installation, which provides a significant improvement to life safety and asset protection while also allowing building code relaxations for heritage buildings. If the scope of work entails a major occupancy change, property strata titling or significant new addition, the proposal must meet the VBBL requirements (achieve full upgrade).

Structural/seismic, life-safety, and other building systems assessment reports are required at the pre-application stage, identifying the current condition, assessing it against the VBBL, and proposing upgrades for consideration. The proposed scope of work would need to be clearly described, itemized, and quantified, as this information would also be used to establish the project cost.

Upgrades to mechanical, electrical, or plumbing building systems, although desirable, may not be considered eligible for the incentive if determined that the replacement was due as a regular capital upgrade or excessively deteriorated due to lack of appropriate maintenance.

15. Legal

Should Council approve the application, the applicant will be required to enter into an agreement with the City to ensure the continued maintenance of the conserved building. This agreement (Restoration Agreement or Heritage Revitalization Agreement in the cases where THD is considered) will be prepared by Legal Services and once finalized with the applicant, will be registered against title to the Property as a covenant under Section 219 of the Land Title Act. The agreement will require that the conservation work (including seismic upgrades) be supervised by a qualified heritage consultant, will contain the terms and conditions upon which the grant is to be paid and the THD allowed for transfer, if applicable, once the conservation work is complete. It will also require the owner of the property to keep the heritage building in good appearance and good repair after completion of the conservation work. Should the owner decide to further develop the site which received the HIP grant (but not the THD incentive) and by doing so potentially adversely affect the already conserved building, or the property becomes subject to a major redevelopment proposal within the period of fifteen years after completion of the conservation work, the full refund of the grant may be required. If the THD was made part of the incentive package/ compensation no further addition of density may be considered on the site.

The grant will be issued and the transfer of heritage density allowed, if applicable, only after the agreement is registered on title to the property, the property designated, the conservation work completed in accordance with permits and associated agreements and the conservation plan satisfactorily implemented, the Occupancy Permit issued, and the owner has delivered to the City satisfactory proof of payment of the costs incurred in carrying out the conservation work. No portion of additional density provided as compensation for heritage designation will be considered for transfer before the full completion of the project and Occupancy Permit issuance.

16. Completion Procedure

Heritage conservation work contemplated under the HIP incentive application must be completed within a period of three (3) years from the date of the legal agreement being registered on title. A

development permit may not be issued unless a legal agreement is in place (registered). If not completed within the three-year (3) time frame as described, no further extension will be granted and the applicant will not be able to claim the HIP incentives even if the project is subsequently completed. In the case where special strenuous circumstances have unexpectedly affected the project's timeline, a one-year (1) extension may be considered. To receive a one-year (1) extension, the applicant would need to apply within the initial three-year (3) term and provide sufficient evidence for consideration. The completion date is the date of an Occupancy Permit issuance.

17. Grant Release Procedure

The grant is claimed by the applicant by submitting a Letter of Completion stating the completion status of all construction work including heritage conservation, implementation of the conservation plan, compliance with the Legal Agreement registered on title, and confirmation of the issuance of the Occupancy Permit. In the enclosure, the applicant should submit the following documentation:

1. Project Completion Status Report prepared by the heritage consultant and endorsed by the property owner,
 2. Financial Statement Summary, including an itemized summary of payments prepared by a quantity surveyor, clearly identifying and counting only costs related to the approved heritage conservation scope of work. Copies of all related invoices should be made available for review.
 3. Copy of the Occupancy Permit,
 4. Financial information for grant disbursement
- (Note: Funds will be disbursed electronically).

Upon receipt of the Letter of Completion, staff will conduct a site visit to verify the project status as reported. The site visit will be conducted by the Heritage Consultant who supervised the work, the owner or its representative (usually General Contractor or Architect), and the City's representative (usually the Heritage Planner). Staff will also review submitted financial statements to determine the final project cost and confirm the incentive amount in accordance with HIP procedures and the legal agreement.

Upon successful completion of the site visit, a review of the submitted financial statement and subject to all other HIP requirements being met, the City staff will initiate release of the heritage grant payment.

Should it be found that the conservation work has not been completed as agreed or the required documentation not filed as requested, the City would retain the right to not issue incentives until all requirements have been met, or to reduce the grant payment accordingly. During the process of verifying and adjusting the grant, the City may ask for additional information and retains the right to a final decision on the matter. Only after all of the above has been completed to the full satisfaction of the City, the incentives including the THD would become available.

* * * * *



HERITAGE INCENTIVE PROGRAM (HIP)

Application deadline:

EXPRESSION OF INTEREST FORM

TO BE CONSIDERED, EXPRESSION OF INTERESTS MUST:

- be received by the Heritage Group - Planning, Urban Design, and Sustainability Department by the deadline of **4:30 pm, December 21, 2019;**
- be submitted electronically with signatures OR one signed hard copy; and
- be complete with responses to each question and the required documentation attached. For more information, please refer to the *Heritage Incentives Program Policies and Procedures*.

Incomplete Expressions of Interests will not be considered.

Submitted Expressions of Interest will be evaluated to determine eligibility and prioritized. Successful applicants will be invited to complete the application process and submit further detailed documentation. Qualifying applicants not selected this round may re-apply the following calendar year.

Please note: The text boxes in this form are expandable to allow for complete responses.

A. IDENTIFICATION OF APPLICANT

Click here to enter text.

1. Name of applicant (if non-profit, as filed with BC Registrar of Societies)

Click here to enter text.

2. Name of building owner(s)

Click here to enter text.

Click here to enter text.

3. Contact person and title

Telephone

Click here to enter text.

Click here to enter text.

4. Mailing address

E-mail address

Click here to enter text.

Click to here enter text.

City

Postal code

B. HERITAGE BUILDING INFORMATION

Click here to enter text.

5. Name of building

[Click here to enter text.](#)

6. Building street address

7. Is the building on the Vancouver Heritage Register?

☐ Yes ☐ No

8. Is the building legally protected (designated) as heritage?

☐ Yes ☐ No ☐ Applying for designation

9. Has the building/site received or is currently receiving City of Vancouver incentives, including grants, zoning and other variances, density transfer, Community Amenity Contribution credits, property tax exemptions, etc.

☐ Yes ☐ No

If yes, please indicate the year(s), amount(s) and details of incentive(s) received.

[Click here to enter text.](#)

10. Is the building primarily constructed of unreinforced masonry?

☐ Yes ☐ No

If no, please describe the building construction.

[Click here to enter text.](#)

11. Does the building meet or exceed the Vancouver Building By-law design upgrade level S3?

☐ Yes ☐ No

12. Building tenure

☐ Private ☐ Public*

If publically-owned, length of lease agreement with the City of Vancouver:

[Click here to enter text.](#)

* Provincially or federally-owned buildings are ineligible.

C. PROJECT INFORMATION

13. Please describe how your proposal meets the intent and eligibility criteria of the HIP. For more information, please refer to the *Heritage Incentive Program Policies and Procedures*.

[Click here to enter text.](#)

14. Please provide a project rationale summarising the scope of work.

[Click here to enter text.](#)

EXPRESSION OF INTEREST SUBMISSION CHECKLIST

15. Please ensure that your Expression of Interest includes:

☐ Completed and signed Expression of Interest form *Note: Applicants are strongly encouraged to*

- ☐ Statement of Significance
- ☐ Heritage Conservation Strategy outline
- ☐ Cost estimate for Heritage Conservation Scope of Work
- ☐ Professional assessment report of building physical condition (seismic /structural and life-safety)

provide as much information as possible at this early stage, in particular, the structural /seismic and fire/life-safety assessment reports, and the heritage conservation strategy. Information collected at this stage will be used to finalise the selection process and short-list candidates.

D. SIGNATURES

I certify that, to the best of my knowledge, the information provided in this Expression of Interest is accurate and complete. If submitted on behalf of a building owner, I certify that this Expression of Interest is endorsed by the building owner I represent. If submitted by a non-profit organisation, we certify that this Expression of Interest is endorsed by the organisation which we represent.

Signature of applicant or building owner

	Click here to enter text.	Click to enter text.
Signature	Title	Date (DD-MM-YYYY)
Click here to enter text.		
Name		

FURTHER INFORMATION

For additional information on the Heritage Incentive Program, please visit: **vancouver.ca/HeritageIncentiveProgram** or contact **3-1-1**.

Please carefully review the *Heritage Incentives Program Policies and Procedures*.

EXPRESSION OF INTEREST DEADLINE:
----- AT 4:30 PM

ELECTRONIC SUBMISSIONS

Please complete the online form and submit pdfs of required documentation:
vancouver.ca/HeritageIncentiveProgram

HARD COPY SUBMISSIONS

Please submit a signed hard copy of this form with required documentation to:

***Heritage Group – Planning, Urban Design, & Sustainability Department
City of Vancouver, Development & Building Services Centre
515 West 10th Avenue,
Vancouver, B.C. V5Z 4A8***

* * * * *



HERITAGE HOUSE CONSERVATION GRANTS PROGRAM

The Heritage House Conservation Grants Program will complement other incentives for heritage conservation provided by the City of Vancouver. The program aims to assist individuals and organizations who are interested to conserve and restore historic places in the city of Vancouver, contributing to sustaining and augmenting the public benefits that heritage places bring to the neighborhoods and communities of Vancouver. The proposed program will build on the conservation grants offered by the Vancouver Heritage Foundation since 1999 with the funding and resource to support more projects and greater visibility.

1. Objectives

- Incentivize an increased level of conservation, restoration, and rehabilitation of historic buildings and structures, leveraging private investment.
- Guide appropriate and high-standard heritage conservation work.
- Support retention and rehabilitation that otherwise may not be easily financed.
- Provide added incentive for designation / protection of Heritage properties and addition of properties to the Register.

2. Strategy

Provide meaningful, consistent support to small and medium conservation projects for buildings and structures listed on the Vancouver Heritage Register.

Encourage more and better conservation with a visible, sustainable program.

3. Description

A Heritage Fund will be established that will provide long-term commitment and stability for the program. The Heritage Fund, funded by the City of Vancouver and managed by Vancouver Heritage Foundation, will support a Conservation Grants program offering matching grants to buildings, structures and sites on the Vancouver Heritage Register (or with a high degree of heritage integrity and potential for addition to the Register). The grants will support a wide variety of heritage conservation planning and intervention projects. The fund will have flexibility to allow VHF to provide larger grants to projects where warranted. The fund will aim to support individual and community efforts to retain and restore a diverse range of heritage places.

Grants will fund a maximum of 50% of the eligible project costs and be offered on an annual cycle. The maximum grant will range from \$2,000 to \$25,000 depending on the type of project and ownership type of the site as well as whether it is legally protected from demolition.

The program will be managed by Vancouver Heritage Foundation, a registered charity with experience in developing and managing grant programs since 1999. VHF staff will develop the details of the program for launch, promote the program, review and process applications, assist the public with inquiries about the program and their projects, gain expert input to prioritize applications and award appropriate levels of support to projects. The VHF Board of Directors will review and approve all grants offered to further ensure alignment with the strategic goals of

the program. VHF will also engage with a granting committee to access further expertise as needed to assist in the evaluation of applications and guide projects. VHF staff will monitor progress of projects and review completed projects before grant funds are released.

The program will be directly promoted to all sites on the Vancouver Heritage Register as well as to the wider public. Communications will aim to ensure owners are aware of the program to maximize the benefit of the program in motivating conservation work.

4. Eligibility

Sites:

Eligible sites would include:

- Buildings –
 - House typologies and similar scale structures of primarily wood-frame construction
 - Components of other types of buildings critical to the heritage value, for example, the porch or façade elements of a large building that does not qualify for other support
- Monuments
- Structures
- Other Historic Resources, for example landscape structures / features, historic signs

The property must be located within the boundaries of the City of Vancouver, and listed on the Vancouver Heritage Register, in the process of being added to the Register, or will apply for and be added to the Register before completion of the grant.

The building or structure must possess heritage integrity i.e. substantial level of heritage fabric and features. This will be evaluated by VHF staff, Granting Committee and Board of Directors as part of the application process.

Ownership / Responsibility:

The following types of ownership would be eligible to apply for the program:

- Private owner
 - Individual(s)
 - Strata corporation (if primarily wood frame structure)
- Registered non-profit society or federally registered charity (including a society with a long-term lease (minimum 10 years) in a municipally-owned building with responsibility for the structure)
- Self-governing First Nation

Project type:

A wide variety of conservation work could be supported by the program, within the following categories:

- Preservation

- Restoration
- Rehabilitation
- Planning

Not eligible: Projects that are part of a larger commercial development that would have access to other incentive programs or subject to a Heritage Revitalization Agreement (HRA). Properties designated through an HRA would be eligible to access the program after a period of time, proposed to be 10 years.

5. Eligible Work

Grants will be applicable for:

- Exterior heritage elements on buildings and landscape features / monuments
- Designated (protected) heritage interior elements
- Structural, envelope and infrastructure work that is essential to ensuring the longevity and continued use or reuse of the structure.
 - o For example, roofing, foundation repair / renewal, rainwater management, structural stability.
 - o For larger grant awards, consideration of improving seismic resiliency will be expected.
- Accessibility and other work can also be considered where directly related to the conservation of the structure.

There will be two main categories of grant:

Planning

- Preparation of a conservation plan
- Preparation of a maintenance plan
- Heritage evaluation and Statement of Significance to apply for addition to the Register

Intervention

- Preservation, Restoration, Rehabilitation of exterior heritage elements (or designated interior)
- Structural rehabilitation and seismic upgrading
- Sustainable retrofits to reduce carbon emissions or improve comfort and directly related to preserving eligible heritage elements
 - o For example, the addition of interior or exterior storm windows for historic windows
- Restoring a historic colour scheme to the exterior of a building, including identification of the original or appropriate scheme, and using good conservation practice in preparation and application.

Eligible costs will include materials, labour and professional fees.

Properties applying for a grant to assist with research and documentation to apply for inclusion on the Register will be eligible for the Planning phase grant.

A building or structure that is not legally protected from demolition (through Designation, Heritage Covenant, or Scheduling in a Heritage Conservation Area) can receive a grant for Intervention activities. However, for a grant above an established threshold, the owner(s) will be required to sign a legally-binding agreement to repay the grant to Vancouver Heritage Foundation in the future if the structure or the part of the structure that the grant was applied to is demolished – likely in the form of a charge on title that will expire after a certain period of time (proposed to be 15 years). The agreement will also apply to subsequent owners of the building.

6. Grant Size

The program will provide a matching grant of up to a maximum of 50% of eligible costs and typically in the range of 35% - 50%.

Designated (legally protected) Heritage buildings and structures will be eligible for a higher value of grant as indicated in the table below.

	Maximum grant available (up to 50% of eligible project costs)			
Ownership type / protection:	Private ownership	Private ownership - Designated (legally protected)	Non-profit ownership	Non-profit ownership - Designated (legally protected)
Planning	\$2,000	\$2,000	\$3,000	\$3,000
Intervention	\$7,500	\$10,000	\$10,000	\$25,000
5 year maximum per site	\$20,000	\$25,000	\$30,000	\$70,000

Maximum grant funds provided to an individual site during any five-year period will be established, indicated in the table. Designated properties will have a higher maximum. This recognizes that different owners and sites have differing conservation needs and financial ability to proceed so the program can offer flexibility over multiple years to incentivize and support projects.

7. Anticipated Participation

If the program is fully promoted to eligible properties and sites, it is anticipated that at least 30 – 50 applications to the program will be received each year.

It is anticipated that participation will be significantly higher than that currently seen for Vancouver Heritage Foundation's existing conservation grant programs. VHF currently receives 10 – 18 applications each year. Awareness among owners of properties on the Heritage Register is limited due to lack of budget for promotion. The small grants available currently are insufficient to motivate applications or conservation work in many cases.

8. Process

An initial phase of program development will include developing detailed terms and conditions, application forms, agreements, program information and communications. Once established, the annual granting cycle will include:

- Program promotion
- Application
- Additional information requested
- Review by Committee; Recommendation to VHF Board of Directors
- Board approval
- Communication to applicants including information and requirements
- Agreement between VHF and applicant including note on title for larger grants
- Monitoring of progress; Support to grantees; Signage at site
- Completion and submission of documentation for VHF review; Site visit if appropriate; For larger projects, these can be completed and grant paid in stages.
- Confirmation and payment of grant
- Documentation throughout
- Annual reporting to City of Vancouver of applications, grants awarded, and funds used.

9. Evaluation Criteria

Vancouver Heritage Foundation already has established guidelines for the existing Conservation Grants program that assist VHF staff and the volunteer Granting Committee (expert review committee) in making recommendations for grant amounts and project recipients to the VHF Board of Directors. The proposed grant program will build on these to ensure grants are awarded in line with the objectives of the program and to maximize the effectiveness of investment.

Work must be completed in accordance with *The Standards and Guidelines for the Conservation of Historic Places in Canada*.

The following criteria will provide guidance for prioritizing applications to be funded:

- Projects that are ready to proceed in the year of application and likely to be completed.
- Commitment to conservation: The building, structure or site is well-maintained or there are plans for a high standard of conservation and repair for dilapidated / compromised buildings.
- Projects most in need of support or incentive to proceed.
- Vulnerable projects in urgent need of stabilization.
- Visibility of the project where the public benefit can be most appreciated.
- For painting, projects most likely to accept a historic paint scheme.

10. Resources Required

The program will be developed, launched and managed by Vancouver Heritage Foundation staff. VHF will create a Grants Officer or equivalent position, estimated at 4 days per week for this program. The Executive Director will also be involved in overseeing the development and management of the program, along with VHF Communications Manager (and/or external resource) for promotion of the program.

- *One time:*
 - Program development and launch (VHF, City of Vancouver, Volunteer committee)
- *Annual; Ongoing:*
 - Program management, evaluation and reporting (VHF)
 - Expert review committee (Volunteer committee)
 - Program promotion (VHF and City of Vancouver; Printed materials & advertising)
 - Grants to projects (Fund)

Unused grant funds will be carried over so that the program can respond to changes in demand from one year to the next. However, if the proposed carry-over amount exceeds 40% of the grant amount disbursed to VHF for the previous year, the amount over 40% will be deducted from the next year's grant amount.

About Vancouver Heritage Foundation

Vancouver Heritage Foundation promotes the appreciation and conservation of our city's historic places for current and future generations.

VHF does this by creating opportunities and resources to learn about Vancouver's history and heritage places, and providing practical support for the successful conservation of historic buildings and sites.

Established in 1992, VHF is funded by grants, donations, program revenues and an annual operating grant from the City of Vancouver.



11. Draft Budget:

DEVELOPMENT AND LAUNCH (2019):

VHF Staff and office costs:		
Project management, development:	\$6,000	
Mandated Employer Costs, Benefits:	\$ 600	
Expert Review Committee:		20 Volunteer Hours
Materials Design, Launch Communications:		
VHF Staff time	\$2,400	
Mailing, promotional materials	\$3,000	
Signage printing	\$3,000	
Total Development and Launch:	\$15,000	
VHF contribution:		\$1,800
City of Vancouver funding:	<u>\$13,200</u>	
Development Funding Required (2019):	<u>\$13,200</u>	

ANNUAL PROGRAM MANAGEMENT (2019-):

VHF Staff* and office costs:		
Wages:	\$56,000	
Mandated Employer Costs, Benefits:	\$5,600	
VHF supervision, office:	\$8,000	
*Assumed at 4 days per week, permanent; subject to annual increases		
Expert Review Committee:		40 Volunteer Hours
Communications:	\$5,000	
Online, print, mail-out, media, signage		
Total Annual Program Management:	\$74,600	
VHF contribution (amount over \$70,000):	\$4,600	
City of Vancouver funding:	<u>\$70,000</u>	
Annual Grant Funds:	<u>\$230,000</u>	
Annual Funding required:	<u>\$300,000</u>	

(Costs based on 2018/19). Increases for subsequent years should be planned in).

HERITAGE FACADE REHABILITATION PROGRAM POLICIES AND PROCEDURES - DRAFT

*Adopted by City Council on July 10, 2003
Amended July 29, 2003, July 19, 2005 and March 12, 2019*

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1 Introduction

City Council has approved a program of incentives to facilitate the conservation and rehabilitation of heritage building principal facades citywide. The program will be available for a 4-year period (2019-2022) to financially assist owners or tenants of Vancouver Heritage Register listed buildings for conservation work and seismic stabilization of principal facades and/or its significant components. This document introduces the Heritage Facade Rehabilitation Program (HFRP) Procedures.

For information on the other City's incentives available, refer to the documents Heritage Incentive Program (HIP) and Heritage House Conservation Program (HHCP). Applications for Facade Grants must be independent from applications seeking other incentives. However, applicants may apply for more than one program on a coordinated basis. Owners who apply for the facade incentive are eligible to apply for the HIP incentives at a later date, except for the scope of work already incentivized through the HFRP.

The City strongly recommends that applicants consult with City staff, to review the proposal and submission requirements, before applying for incentives. The City also notes that in case where federal or provincial heritage incentives are sought for the same scope of work they will be applied before the municipal incentive programs and the funding available from the City of Vancouver will be decreased accordingly.

2 Principles

In preparing the methodology to determine heritage incentives, staff applied the following guiding principles:

- **Balance between objectivity and accuracy** – The methodology and assumptions used for calculating heritage incentives are designed to best approximate actual costs and values, while at the same time have, as much as possible, been selected to be objective and consistent over time and across projects, as well as readily accessible to all participants.
- **Equal treatment of equals** – All applicants and applications will be treated in the same manner in terms of the application process and incentive calculations.
- **Negotiated process with City having ultimate approval** – The scope of the project being submitted for a heritage incentive and all cost estimates submitted by the applicant as part of the application process will be reviewed by City staff, and may have to be revised so that City staff ultimately agrees with them in terms of accuracy, reasonableness, and economic and program viability.

3 Facade Rehabilitation Grant Program Budget

A total of \$1.2 million will be available for façade grants over the four-year term of this program (2019-2022). City Council has approved \$1.2 million in the City's current Capital Plan, in allotments of \$300,000 annually.

This program is available to assist owners and tenants with the costs of rehabilitating heritage building facades. The program covers 50% of costs up to a maximum of \$50,000 per principal

facade. A principal facade faces onto a primary street. The City deems buildings on corner sites to have more than one principal facade, and owners and tenants may apply for a grant for each principal facade. Tenants may apply for funding with written consent of the owner. The objective is to enhance the exterior historic appearance of buildings in a manner that is sympathetic to the heritage character of the area and to encourage economic revitalization opportunities. A priority for this program is the rehabilitation of ground floor spaces (storefronts) for active uses such as retail and restaurants, and the seismic stabilization of cornices, parapet walls and other projecting façade components.

4 Eligible Work

Mandatory scope of work includes ground floor storefront conservation, and seismic stabilization of major projecting architectural components (cornices, parapets, historic signs). Other eligible work includes conservation of building envelop materials (e.g. brick, stone, wood), windows, doors, various exterior architectural features, historic signs and awnings, and architectural lighting on principal facades. Additional eligible heritage conservation work may include the cleaning, repair and maintenance of a building exterior and appropriate new design (restoration or rehabilitation work). Seismic stabilization of the cornice, parapet walls and other major projecting components is mandatory, unless confirmed by a Professional Structural Engineer to be in structurally sound condition.

The Chief Building Official (CBO) considers the conservation and repair of existing exteriors to restore them to their original condition, including safety or building envelope issues, as voluntary improvements and would not trigger additional upgrading requirements. Typically, the replication of a heritage facade and new storefronts, designed in a manner consistent with design guidelines, does not trigger upgrades either. However, the CBO will assess each application on a case by case basis to check that they do not create accessibility or water leakage problems and that any unsafe conditions are met. Applicants should review proposals with the CBO at an early stage.

5 Eligibility Criteria

- Privately owned commercial and non-commercial (including non-profit operated) constructed primarily of unreinforced masonry, citywide.
- Buildings listed on the Vancouver Heritage Register are automatically eligible. Council may add buildings to the Register if they meet the City's evaluation criteria.
- To receive grants, properties must be subject to a covenant under section 219 of the Land Title Act that relates to the conservation of heritage property as specified by sec 206(2) of the Vancouver Charter.
- The property owner must not be in arrears in payment of property taxes.
- The applicant must complete the work in accordance with the approved permit, and must comply with all heritage conservation standards, design guidelines, policies, bylaws or complementary standards and provisions that apply before the City disburses any grant to the applicant.
- The City will not consider retroactive funding for work completed prior to submission of the grant application.

6 Application Requirements

Applications must include:

- a completed application form
- a cover letter describing the proposed work
- Statement of Significance for the building
- Conservation Plan outlining conservation procedures
- architectural drawings and coloured renderings accurately describing the existing condition and proposed work
- a minimum of 3 competitive cost estimates of the proposed work

In addition to these criteria, the City may require further historic research, engineering, or other studies in support of the application. Standards and Guidelines for the Conservation of Historic Places in Canada apply in preparation of the conservation plan. Applicants are responsible for providing any further information the City may require to determine the cost of proposed work and incentive amount.

7 Application costs

The costs of preparing and submitting an application, including any consultant fees, are the sole responsibility of the applicant. The applicant may apply to recover such costs as part of the incentives; however the City will only approve such recovery for successful applications.

8 Application consideration and evaluation criteria

The City will use the following criteria to evaluate applications:

- level and quality of heritage conservation work proposed
- seismic stabilization work proposed
- rehabilitation of ground floor for active uses
- relationship of building to groupings of heritage buildings
- compliance with design guidelines, conservation standards and principles, and by-laws
- amount of incentive being sought as a proportion of capital investment (the City will consider more favourably those projects proposing a higher level of private investment).

The City will complete its review of the application, and determine the value of any heritage incentives it decides to provide concurrently with its review of a development permit application. All applications will be carefully considered, but will not necessarily receive incentives at all, or to the level being requested.

City Council must approve all grants by a 2/3 majority.

The City will also require registration against title of a covenant, easement, and/or statutory right of way, to ensure continued maintenance of the restored/rehabilitated façade for the period of 15 years. Such covenant, must be in form and substance, and with registered priority that is, satisfactory to the City.

9. Completion Procedure

Heritage conservation work contemplated under the HFRP application must be completed within a period of two (2) years from the date of the legal agreement being registered on title. A development permit may not be issued unless a legal agreement is in place (registered). If not

completed within the two-year (2) time frame as described, no further extension will be granted and the applicant will not be able to claim the HFRP incentive even if the project is subsequently completed. In a case where special strenuous circumstances have unexpectedly affected the project's timeline, a one-year (1) extension may be considered. To receive a one-year (1) extension, the applicant would need to apply within the initial two-year (2) term and to provide sufficient evidence for consideration. The completion date is the date of an Occupancy Permit issuance, or if not applicable, completion of related construction.

10. Grant Release

The grant is claimed by submitting a Letter of Completion stating the completion status of all construction works including heritage conservation, implementation of the conservation plan, compliance with the Legal Agreement registered on title, and confirmation of the issuance of the Occupancy Permit, if applicable. In the enclosure, the applicant should submit the following documentation:

- Financial Statement Summary, including an itemized summary of payments made, clearly identifying and counting only costs related to the approved heritage conservation scope of work. Copies of all related invoices should be made available for review.
- Copy of the Occupancy Permit, if applicable.
- Financial information for grant disbursement
(Note: Funds will be disbursed electronically).

Upon receipt of the Letter of Completion, staff will conduct a site visit to verify the project status as reported. The site visit will be conducted by the Heritage Consultant who supervised the work, the owner or its representative (usually General Contractor or Architect) and the City's representative (usually the Heritage Planner). Staff will also review submitted financial statements to determine the final project cost and confirm the incentive amount in accordance with the HFRP procedures and the legal agreement.

Upon successful completion of the site visit, a review of the submitted financial statement and subject to all other HFRP requirements being met, the City staff will initiate release of the heritage grant payment.

Should it be found that the conservation work has not been completed as agreed or the required documentation not filed as requested, the City would retain the right to not issue incentives until all requirements have been met, or to reduce the grant payment accordingly. During the process of verifying and adjusting the grant City may ask for additional information and retains the right to a final decision on the matter. Only after all the above has been completed to full City's satisfaction, the grant would become available.

Process Chart for Facade Rehabilitation Grant Program

	MILESTONE\ ACTION	PARTICIPANTS	INPUTS	OUTPUTS
1	Inquiry - meeting to discuss concept	- heritage staff - applicant	- concept - approach to heritage conservation - research and evaluation	- feedback & issue identification - advice on process
2	Applications for grant and development permit submitted	- applicant	- development permit (architectural drawings) - supporting documentation/reports as required - request for facade grant including 3 cost estimates	- application
3	Review & Assessment of Development Application	- staff - community advisory committee	- review/evaluate for compliance with policies, by-laws, regulations and incentive program criteria	- comments from advisory committee & staff

	MILESTONE\ ACTION	PARTICIPANTS	INPUTS	OUTPUTS
4	Preliminary decision on development and incentive applications	- staff	- receive feedback	- staff recommendation (incorporating input from public and neighbourhood advisory body) on development and incentives application - "draft" prior-to letter
5	approval of facade grant by City Council	- staff - City Council	- report to Council	- Council decision on facade grant (requires 2/3 majority)
6	staff decision on development permit application	- Director of Planning	- input from review	- development application approved with conditions or not approved
7	revisions as required	- applicant	- revisions responding to conditions	- revised application
8	Development and Heritage Alteration permits issued and Legal agreements completed	- staff		- development permit (including heritage alteration permit) issued - legal agreements registered on title
9	obtain other permits (building etc.) as required	- applicant - staff	- application and supporting documentation as required	- permits issued
10	construction begins	- applicant		
11	project completed and heritage work verified	- applicant - staff	- review for compliance with approved scheme	- work inspected and verified
12	grant disbursed	- staff	- authorize release of funds	- payment made

Heritage Building Rehabilitation Program (HBRP) and Heritage Façade Rehabilitation Program (HFRP) - Annualized Summary of Incentives 2003-2018

HBRP and HFRP Implementation		Last update: August 24, 2018							
Incentives Overview		Incentives							
	Projects	Federal Grant (\$)	Façade Grant (\$)	Property Tax Exemption (\$)	Bonus Density (\$)	Residual Density (\$)	Bonus Density (SF)	Residual Density (SF)	Total Density Generated (SF)
2004 Approved	44(46) Water St.	0	50,000	382,000	718,000	418,400	28,720	16,736	45,456
	50(52) Water St.	0	50,000	768,678	1,020,000	695,000	40,800	27,800	68,600
	55 E. Cordova St.	0	100,000	0	1,500,000	0	60,000	0	60,000
2004 Total		0	200,000	1,150,678	3,238,000	1,113,400	129,520	44,536	174,056
2005 Approved	36 Water St.	0	100,000	0	932,000	0	18,640	0	18,640
	522 Beatty St.	0	50,000	0	2,175,832	0	43,517	0	43,517
	124 Powell St. - FG	0	35,000	0	0	0	0	0	0
	5 W. Pender St.	218,671	100,000	247,294	1,501,931	46,100	30,039	922	30,961
	540 Beatty St.	0	50,000	0	3,420,000	0	68,400	0	68,400
2005 Total		218,671	335,000	247,294	8,029,763	46,100	160,595	922	161,517
2006 Approved	1 W. Hastings St.	0	100,000	385,693	2,511,920	208,250	50,238	4,165	54,403
	51 E. Pender St.	0	50,000	500,395	7,240,693	717,400	144,814	14,348	159,162
	40 Powell St.	1,000,000	50,000	741,805	2,591,675	238,050	51,834	4,761	56,595
	163 W. Hastings St.	1,000,000	100,000	1,948,159	4,901,242	9,150	98,025	183	98,208
	1 Alexander St. - FG	0	150,000	0	0	0	0	0	0
	6 Water St.	1,000,000	100,000	1,299,928	3,739,249	2,080,625	74,785	41,613	116,397
	412 Carrall St.	0	100,000	947,502	4,453,167	46,750	89,063	935	89,998
	210-212 Carrall St.	0	50,000	314,307	2,048,094	857,150	40,962	17,143	58,105
	12 Water St.	0	100,000	1,262,720	4,737,210	690,750	94,744	13,815	108,559
	53 W. Hastings St.	0	50,000	184,599	4,953,074	0	99,061	0	99,061
	Woodwards	0	100,000	10,325,323	12,751,321	0	366,000	0	366,000
2006 Total		3,000,000	950,000	17,910,431	49,927,645	4,848,125	1,109,526	96,963	1,206,489
2007 Approved		0	50,000	0	0	0	0	0	0
2007 Total		0	50,000	0	0	0	0	0	0
2008 Approved	71 E. Hastings St.	0	50,000	173,670	987,665	896,600	19,753	17,932	37,685
	265 Carrall (9 W. Cordova)	0	100,000	358,680	3,000,000	191,250	58,000	3,825	61,825
	108 E. Pender St. - FG	0	50,000	0	0	0	0	0	0
	133 Keefer St.	0	50,000	421,353	3,142,658	0	62,853	0	62,853
	18 W. Hastings St.	0	50,000	144,492	3,129,492	0	62,590	0	62,590
	118 Alexander St. - FG	0	50,000	0	0	0	0	0	0
2008 Total		0	350,000	1,098,195	10,259,815	1,087,850	203,196	21,757	224,953
2009 Approved	134 Abbott St. - FG	0	100,000	0	0	0	0	0	0
	429 W. Pender St. - FG	0	50,000	0	0	0	0	0	0
	309 Carrall Street St. - FG	0	100,000	0	0	0	0	0	0
	228 Abbott St. - FG	0	50,000	0	0	0	0	0	0
	488 Carrall St. - FG	0	50,000	0	0	0	0	0	0
	330 W. Pender St. - FG	0	50,000	0	0	0	0	0	0
	208 East Georgia St.	0	100,000	448,171	825,960	0	12,707	0	12,707
2009 Total		0	500,000	448,171	825,960	0	12,707	0	12,707
2010 Approved	100 W. Pender St.	0	50,000	0	0	0	0	0	0
	31 W. Pender - FG	0	50,000	0	0	0	0	0	0
	Pantages Theatre (document)	0	50,000	0	0	0	0	0	0
2010 Total		0	150,000	0	0	0	0	0	0
2011 Approved		0	150,000	3,019,986	0	0	0	0	0
2011 Total		0	150,000	3,019,986	0	0	0	0	0
2012 Approved		0	50,000	0	0	0	0	0	0
2012 Total		0	50,000	0	0	0	0	0	0
2013 Approved	41 Alexander St. - FG	0	50,000	0	0	0	0	0	0
	8 W. Pender St. - FG	0	100,000	0	0	0	0	0	0
	320 Abbott St. - FG	0	50,000	0	0	0	0	0	0
2013 Total		0	200,000	0	0	0	0	0	0
2014 Approved		0	0	0	0	0	0	0	0
2014 Total		0	0	0	0	0	0	0	0
2015 Approved	5 W. Hastings St. - FG	0	50,000	0	0	0	0	0	0
	139 E. Pender - FG	0	50,000	0	0	0	0	0	0
2015 Total		0	100,000	0	0	0	0	0	0
2016 -2018 Approved	525 Carrall St. - FG	0	100,000	0	0	0	0	0	0
	233 Abbott St. - FG	0	50,000	0	0	0	0	0	0
2016-18 Total		0	150,000	0	0	0	0	0	0
Grand Total Approved Since 2003		3,218,671	3,185,000	23,874,755	72,281,183	7,095,475	1,615,545	164,178	1,779,723

Heritage Building Rehabilitation Program (HBRP) and Heritage Façade Rehabilitation Program (HFRP) – Public/Private Investment Partnership 2003-2018

HBRP and HFRP - Implementation									
Public / Private Investment Partnership									
						Last update: November, 2018			
	Projects	Projected Cost to Rehabilitate \$	Public Investment (COV Shortfall Compensation) \$	COV Compensation incl. Residual Density \$	Compensation as % of Projected Cost	Compensation incl. Residual Density as % of Projected Cost	Private Investment \$	Private Investment %	Completion Status
2004 Approved	44(46) Water St.	2,512,826	1,150,000	1,568,400	46%	62%	\$1,362,826	54%	yes
	50(52) Water St.	5,595,044	1,838,678	2,533,678	33%	45%	\$3,756,366	67%	yes
	55 E. Cordova St.	35,190,160	1,600,000	1,600,000	5%	5%	\$33,590,160	95%	yes
2005 Approved	36 Water St.	14,407,956	1,032,000	1,032,000	7%	7%	\$13,375,956	93%	yes
	522 Beatty St.	15,274,615	2,225,832	2,225,832	15%	15%	\$13,048,783	85%	yes
	124 Powell St.	70,000	35,000	35,000	50%	50%	\$35,000	50%	yes
	5 W. Pender St.	4,734,833	2,067,896	2,113,996	44%	45%	\$2,666,937	56%	yes
	540 Beatty St.	22,087,297	3,470,000	3,470,000	16%	16%	\$18,617,297	84%	yes
2006 Approved	1 W. Hastings St.	4,372,390	2,997,614	3,205,864	69%	73%	\$1,374,776	31%	90%
	51 E. Pender St.	14,602,248	7,791,088	8,508,488	53%	58%	\$6,811,160	47%	yes
	40 Powell St.	8,844,824	4,383,480	4,621,530	50%	52%	\$4,461,344	50%	yes
	163 W. Hastings St.	14,602,248	7,949,401	7,958,551	54%	55%	\$6,652,847	46%	yes
	1 Alexander St.	300,000	150,000	150,000	50%	50%	\$150,000	50%	yes
	6 Water St.	10,694,607	6,139,177	8,219,802	57%	77%	\$4,555,430	43%	yes
	412 Carrall St.	8,757,822	5,500,669	5,547,419	63%	63%	\$3,257,153	37%	yes
	210-212 Carrall St.	4,166,128	2,412,401	3,269,551	58%	78%	\$1,753,727	42%	yes
	12 Water St.	22,487,513	6,099,930	6,790,680	27%	30%	\$16,387,583	73%	yes
	53 W. Hastings St.	12,864,493	5,187,673	5,187,673	40%	40%	\$7,676,820	60%	yes
	Woodwards	293,681,708	23,176,644	23,176,644	8%	8%	270,505,064	92%	yes
2007 Approved	158 E. Pender St.	100,000	50,000	50,000	50%	50%	\$50,000	50%	yes
	77 E. Hastings St.	2,399,700	1,211,335	2,107,935	50%	88%	\$1,188,365	50%	yes
2008 Approved	265 Carrall St.	9,000,000	3,000,000	3,549,930	33%	39%	\$6,000,000	67%	in process
	108 E. Pender St.	104,000	50,000	50,000	48%	48%	\$54,000	52%	yes
	133 Keefer St.	10,235,731	3,614,011	3,614,011	35%	35%	\$6,621,720	65%	yes
	18 W. Hastings St.	5,407,494	3,323,984	3,323,984	61%	61%	\$2,083,510	39%	yes
	118 Alexander St.	109,245	50,000	50,000	46%	46%	\$59,245	54%	yes
	134 Abbott St.	400,000	100,000	100,000	25%	25%	\$300,000	75%	yes
2009 Approved	429 W. Pender St.	600,000	50,000	50,000	8%	8%	550,000	92%	yes
	309 Carrall St.	1,000,000	100,000	100,000	10%	10%	900,000	90%	yes
	228 Abbott St.	330,000	50,000	50,000	15%	15%	280,000	85%	yes
	488 Abbott St.	150,000	50,000	50,000	33%	33%	100,000	67%	expired
	330 W. Pender St.	120,000	50,000	50,000	42%	42%	70,000	58%	yes
	208 E. Georgia St.	6,210,675	1,374,131	1,374,131	22%	22%	4,836,544	78%	yes
2010 Approved	100 W. Pender St.	300,000	50,000	50,000	17%	17%	250,000	83%	yes
	31 W. Pender St.	500,000	50,000	50,000	10%	10%	450,000	90%	yes
	Pantages Theatre	0	50,000	50,000			0		documentation
2011 Approved	564 Beatty St.	20,060,238	3,428,775	3,428,775	17%	17%	16,631,463	83%	yes
2012 Approved	258 E. Pender St. (withdrawn)	200,000	50,000	50,000	25%	25%	150,000	75%	no
2013 Approved	41 Alexander St.	300,000	50,000	50,000	17%	17%	250,000	83%	yes
	8 W. Pender St.	250,000	100,000	100,000	40%	40%	150,000	60%	yes
	320 Abbott St.	300,000	50,000	50,000	17%	17%	250,000	83%	expired
2014 Approved	498 Carrall St.								withdrawn
2015 Approved	5 W Hastings St	250,000	50,000	50,000	20%	20%	200,000	80%	in process
	139 E Pender St	400,000	50,000	50,000	13%	13%	350,000	88%	yes
2016-18 Approved	525 Carrall St.	600,000	100,000	100,000	17%	17%	500,000	83%	yes
	233 Abbott St.	400,000	50,000	50,000	13%	13%	350,000	88%	in process
Total Approved		554,973,795	102,359,719	109,813,874	32%	35%	\$452,664,076	68%	

Note: Projected Cost to Rehabilitate values are displayed for reference purpose only as they represent “order of magnitude” considered at the time of application submission.

Rezoning Approvals with CAC Heritage Allocations (Jan 2016 - Sep 2018)						
#	Address	CAC				Public Hearing Date
		Transfer of Density (sq.ft.)	Heritage Conservation Reserve Allocations (\$)	Estimated HCR Density Equivalent (sq.ft.)	HCR Value Enacted (\$)	
1	1755 W 14 Ave	17,000	-	-	-	Jan 2016
2	526-548 W King Edward St	3,736	-	-	-	Apr 2016
3	288-388 W King Edward St	3,114	-	-	-	May 2016
4	4085 Ash/619 W King Edward St	2,031	-	-	-	May 2016
5	5189-5289 Cambie St	7,952	-	-	-	Jun 2016
6	505 W 62 Ave	817	-	-	-	Jul 2016
7	7807 Cambie St	812	-	-	-	Jul 2016*
8	305 W 41 Ave	-	\$ 230,000	2,706	\$ 230,000	Oct 2016
9	1550 Alberni St	113,044	-	-	-	Oct 2016
10	7638 Cambie St	-	\$ 84,150	990	\$ 84,150	Nov 2016
11	151 W 41 Ave	-	\$ 78,649	925	\$ 78,649	Dec 2016
12	2106 Main St	-	\$ 280,000	3,294	\$ 280,000	Feb 2017
13	4621 Cambie St	-	\$ 333,553	3,924	\$ 333,553	Feb 2017
14	5469 Willow St	-	\$ 86,400	1,016	-	May 2017*
15	470 W 58 Ave	-	\$ 95,431	1,123	\$ 95,431	Jun 2017
16	469 W 59 Ave	-	\$ 96,039	1,130	\$ 96,039	Jun 2017
17	5030 Cambie St	-	\$ 212,487	2,500	\$ 212,487	Jun 2017
18	5733 Alberta St	-	\$ 251,023	2,953	\$ 251,023	Jun 2017
19	146 W 41 Ave	-	\$ 315,838	3,716	-	Jun 2017*
20	618 W 32 Ave	-	\$ 95,931	1,129	-	Oct 2017*
21	8242 Oak St	-	\$ 135,000	1,588	\$ 135,000	Oct 2017
22	5110 Cambie St	-	\$ 81,464	958	-	Nov 2017*
23	4238 Cambie St	-	\$ 252,873	2,975	\$ 252,873	Dec 2017
24	8378 Oak St	-	\$ 98,494	1,159	-	Jan 2018*
25	1500 W Georgia St	-	\$ 5,693,825	66,986	\$ 5,693,825	Jan 2018
26	6 W 17 Ave	-	\$ 56,800	668	\$ 56,800	Feb 2018
27	5130 Cambie St	-	\$ 274,788	3,233	\$ 274,788	Mar 2018*
28	5190 Cambie St	-	\$ 325,000	3,824	\$ 325,000	Mar 2018*
29	6829 Cambie St	-	\$ 260,810	3,068	\$ 260,810	Mar 2018*
30	1506 W 68 Ave	-	\$ 115,000	1,353	\$ 115,000	Jun 2018*
31	8444 Oak St	-	\$ 78,688	926	\$ 78,688	Jul 2018*
32	988 W 64 Ave	-	\$ 242,155	2,849	\$ 242,155	Jul 2018*
33	119-133 W 41 Ave	-	\$ 48,865	575	-	Jul 2018*
34	1068-1090 Burnaby St	-	\$ 535,481	6,300	-	Jul 2018*
35	1055 Harwood St	-	\$ 661,947	7,788	-	Jul 2018*
36	1444 Alberni St/740 Nicola St	-	\$ 6,798,270	79,980	-	Sep 2018*
		148,506	\$ 17,818,960	209,635		
* Pending enactment						
Density Transferred:		148,506	sq.ft.			
HCR Allocations:		\$ 17,818,960				
The estimated total density equivalent of all Community Amenity Contributions (transferable density purchase and Heritage Conservation Reserve allocations) during the period January 2016 - is approx. 358,141 sq.ft. (@ \$85/sq.ft.).						

This table (Rezoning Approvals) and the one on the next page (Development Permit Approvals) are also used to determine the Heritage Amenity Bank absorption capacity. Based on this data it has been found that the approx. 480,000 sq. ft. of density have been absorbed over last three years establishing an annual rate of 180,000 sq. ft.

Development Permit Approvals with Heritage Density Transfer (Jan 2016 - Sep 2018)				
#	Address	Transfer of Density Approved (sq.ft.)	Heritage Amenity Shares Purchased (\$)	DPB Approval Date
1	379 E Broadway	2,603	\$ -	Feb 2016
2	1280 Richards St	875	\$ -	Aug 2016
3	1255 W Pender St	4,955	-	Oct 2016
4	1488 Robson St	35,800	\$ -	May 2017
5	1236 Bidwell St	3,804	\$ -	Jun 2017
6	401 W Georgia St	*	\$ 3,483,356	Jun 2017
7	510 W Broadway	5,581	\$ -	Jun 2017
8	1500 Robson St	9,078	\$ -	Sep 2017
9	2501 Spruce St	3,750	\$ -	Jan 2018
10	138 E 8th Ave	1,683	\$ -	Mar 2018
11	1810 Alberni St	9,278	\$ -	Apr 2018
12	1150 Barclay St	3,279	\$ -	Apr 2018
13	1021 Burnaby st	1,297	\$ -	Apr 2018
14	2301 Granville St	5,394	\$ -	May 2018
15	349 W Georgia St	38,944	\$ -	Sep 2018
	Total Approved	126,321	\$ 3,483,356	
* Heritage Amenity Shares purchased at \$85/sq. ft. (40,981 sq.ft.)				

See explanation on the previous page.

PROPOSED HERITAGE INCENTIVE PROGRAM
SUMMER 2018 and WINTER 2019 CONSULTATION CONSOLIDATED FEEDBACK

Meeting Dates:

- May 28, 2018
- June 19 and 25, 2018
- July 10, 18 and 24, 2018
- January 19 and 29, 2019

Advisory Committee Meetings:

Chinatown Historic Area Planning Committee - June 14, 2018

Gastown Historic Area Planning Committee – June 20, 2018

Vancouver Heritage Commission - June 25, July 16, 2018

Meeting Attendees: 70 participants

City Advisory Committees

- Chinatown Historic Area Planning Committee
- Gastown Historic Area Planning Committee
- Vancouver Heritage Commission

Stakeholder Meetings

- Acton Ostry Architects Building Designers
- Chapel Arts
- Donald Luxton and Associates
- Fire Hall Arts Centre
- Gastown BIA
- Heritage Vancouver Society
- JTW Consulting
- Low Tide Properties
- McGinn Engineering and Preservation
- Nikkei Place
- Perkins+Will
- Robert Lemon Architect Inc.
- The Saight Group
- St. Andrew's-Wesley United Church
- Vancouver Heritage Foundation
- Vancouver Japanese Language School
- Urban Development Institute
- Western Front
- Chinatown Heritage Society Buildings Association

A. PLANNING COMMITTEE MOTIONS

1. Chinatown Historic Area Planning Committee

- A. THAT, the Chinatown Historic Area Planning Committee generally supports the Draft Heritage Incentive Program and request that Staff return to the Committee with more detailed information on the report content before the report goes to Council.

[Moved June 14, 2018 and carried July 12, 2018]

2. Gastown Historic Area Planning Committee

- A. THAT, the Gastown Historic Area Planning Committee supports the Heritage Incentive Program as presented and hope it will be endorsed by Council.

[Moved and carried June 20, 2018]

3. Vancouver Heritage Commission

Presentation 1

- A. THAT the Vancouver Heritage Commission thanks staff for its detailed presentation on the draft Heritage Incentive Program (HIP).
- B. THAT the Commission requests to see more detail, including evaluation criteria, in order to be able to make a motion of unqualified support for the program, and asks that the material be distributed to commission members by email as soon as possible.

FURTHER THAT the Commission requests that the Heritage Action Plan subcommittee meet in advance of the regular meeting on July 16, 2018, to review the material and prepare recommendations for the full Commission.

[Moved and carried June 25, 2018)

Presentation 2

WHEREAS

1. The Heritage Incentive Plan (HIP), as presented to the Vancouver Heritage Commission (the "Commission") on June 25, 2018, intends to replace the Heritage Building Rehabilitation Program (HBRP).
2. The Commission have heard no rationale for the discontinuation of the Transfer of Density Program and density bank, as part of the HBRP.
3. The Commission understand that the HBRP was a successful and widely supported program.

THEREFORE BE IT RESOLVED:

- A. THAT the Vancouver Heritage Commission (the “Commission”) request that a thorough analysis of the Transfer of Density Program be undertaken;

FURTHER THAT the Commission suggest the continuation of on-site density bonusing for projects involving heritage conservation that meet the relevant standards and guidelines;

AND FURTHER THAT the Commission support the continuation of the Heritage Façade Rehabilitation Program on a city-wide basis with a proposed annual budget of \$300,000.

- B. THAT the Vancouver Heritage Commission give qualified support for the Heritage Incentive Plan (HIP), as presented at their June 25, 2018, meeting, noting the following for staff consideration:

- the HIP program, as proposed, will address a gap in the City of Vancouver’s heritage strategy in its focus on seismic upgrading of unreinforced masonry buildings;
- within the HIP program, a further development of the grant application process to take place, in order to ensure that the process is as simple and as streamlined as possible, with dedicated staff provided to process the applications;
- the HIP program may be underfunded and the cap of \$4 million per grant may be inadequate to address complex projects that may arise; and
- the HIP program to be closely monitored both for its efficiency and for the adequacy of its funding.

- C. THAT the Vancouver Heritage Commission support the Heritage House Conservation Program, with a proposed annual budget of \$300,000, to be administered by the Vancouver Heritage Foundation, which will fill a gap in the City of Vancouver’s overall heritage strategy.

[Moved and carried July 16, 2018]

4. Vancouver Heritage Foundation

Comments on Proposed Heritage Incentive Program

A presentation was made to the Board of Directors of Vancouver Heritage Foundation outlining the proposed Heritage Incentive Program on June 25, 2018.

Vancouver Heritage Foundation is keen to see this initiative move forward as soon as possible. VHF’s comments on the proposed program as presented are provided here.

In 2015, Vancouver Heritage Foundation completed an in-depth study of financial incentives for heritage conservation. It highlighted the great need for a well-funded, long-term, city-wide financial incentive program to motivate and support more and better heritage conservation in Vancouver across the full range of historic property types and ownerships, recognizing the many public benefits of heritage buildings and places for the community. This study was provided to City of Vancouver staff and the Heritage Action Plan consultant.

The proposed Heritage Incentive Program will be a significant step forward in providing meaningful accessible support for heritage, complemented by a heritage conservation grants program (managed by VHF) for smaller projects, also proposed.

VHF comments:

- Seismic upgrading is a key element of the program given the additional public benefit of life safety as well as its role in achieving long-term conservation of heritage buildings. This could have greater emphasis in how the program is presented.
- An encouraging, streamlined, timely process for heritage retention projects of all sizes will be of great importance to the success of the program and heritage conservation in general in Vancouver. Priority and dedicated support for those investing in the preservation of our city's heritage places would be appropriate.
- The financial need of projects can vary widely and is not necessarily based on the size of the property but on the complexity of conservation work required. We hope that applicants will be able to apply for the level of support needed for their project regardless of building size.
- VHF is keen to ensure that a wide range of properties can access the program, particularly those where a financial return is not anticipated and more direct grant support may be needed to ensure the conservation or rehabilitation of the building or site. Continuation of the Heritage Façade Rehabilitation Program can offer valuable additional support and ease of access to the program for applicants will be important.
- Other tools will still be needed to achieve the retention and protection of heritage buildings such as a mechanism for the transfer (and monetization) of residual density from a site and property tax relief. We hope a transfer of density mechanism can be reintroduced and other measures fully considered.

Vancouver Heritage Foundation
August 27, 2018

B. FEEDBACK BY THEME

1. Heritage Protection

- Need a clear policy that states thou shall not demolish heritage buildings.
- Requirement to designate is a disincentive as many concerned about restrictions on future value and use. This is particularly challenging for the Societies as they see the buildings as their legacies and uses may change for future generations. Currently only VHR listing needed for grants.

2. Target Audience

- Keen to ensure that a wide range of properties can access the program, particularly those where a financial return is not anticipated and more direct grant support may be needed to ensure the conservation or rehabilitation of the building or site. Continuation of the Heritage

Façade Rehabilitation Program can offer valuable additional support and ease of access to the program for applicants will be important.

- Does this program target a large portion of properties? An analysis to access where there is the greatest risk for the loss of heritage buildings is needed. Map all pre-1950/60 buildings and overlay demolitions, development and rezoning applications and enquires over time. There will be a clear trend showing the areas and typology at greatest risk. The Heritage Incentive Program should focus on address that risk.
- For major developers, grant incentives are insignificant and make little difference in their pro forma. \$4M is not a lot of money for them. Focus should be on smaller buildings where the program will have the most impact and make the largest contribution. Program should focus on where the need is greatest, e.g. grant will enable a smaller building to be viable and undertake rehabilitation work where it otherwise would not be able to.
- Heritage Incentive Program is only viable for large-scale developments, rather than individual buildings.
- Based on your example, applicants would need to spend at least \$85 per square foot in upgrades and rehabilitation work. For large-scale commercial enterprises with a strong revenue stream, this is viable. Social housing and non-profits would struggle as it would be all capital-based.
- Seismic upgrades are a significant cost so seismic focus is not an issue, but the program should target smaller projects.

3. Program Scope

- The Heritage Incentive Program provides flexibility, and is broader and inclusive.
- Admirable for the City to look at meaningful incentives, but the program will run out of funds quickly without effecting great change as it is too broad and includes too much. The program should focus primarily on seismic upgrades and specific areas of city. Seismic upgrades are a matter of public safety and are the public benefit of heritage rehabilitation projects. The program should be rebranded as the Heritage Seismic Upgrade Program.
- It is a structural upgrade program for heritage buildings, not a heritage incentive program as there isn't a focus on heritage conservation. Other tools are needed for projects that aren't redevelopments, e.g. the Hollywood.
- The Heritage Incentive Program is not a comprehensive program of heritage incentives; it is a Financial Incentive Program. It fails as a conservation program because it focusses on outcomes rather than conservation.
- A values-based heritage approach means a small building on a large-site would be valued. Remember land value drives development and rezoning.
- Greater consideration should be given to cultural heritage, much of which is intangible, and incorporated into the incentives.
- Disagree with the non-reinforced masonry requirement criteria. Wood frame buildings also require seismic upgrades.

- Objective and goal of the program is unclear. What is the goal, what is it trying to accomplish and what are the principles of the program?

4. Development Potential

- The incentives must be more appealing than redevelopment under existing zoning or rezoning potential.
- The approach of the Heritage Incentive Program would work for humble projects. What happens when a non-designated building has development potential that greatly exceeds the grant? Does the Heritage Incentive Program open the flood gates for redevelopment of heritage buildings?
- Heritage policies need to be robust enough to achieve retention rather than look to redevelopment for retention.
- The value of land makes it more attractive to redevelop than retain a building. The value of the incentive needs to be at least 2-3 times as much to be feasible.
- With a cap of \$4 million, the Heritage Incentive Program is only worthwhile for smaller projects. The value of the incentive are too modest and not worth the loss of future benefit (future value of land) when a building is designated.
- The Heritage Incentive Program replaces the additional storeys that would need to be built to make heritage rehabilitation viable.
- Reverse calculating the incentives, density is valued at approximately \$70-\$75 per square foot, so similar to the density bank.
- Unclear how the calculations in illustrated examples were generated. Costs for seismic upgrades will decline slightly as additional storeys are added, but not as much as shown in the examples. Rehabilitation cost or cost per square foot a more realistic framework. Need clarity on how much will be granted per building. Equity of grant amounts is an issue.
- From a developer perspective, the Heritage Incentive Program will make it easier for companies to work with.

5. Seismic Upgrade Requirement

- Seismic upgrading is a key element of the program given the additional public benefit of life safety as well as its role in achieving long-term conservation of heritage buildings. This could have greater emphasis in how the program is presented.
- A proforma for major work that includes significant seismic upgrades risks the heritage rehabilitation component being unviable. It would be financially unfeasible for many, e.g. Non-profits such as the Mah Society. Seismic upgrades would add \$1-2 million in additional costs. For most non-profit housing providers, not financially feasible.
- High seismic project costs will mean majority of grant will go towards seismic and stop any heritage conservation.

- Recommend providing a schedule of eligible heritage-related construction items. Greater clarity is needed on what costs are eligible. Concern that much of the cost would be related to seismic, not heritage rehabilitation, as seismic and related upgrades are extremely costly, e.g. HAZMAT cost intensive.
- Seismic upgrades can be challenging for certain types of buildings, e.g. those that are on narrow lots or are smaller (Society Buildings of Chinatown).
- As level of seismic upgrades required by grant are extremely expensive, it drives projects towards total building gut rather than heritage rehabilitation. Need to incentivise heritage upgrades. Consider tax incentives, which are popular in other cities for long-term owners.
- Concern that affordability will be impacted. Costs of major upgrades (e.g. seismic and major internal systems) are capital intensive and lead to lease rates increases. This is a particular concern for arts and culture, and non-profit organisations.

6. Development Permit Process

- An encouraging, streamlined, timely process for heritage retention projects of all sizes will be of great importance to the success of the program and heritage conservation in general in Vancouver. Priority and dedicated support for those investing in the preservation of our city's heritage places would be appropriate.
- Need to have a dedicated comprehensive heritage resource team to process development applications from planner checking to sustainability, engineering, and inspections to facilitate projects.
- Accessibility requirements can be too arduous to meet, e.g. change of use.
- The Heritage Façade Rehabilitation Program process is onerous and difficult for owners to navigate, particularly development permits. Heritage development permits should be prioritised and additional resources added.
- Permits should be fast-track for applicants of the incentive program.
- Staff training is important for those processing development applications for heritage buildings. Staff review team and project facilitators dedicated exclusively to facilitate process heritage applications and ensuring all the necessary staff are involved is needed.
- Vital to provide training to the industry on how to combine heritage and sustainability in design.
- The Heritage Incentive Program will be a more simplified process with shorter processing timelines.

7. Program Timelines

- Concern with high holding costs while waiting to meet grant program timelines
- Flexible grant deadlines are important as development permit process timelines are uncertain. The average owner will apply for permits once they are ready (avoiding holding

costs) and have a conservation plan on a similar timeline. A set grant deadline may hold up a project an entire year.

- Concern of the financial burden for Societies that will need to carry the project costs until the occupancy permit is issued and grant disbursed.
- Timing of funding challenging. Grant timing will not always line up with development timing. Holding costs are a concern.

8. Application Process & Technical Documentation

- The costs of heritage consultants, quantity surveyors, etc. are extremely expensive, raising the concern that the Heritage Incentive Program would only be taken up by a select few.
- The quantity surveyor approach is positive. It is challenging to do a costing exercise without a project in place. However quantity surveyors are unable to cost heritage-related rehabilitation.
- Concern that the heritage premium cost-based calculation is too complex for both applicants and industry, e.g. architects and contractors.
- Certainty is needed. It is not sustainable to send 'special projects' to Council; should be certain whether a building is eligible, but instead building owners need to compete to receive funding. Particular concern as it costs money to apply, e.g. quantity surveyor assessment.
- There was no broad public consultation done and documents were not available for public comment, e.g. grant application evaluation.

9. Grant Prioritisation

- The financial need of projects can vary widely and is not necessarily based on the size of the property but on the complexity of conservation work required. We hope that applicants will be able to apply for the level of support needed for their project regardless of building size.
- Concern the last category in the example geared towards large complex buildings, e.g. churches, is too restrictive require VHR, class A. Consider an unusual industrial building that may not be able to meet the criteria based on external features, but is nonetheless unique.
- Lack of mid-century modern buildings on the Vancouver Heritage Register.
- Numeric assessment may not be appropriate.
- The program is complex and lacks transparency. Project selection should be done by an independent body, like the cultural infrastructure grants. Concern with conflict of interest as the City also approves heritage and development permits.

10. Program Funding

- We don't know how many will apply for grants and program funding is uncertain. Community Amenity Contributions are not guaranteed.
- Costs have risen. Current grant levels are not enough.

- A large project could consume the entire Heritage Incentive Program budget.

11. Other Incentives

- Other tools will still be needed to achieve the retention and protection of heritage buildings such as a mechanism for the transfer (and monetization) of residual density from a site and property tax relief. We hope a transfer of density mechanism can be reintroduced and other measures fully considered.
- Separate tools needed for other groups and types of projects.
- Incentives needed to for other types of heritage and rehabilitation, i.e. long-term ongoing maintenance, masonry buildings, public monuments, etc.
- Need clarity on tax abatement incentives. There are many unknowns and people who are unfamiliar with heritage development processes will be nervous.
- Independent testing and verification of effectiveness of other heritage tools is needed, e.g. Transfer of Density Program, Heritage Revitalisation Agreements, or tax incentives. Crucial to deal with residual density.
- Consider tax incentives, which are popular in other cities for long-term owners.
- Tax incentives should be considered. Other cities have highly successful property tax exemption programs for heritage properties.
- Property tax incentives (rebate of 20-30%) would be more attractive than the grant incentives as they are long-term, whereas grant funds are a one-time amount. This is particularly important as heritage buildings are more expensive to maintain.
- The Gastown Heritage Management Plan group should be consulted to learn what parts of the tax exemption incentive worked.
- Property assessments rise once a building has been rehabilitated, leading to increases in property tax, which is a disincentive to building improvements.

12. Other

- Based on a life-cycle analysis on a current project, it is more sustainable to retain existing wood frame windows than to replace with new double-paned windows.
- The cash incentive initiative parallels with other cities around the world, in Canada, Australia and Hong Kong.

Excerpt from the Heritage Action Plan – Heritage Conservation Program Review (May 2017) prepared by Donald Luxton and Associates Inc. - sections related to the assessment and recommendations of heritage incentives

4.3.3 Transfer of Density
Existing Situation

The Transfer of Density (TOD) program was established as a mechanism to provide financial incentives for heritage rehabilitation projects. In cases where increasing the density on the heritage property is not possible or desirable, Council permits the owner to transfer the theoretical density from the ‘donor’ site to a ‘receiver’ site. If a heritage building occupies a site which is zoned for greater floor space ratio (FSR) or density, the City may allow the potential density from the heritage property to be transferred to another property elsewhere, to encourage the retention of the heritage resource. The City can also create bonus density to provide additional financial incentive.

Recommendations

- Develop a plan/process to allocate [transfer of] density, as an incentive for heritage conservation, annually.
- When program is re-instated, ensure that creation of new density is based on the previous year’s absorption [Council reports 2009 and 2013].

Outcomes

- A sustainable, viable TOD policy that effectively provides incentives for heritage retention, including larger-scale projects.

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Transfer of Density	<p>Helped revitalize heritage areas</p> <p>City has successfully implemented measures to reduce and reinstate Heritage Amenity Bank</p> <p>Provides significant incentives for larger projects</p>	<p>Heritage Amenity Bank still frozen and not available as an incentive</p> <p>There are limits to how much density can be absorbed</p>	<p>Reintroduce the program in a sustainable format</p> <p>Process should be competitive – additional density is not a right</p> <p>Use Vision/Goals/Strategic Directions and new <i>Heritage Strategy</i> to set priorities for the reintroduction of the program</p>	<p>An imbalance of supply and demand could once again compromise the system, as it did in 2007, when the Heritage Amenity Bank had to be frozen</p>

Recommendations

- Develop a plan/process to allocate [transfer of] density, as an incentive for heritage conservation, annually.
- When program is re-instated, ensure that creation of new density is based on the previous year’s absorption [Council reports 2009 and 2013].

Outcomes

- A sustainable, viable TOD policy that effectively provides incentives for heritage retention, including larger-scale projects.

4.3.5 Heritage Processes in Downtown Eastside (DTES)

Existing Situation

In July 2003, Council approved heritage incentives for Gastown, Chinatown and the Hastings Street Corridor (including Victory Square), which included the Heritage Façade Rehabilitation Program (HFRP) and the Heritage Building Rehabilitation Program (HBRP). The Heritage Building Rehabilitation Program was initially established for a five-year period (2003-2008), and was subsequently extended. The HFRP is still active, but the HBRP expired at the end of 2015. Their goal was to increase economic activity in the area as well as conserve existing heritage buildings. Many properties under the HBRP program required a Heritage Revitalization Agreement, with the City providing incentives to meet shortfall costs. The program originally provided incentives such as property tax exemption, residual and bonus density, and relief or variance to Development Cost Levies. If not all shortfall costs were covered by façade grants and property tax exemptions, the difference was awarded through transferable density bonusing. However, the density bonus has not been available since 2007. Currently, the available incentive is a façade grant. The Heritage Façade Rehabilitation Program (HFRP) provides a façade grant of up to \$50,000. To date, 41 properties have benefited from the HBRP/HFRP, though not all projects have been completed.

Recommendations

- Review and restructure incentive programs for heritage conservation in the DTES, focused on heritage premium costs; the program(s) should not offer full shortfall costs in the future.
- Study the potential costs/benefits of HCAs for Gastown and Chinatown (versus HA-zoning).
- Identify gaps in the Heritage Register related to cultural communities in the DTES.

Outcomes

- Improved management of resources in Vancouver's oldest neighbourhoods, with heritage conservation priorities aligned with other civic priorities for the DTES.

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Heritage Processes in DTES	A range of tools have been introduced which facilitate heritage conservation 41 heritage buildings have benefited from the HBRP/HFRP	Transfer of Density program has been frozen, thereby preventing the full effectiveness of the HBRP	The HBRP could be reinstated Consider transitioning Gastown and Chinatown to Heritage Conservation Areas (HCA) if this would result in more effective management of heritage resources (versus the current HA-zoning) Heritage initiatives in the area could address gaps in the Heritage Register regarding First Nations and other cultural communities (Chinatown/Japantown)	Building height pressures in both Gastown and Chinatown as development pressure increases

Recommendations

- Review and restructure incentive programs for heritage conservation in the DTES, focused on heritage premium costs; the program(s) should not offer full shortfall costs in the future.
- Study the potential costs/benefits of HCAs for Gastown and Chinatown (versus HA-zoning).
- Identify gaps in the Heritage Register related to cultural communities in the DTES.

Outcomes

- Improved management of resources in Vancouver's oldest neighbourhoods, with heritage conservation priorities aligned with other civic priorities for the DTES.

4.3.6 Heritage Building Revitalization Outside Downtown Eastside (DTES)

Existing Situation

Many of the tools and programs that are available in the DTES, such as Heritage Designation and HRAs, also apply to areas outside the DTES. Other programs, such as the HFRP and HBRP (described on the previous page), are/were only available within the DTES.

Recommendations

- Provide incentive programs to heritage properties citywide.
- Develop a citywide heritage incentive program for eligible sites, such as those of outstanding community importance where cultural, social and housing uses comprise a significant part of their heritage values (refer to section 4.3.7).

Outcomes

- A greater range of incentive programs would benefit a larger number of heritage resources throughout the city, which currently lack significant incentives.

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Heritage Building Revitalization Outside DTES	Heritage incentives are available to properties across the city	Certain incentives are not available for properties outside of the DTES, including the HFRP and HBRP	Properties outside the DTES may benefit from programs like the HFRP/HBRP	Enlarging the boundaries of the HFRP/HBRP would compromise the revitalization effect of the programs within the DTES

Recommendations

- Provide incentive programs to heritage properties citywide.
- Develop a citywide heritage incentive program for eligible sites, such as those of outstanding community importance where cultural, social and housing uses comprise a significant part of their heritage values (refer to section 4.3.7).

Outcomes

- A greater range of incentive programs would benefit a larger number of heritage resources throughout the city, which currently lack significant incentives.

4.3.7 Heritage Incentive Program

Existing Situation

City Staff have continually monitored municipal best practices in heritage conservation throughout Canada and the United States, and tools and incentives used in Victoria, Toronto, Calgary, Winnipeg, Seattle, Portland and other cities have been analyzed for local applicability. The Best Practices review in this report has concluded that Vancouver generally utilizes a similar suite of developmental administrative tools, but lacks significant financial incentives.

The key model for development of a new Vision for Vancouver's Heritage Conservation Program is UNESCO's **Historic Urban Landscape** protocol, which suggests four key categories of tools:

- Civic engagement tools
- Knowledge and planning tools
- Regulatory systems
- Financial tools

The weakest pillar of Vancouver's Heritage Conservation Program is the lack of significant financial incentives; notably, Vancouver suffers from a lack of senior government assistance for heritage projects. Comparison to American models is particularly striking, where robust tax credits are offered by the federal government as well as by many state and municipal jurisdictions. Nova Scotia is the only Canadian jurisdiction that has access to a similar incentive. Tax relief systems are offered in several Canadian municipalities with four main approaches currently in use: property tax abatements, property tax credits, property tax relief and sales tax grants and rebates. Victoria applies a directed incentive model where property tax incentives are provided to projects that include seismic upgrading as well as housing in vacant upper storeys of heritage buildings.

Incentives generally fall into three categories: Financial, Developmental and Administrative. Developmental (density bonuses, etc.) and administrative (building code exemptions, etc.) incentive programs have been discussed in previous sections of this report. Current City of Vancouver financial incentive programs for conservation are focused on specific areas and building types in the DTES, and there is no effective Transfer of Density program. Grants for cultural infrastructure projects are a key resource, but only for certain qualifying categories of resources. Provincial and Federal funding has been largely withdrawn or reduced and has not been extended to private owners. Therefore, the modest grants provided by the Vancouver Heritage Foundation are the only direct financial incentive available for many sites. These grants include:

- True Colours Grant
- Restore It Grant
- House Call Grant
- Get on the Register Grant
- Heritage Energy Retrofit Grant

Related incentive programs are designed for a certain subset of historic resources, such as the *Chinese Society Buildings Matching Grant Program*, which was launched in July 2014 as a 3-year initiative with a total budget of \$2.5 million. Its primary objective is to support critical capital upgrades to buildings owned by Chinese Family Clan and Benevolent Societies. This will assist in the rehabilitation of Society buildings located in the DTES/Chinatown. In December 2015, Council approved a supplemental building rehabilitation program (*Chinese Society Legacy Program*) to protect and conserve 12 society heritage buildings in Chinatown, and committed \$3.6 million towards the total program budget of \$36 million. These heritage buildings are over 100 years old and are in urgent need of rehabilitation. The program aims to upgrade these important heritage assets and create a lasting cultural legacy for generations to come.

In general, a key missing component of the City of Vancouver's Heritage Conservation Program is the ability to offer significant financial incentives.

	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Heritage Incentive Program	Has successfully contributed to the maintenance of many heritage buildings	Low uptake on façade grants and tax incentives Grant administration can be a strain on City and Council resources There are tools/ incentives available in DTES which are not available elsewhere in the City Lack of policy for seismic upgrading of unreinforced masonry buildings	Consider moving grant administration to a reliable external fund administrator for greater efficiency Implement incentives to better encourage heritage retention and to seismically upgrade unreinforced masonry buildings	Limited City and Council resources

Recommendations*

Develop a heritage incentive program that provides financial assistance, which is predictable and manageable in its output.

Establish a heritage incentive/grant fund with a minimum of \$500,000 available per year, recognizing this requires a significant civic budget allocation.

Establish annual budget for each program component (e.g. capital budget for façade grants, annual property tax exemption capacity and transferable density not to exceed previous year's absorption level).

Appoint the Vancouver Heritage Foundation as the external grant administrator.

Tie incentives (beyond HFRP/HBRP) for unreinforced, heritage masonry buildings to seismic upgrade requirement.

Define eligibility criteria involving a competitive selection process.

Define eligible work to ensure high level of retention and heritage conservation, as well as a focus on seismic upgrades to heritage unreinforced masonry buildings.

Outcomes

- Improved conservation outcomes for many heritage sites.
- A program that offers greater levels of heritage incentives in order to encourage retention and promote maintenance.
- An effective program that is administered efficiently and places less strain on City and Council resources.
- Safer masonry buildings.

Excerpt from the Heritage Action Plan – Heritage Conservation Program Review (May 2017) prepared by Donald Luxton and Associates Inc. – 5.1 Summary of Recommendations (heritage incentives related):

Summary of Recommendation – Phase I Program Review

5.4 Appoint dedicated staff to heritage applications, recognizing this has civic budget implications. Ensure adequate staff training in heritage issues.

10.3 Change to 'premium cost approach' rather than 'Encumbered/Unencumbered' incentive calculations, including transfer of density.

10.4 For all projects where heritage incentives are offered or heritage sign-off is required as part of a heritage site application, ensure that accredited/certified professionals be required to provide heritage consulting services.

12.1 Develop a plan/process to allocate [transfer of] density, as an incentive for heritage conservation, annually.

12.2 When Transfer of Density program is re-instated, ensure that creation of new density is based on the previous year's absorption [Council reports 2009 and 2013].

14.1 Review and restructure incentive programs for heritage conservation in the DTES, focused on heritage premium costs; the program(s) should not offer full shortfall costs in the future. Refer also to Recommendation 10.3.

15.1 Provide incentive programs to heritage properties citywide.

16.1 Establish a heritage incentive/grant fund with a minimum of \$500,000 available per year, recognizing this requires a significant budget allocation.

16.2 Appoint the Vancouver Heritage Foundation as the external grant administrator.

16.3 Tie incentives (beyond HFRP/HBRP) for unreinforced, heritage masonry buildings to seismic upgrade requirement.

Excerpts from:

FINANCIAL INCENTIVES FOR HERITAGE IN VANCOUVER

Vancouver Heritage Foundation

November 30th 2015

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EXECUTIVE SUMMARY

Vancouver Heritage Foundation (VHF) has provided grants to houses and other buildings in Vancouver for fifteen years. Drawing on this experience and our many interactions with building owners over the years, and based in our role to promote and support heritage conservation, this study reviews financial incentives in Vancouver to provide input to the Heritage Action Plan process. It focuses on the approximately 2,200 resources listed on the Vancouver Heritage Register as the core of Vancouver's built heritage, and what is available to assist and motivate heritage conservation.

The City of Vancouver launched the Heritage Action Plan in December 2013 to update and strengthen the City's Heritage Conservation Program, aiming to further enable the protection of Vancouver's heritage. Financial incentives are already part of the program but a more substantial, city-wide incentives program could be a strong contributor to achieving the Action Plan goals.

Around the globe, governments at all levels and other organizations offer financial support to encourage the protection and long-term care of heritage buildings and sites. In a variety of ways, public investment is made in often privately-owned assets in recognition of the wide-reaching public benefits of heritage. Such investments aim to achieve more and better conservation, addressing the particular demands and costs of doing it well and leveraging investment by others.

Vancouver cares about its built heritage. Recent public surveys by VHF and the City of Vancouver show strong public support for heritage retention. The City's Heritage Conservation Program has provided substantial investment in heritage over three decades and the Heritage Action Plan was launched to reassess what is needed now.

The Finances of Conservation

Vancouver's built heritage is largely in private ownership – by individuals, commercial entities or non-profit groups. It is varied and includes many private houses as well as commercial buildings, mixed use and non-commercial, institutional and religious buildings along with monuments and structures. The costs can be substantial and conservation work is ongoing, from planning to major intervention and maintenance. Many owners lack the resources for major projects and many sites do not offer the prospect of profitable returns.

Current Situation

Vancouver lacks a long-term reliable and well-funded program that could allow owners to purchase and plan with confidence. VHF's grants are the only city-wide support and the only funding available for many sites. The need is much larger than what VHF has been able to offer from an annual grant budget that ranges from \$12,000 to \$15,000. Current City programs for conservation are focused on specific areas and building types in the Downtown Eastside and currently lack the effective transfer of density tool. Grants for cultural infrastructure projects are a key resource for those that qualify.

In 2015, municipalities have the lead role in supporting heritage conservation. Provincial and Federal funding has been largely withdrawn or reduced over the past decade and has not extended to private homes or many other types of properties in private ownership.

Incentive Options

A summary of the key options for financial incentives for heritage indicates that Vancouver already uses, or has used, the most common and effective ones available at the municipal level in some form. Different incentives address different types of sites or ownership so several can be used to provide support to different needs.

In examining best practice models, two Western Canada examples demonstrate how the available incentives have been tailored and offered at the municipal level to meet local needs and goals in Victoria and Edmonton. Both highlight the value of long-term reliable programs, committed to leveraging investment and results.

The Opportunity

Proven programs in Vancouver can be reinvigorated to further achieve results for targeted areas and building types, for major interventions and large-scale projects. However, many heritage buildings and sites are not served by existing programs.

VHF could provide the vehicle to offer a much-expanded grants program to motivate and support conservation activity by owners. VHF could build on its experience to manage a City-funded program for a wide range of built heritage across the city and stimulate significant investment in Vancouver's most valued and vulnerable places.

An annual heritage fund of at least \$500,000 along with an administrative budget of \$75,000 would enable meaningful support to houses as well as several larger-scale projects each year, with the flexibility to support all stages of conservation activities. With greater investment comes the opportunity to more rigorously seek high quality work that meets established heritage conservation standards.

In revitalizing financial incentives for Vancouver's built heritage, a commitment to provision of funding and programs in the long term will be key to achieving the most successful outcomes. Heritage conservation is a long-term commitment to planning, restoring, adapting and

maintaining. In taking these tasks on, owners need confidence that their own commitment will be supported.

Vancouver Heritage Foundation

Vancouver Heritage Foundation is a registered charity supporting the conservation of heritage buildings and structures in recognition of their contribution to the city's economy, sustainability and culture.

VHF does this by:

- Developing practical tools, information and incentives to help in the successful conservation of heritage buildings and structures.
- Creating opportunities to access and learn about Vancouver's heritage buildings.
- Fundraising in the public and private sectors to build an endowment that will protect our built heritage into the future.
- Promoting relationships that support heritage conservation.

For more information about Vancouver Heritage Foundation, visit

www.vancouverheritagefoundation.org

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INTRODUCTION

As the City of Vancouver reviews its Heritage Conservation Program in 2015, Vancouver Heritage Foundation (VHF) has taken the opportunity to review the range of potential financial incentives as tools for the City to consider during the Heritage Action Plan. This work is intended to complement that being prepared by the consultant team. This study explores the value of financial incentives for heritage conservation, details what is currently offered in Vancouver and takes a survey of the incentives that could be used. The study focuses on the many buildings, structures and sites on the Vancouver Heritage Register – the core of Vancouver's heritage resources. Their owners are responsible for the care of much of Vancouver's built heritage.

For fifteen years, VHF has provided grants to heritage houses and buildings for heritage conservation. As a city-wide program, for many heritage building owners, modest VHF grants are often the only available financial assistance in conservation work. This study draws on VHF's granting experience as well as interactions with building owners through other VHF programs and projects. The study team is grateful to all those who have shared their experience and knowledge to inform this report.

Financial incentives, monetary and non-monetary, are an important partner to heritage legislation. Alongside protection of heritage places, incentives can motivate and make feasible restoration and rehabilitation but also ongoing maintenance and proper care of structures for long-term benefits. They can include property tax exemptions, income tax credits and loans as well as grants. The City of Vancouver has put several programs in place over the decades to encourage protection and rehabilitation of buildings and sites on the Heritage Register. The

Heritage Action Plan process offers an opportunity to review how best to meet the needs for conservation in the city today.

Vancouver has the opportunity to draw substantial benefits from a stock of heritage assets that are retained, restored and well-cared-for. The Heritage Inventory was established in 1986, later adopted as the Heritage Register, and remains a central part of the City of Vancouver's Heritage Conservation Program with approximately 2,200 resources listed and around 25% of them protected. At a time of ongoing pressure for redevelopment, with heritage buildings of all types under threat, tools that can motivate retention and protection, and help realize the potential of older buildings are crucial. Financial incentives are a key component of the heritage conservation tool kit and deserve consideration for a more wide-reaching role in Vancouver.

FINANCIAL INCENTIVES FOR HERITAGE

In many places, financial assistance in a variety of forms to the owners of heritage buildings and sites is offered by governments at all levels as well as non-government organizations. This investment of public resources is based on recognition of the substantial benefits to the wider public of heritage conservation, and the particular effort and costs of doing it well. This approach has been widely-adopted policy internationally since the 1970s to encourage conservation and secure protection of heritage assets.¹ Locally, from 1977, the Province of British Columbia provided substantial grants for heritage conservation, enabling many projects that otherwise would not have been feasible.

1 Kalman (2014), pp.261-62. Kalman points to programs from the 1940s onwards.

2 Rypkema (1994).

3 Rypkema (2007).

4 Rypkema (2012).

5 Thomson (1985).

6 Thomson (1985), p.256.

The case for financial support to owners has been made by economists, urban planners, heritage consultants and others who have pointed to the need to secure protection of buildings and encourage good conservation practices for the long-term benefits. The premise is that the value of heritage buildings and sites is much greater than the private value they have for their current owners. The cultural, historic and social values are not accounted for by the market and therefore something more is needed to motivate the long-term approach required to secure the public benefit.

Donovan Rypkema, American real estate and economic development consultant, has written and lectured extensively on heritage conservation and argues that for the economic benefits alone, it is well worth the investment. He has outlined heritage conservation as economic development, downtown revitalization, tourism strategy and more.² He has highlighted the relationship between versatile economies, sustainable development and support for heritage resources.³ He has noted the long-term economic value in the differentiation that retaining built heritage brings:

If in the long run we want to attract capital, to attract investment in our communities to have community rebirth, we must differentiate them from anywhere else. It is our built

environment that expresses, perhaps better than anything else, our diversity, our identity, our individuality, our differentiation.⁴

Australian economist Norman Thomson put the case for investment by the public sector three decades ago with arguments still relevant today.⁵ He explored the implications of private ownership of heritage assets and why financial incentives are useful to see heritage assets retained and maintained. With the majority of heritage properties in private ownership, either individual or corporate, he pointed out that “Designated heritage assets are, in the case of the built environment, part of the property market”.⁶ But he argued that the market is unable to account for the benefit of heritage to the wider public. He sets out the case for incentives that motivate private spending on heritage properties, whether through grants, loans or tax incentives.

Gianfranco Mossetto, an experienced advisor and academic in economics and finance, has agreed with Thomson on the inadequacy of the market alone to conserve heritage.⁷ He proposes that current market value does not reflect the social value of heritage now or in the future, and notes the difficulty of expecting current owners to invest in maintenance and restoration for the benefit of others and future generations:

The current decision-maker, therefore, has to be either an altruist (and maybe even a masochist) or a future potential consumer willing to pay now in order to be able to consume in the future...

Heritage specialist and architectural historian, Harold Kalman concurs on the difficulty for the market in valuing heritage assets beyond the usual real estate considerations and suggests that,

therefore one often cannot depend on normal market forces to support cultural assets fully.⁸

This is of particular note in considering the variety of resources on the Vancouver Heritage Register that hold value for different groups within the community that is not reflected in any real estate appraisal.

The arguments for incentives are not that the public sector should pay for private owners to benefit, but rather to find a good balance that stimulates activity in the right direction. Thomson described the goal:

The aim is to design fiscal incentives which will generate private expenditure on the conservation of heritage assets judged to be of significance.⁹

He noted that while this might result in increasing the value of the heritage property, it still achieves the “desired result of reducing the chance of deterioration and ultimate demolition”.¹⁰ In conjunction with regulation that prevents or discourages demolition and insists on upkeep, investment by both the private and public sectors provides the framework for heritage conservation to deliver the benefits for the wider community.

The Goal of Incentives

The primary purpose of offering financial incentives is to achieve a greater level of heritage conservation than would otherwise be achieved – more of it and of a better quality. Securing protection of heritage resources is often part of that, ensuring a longer-term benefit. Key goals include:

- Investment in the public benefits of heritage resources – cultural, economic and environmental.
- Sharing the cost and motivating investment by others.
- Quality control, encouraging good practice in conservation work, such as following the Standards and Guidelines for the Conservation of Historic Places in Canada.

Some programs have specific objectives beyond these, such as retaining existing accommodation units or community spaces. The successful Building Incentive Program in Victoria has targeted bringing vacant or underused upper floors in downtown buildings into residential use. The Main Street Program, led and promoted by Heritage Canada in communities across Canada, has emphasized the economic and socially regenerative power of heritage projects. Similarly, the Heritage Building Rehabilitation Program in Vancouver was designed to stimulate economic regeneration in a specific neighbourhood. Such programs, when combined, can yield multiple public benefits.

7 Mossetto (in “The Economic Dilemma of Heritage Conservation” (1994))

8 Kalman (2014), p.249. Kalman refers to the concept of cultural capital (discussed Kalman (2014), pp.18-19) developed by economist David Throsby notably in *Economics and Culture* (2001) and with Ilde Rizzo in “Cultural Heritage: Economic Analysis and Public Policy” (2006), described as a way to take account of the value of heritage beyond its immediate market price. Rizzo & Throsby (2006), p.987.

9 Thomson (1985), p.257.

10 Thomson (1985), p.261.

Note:

The study “FINANCIAL INCENTIVES FOR HERITAGE IN VANCOUVER”

Is available at:

<https://www.vancouverheritagefoundation.org/learn-with-us/heritage-information-resources-research/financial-incentives-for-heritage-in-vancouver-2015/>
