

REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: MARCH 19, 2018

FROM: Planning Services Department

DATE: February 26, 2018

SUBJECT: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

LOCATION: Kerr Village

WARD: 2

Page 1

RECOMMENDATION

1. That the staff report titled "*Kerr Village Community Improvement Plan – Building Façade Improvement Grant Program – 2017 Monitoring Report*", be received;
2. That the Building Façade Improvement Grant Program, a pilot program launched under the Kerr Village Community Improvement Plan, conclude; and,
3. That improvement projects approved in 2017 which have not been completed continue to be processed, as per the administration and review process, to their logical conclusion, including the option for a one year extension as necessary.

KEY FACTS

The following are key points for consideration with respect to this report:

- The Building Façade Improvement Grant Program is a pilot program launched in 2014 under the Kerr Village Community Improvement Plan.
- In 2017, the fourth year the grant program was offered, the town received four grant applications, of which:
 - one was approved, completed and a grant awarded;
 - two were approved with project works still to be completed; and,
 - one application was incomplete and could not be processed.
- The grant program is funded from the Section 37 (bonusing) reserve fund, collected for use in the Kerr Village area through Section 37 agreements.

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

Page 2

BACKGROUND

The pilot Building Façade Improvement Grant Program was approved by Council as part of the Kerr Village Community Improvement Plan (CIP) on January 13, 2014. The program provides grants for façade improvements made to commercial, office and mixed use buildings facing Kerr Street and Lakeshore Road subject to eligibility criteria. The program provides a matching grant equal to 50% of the cost of eligible improvements to a maximum of \$10,000. Grant funding increases to \$12,500 for corner properties when improvements are made to both front and flankage façades. The program contains design guidelines which are used by staff to evaluate proposed improvements. The grant program was launched in 2014 with the anticipation it would run for five years, pending program interest and uptake.

The program is offered as a tool to achieve the goal expressed in the Livable Oakville Plan to revitalize Kerr Village as a vibrant business district and cultural area. The program acts to achieve the objective of the Livable Oakville Plan for Kerr Village to “create an attractive public realm by promoting a high quality streetscape...to create a comfortable, accessible and unique community.”

A monitoring report is a requirement of the Kerr Village CIP in any year a program under the CIP has a budget allocated to it. In 2017, Council provided a \$150,000 budget to fund the Building Façade Improvement Grant Program. The funds come from the Section 37 (bonusing) reserve already collected for use in Kerr Village, with \$400,000 of that money to be used toward streetscaping.

The monitoring report is intended to report back on the following:

- 1) program uptake;
- 2) funds dispersed through the incentive program;
- 3) feedback from applicants on the incentive program; and,
- 4) incentive program results and evaluation of effectiveness.

The purpose of the monitoring report is to utilize its findings in order to:

- adjust the grant program, as necessary, to improve its effectiveness;
- ensure the program is administered effectively;
- ensure the program continues to meet the goals and objectives of the CIP and Livable Oakville Plan; and,
- recommend if the program should be continued, discontinued, or adjusted.

REPORTING

A summary of grant applications handled in 2017 is provided in **Appendix A**.

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

2016 Program Year - Update

In 2016, three grant applications were received of which two were closed and one was carried into the 2017 program year. The project carried forward was completed in June 2017 and a grant awarded.

2017 Program Year

At the commencement of the 2017 program year, town staff, with the assistance of the Kerr Village BIA, promoted the grant program through a variety of means including direct mailing to property owners (approximately 140 addresses), direct email to local businesses persons who previously expressed interest in the program, providing leaflets, updating the town webpages, and promoting the program at a Kerr Village BIA Board Meeting.

Program Uptake

In the fourth year of the pilot Building Façade Improvement Grant Program, the town received four grant applications of which:

- one was approved, completed and a grant awarded;
- two were approved with project works still to be completed; and,
- one application was incomplete and could not be processed.

Funds Dispersed

Funding for the grant program comes from the Section 37 (bonusing) reserve already collected for use in the Kerr Village area. Funds for the program are transferred from the bonusing reserve for Kerr Village to the operating budget each year. A budget of \$150,000 was made available in 2017 allowing for approximately 15 *new* projects (e.g. 15 projects of \$10,000 each). **Table 1** shows how funds were dispersed and committed to in 2017.

Table 1: Funds Dispersed and Committed to in 2017

Grant funds available in 2017	\$150,000.00
Grants awarded in 2017 (2016 projects – 1 project)	\$5,679.25
Grants awarded in 2017 (2017 projects – 1 project)	\$5,343.77
Sum of grants awarded in 2017	\$11,023.02
Committed grant funds in 2017 (2 projects approved but not completed in 2017 [i.e. one year timeframe to complete project])	\$14,428.67
Sum of grant funds awarded and committed to in 2017	\$25,451.69

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

Page 4

When an application is approved, the applicant has one year to complete the improvement project before a grant is awarded. Projects that are not completed in the year in which they receive approval are funded from the next year's budget (e.g. a project approved in 2015 but completed in 2016 is funded from the 2016 budget). However, unused funds from the year in which a project received approval (e.g. 2017) can be used to fund projects completed in the following year if required (e.g. if the grant program is not continued). Any portion of the budget that is not used within a program year is returned to the Section 37 (bonusing) reserve.

Applicant Feedback

Given the low volume of applications in 2017, feedback from applicants was very limited. However, applicants made note they were generally satisfied with the program, its administration, and the level of service and help offered by the town throughout the process. Throughout the process, applicants note there have been challenges accessing contractors willing to take on improvement projects, and have also noted challenges from the town in its requirements for certain projects to obtain building permits (e.g. installation of awnings/canopies).

Program Results and Evaluation of Effectiveness

Appendix B contains before and after photos of completed projects in 2017 and drawings of approved projects (not yet completed) in 2017. The individual projects demonstrate a variety of improvements that are permitted under the grant program. The projects succeed in improving building façades including the streetscape and public realm in Kerr Village. However, given the limited number of projects in 2017 (and 2016), the program is not fully achieving the level of results anticipated.

EVALUATION & DISCUSSION

Application and Investment Summary

To provide a fulsome picture of the grant program results, **Table 2** and **Table 3** provide a summary of applications and investment made over the course of the four years the program has run.

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report****Table 2: Application Summary**

Program Year	2014	2015	2016	2017	Total
Total applications submitted	12	6	3	4	25
Grant awarded	6	3	2	1	12
Grant committed (<i>to be completed</i>)	-	-	-	2	2
Application withdrawn/did not continue	4	0	1	0	5
Application expired	2	1	0	0	3
Application denied	0	1	0	0	1
Application incomplete (<i>not processed</i>)	0	1	0	1	2

Table 2 infers the following about participation rates:

- The program has seen 25 applications over four years. However, bonusing funds that are set aside would allow approximately 15 projects each year, which would equate to 60 potential projects over four years (2014-2017). As such, the program is underutilized and undersubscribed.
- Interest in the program has diminished since the launch of the program in 2014, as evidenced by a reduction in applications.
- Of the total applications received, approximately 50% were seen through to completion and received a grant.
- Of the 11 applications submitted that did not receive a grant, the majority were due to applicants choosing not to proceed with the application (withdrew) and choosing not to undertake an approved project (expired).

Table 3: Grant and Private Investment Summary

Program Year	2014*	2015*	2016*	2017**	Total
Total investment	\$178,247.43	\$48,997.23	\$46,505.70	\$10,687.54	\$284,437.90
Grant awarded	\$55,801.60	\$18,386.92	\$18,179.25	\$5,343.77	\$97,711.54
Private investment	\$122,445.83	\$30,610.31	\$28,326.45	\$5,343.77	\$186,726.36

* Dollar values are recorded in the year the application was submitted, not awarded (e.g. an application submitted in 2014 which had a grant awarded in 2015 is recorded in 2014)

** Two projects have yet to be completed and are not accounted in the summary table for 2017

Table 3 concludes the following about investment:

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

Page 6

- The average cost of an improvement project is approximately \$23,703 based on total investment made divided by total number of grants awarded (*this includes projects that have grant limits of \$10,000 and \$12,500*).
- Although the program is a matching 50/50 grant program:
 - 34% of project costs have been awarded through grants; and,
 - 66% of project costs have been provided through private investment.
- The percentage split of investment between grants (34%) and private investment (66%) indicate that tenants and property owners who are committed to participate are also willing to invest in their business/property. However, when contrasted with participation rates it indicates broader program challenges. Some have indicated that the grant amount available is not sufficient to cover the 50% of project costs and is seen as a deterrent.

As stated above, grant funds available come from the Section 37 (bonusing) reserve fund already collected for use in Kerr Village. The total amount of Section 37 money available to streetscape improvements in Kerr Village is \$400,000. After four program years, a total of \$97,711.54 has been used. Given this, there is \$302,288.46 remaining for streetscape improvements.

2016 Monitoring Report - Program Adjustments

As a result of findings from the 2016 monitoring report, staff adjusted the grant program for 2017 in an attempt to improve program effectiveness and participation. Adjustments included:

- Removing the requirement that grants be based on property parcel ownership and allowing grants based on a tenant by tenant basis (including property owners) so as to increase to the number of commercial units available to take advantage of the grant program;
- Removing application deadlines to provide business and property owners more flexibility and more time to apply; and,
- Continuing to waive application fees for encroachment agreements required to remedy *existing* encroachments as part of an approved façade improvement grant application in 2017.

The program adjustments made for the 2017 program year were effective given all four applications received in 2017 were submitted beyond the previous application deadline, and two applications were in buildings which had already accessed grant

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

Page 7

funds for other portions of the same building. As such, the program adjustments enabled the town to accept all the applications received in 2017.

Notwithstanding the program adjustment successes, the changes did not attract higher participation rates as per the intended goal. Given this, there remains a concern about participation going forward and if there is a desire to continue the program going forward.

RECOMMENDATION

As stated, the purpose of the monitoring report is to utilize findings in order to:

- adjust the grant program, as necessary, to improve its effectiveness;
- ensure the program is administered effectively;
- ensure the program continues to meet the goals and objectives of the CIP and Livable Oakville Plan; and,
- recommend if the program should be continued, discontinued, or adjusted.

Over the past four years, participation in the pilot Building Façade Improvement Grant Program have been lower than anticipated. This could be the result of a number of circumstances such as:

- business owners having limited capital to invest in façade improvements;
- business owners finding it not worth participating financially or visually;
- property owners who are not interested as their properties are held for investment purposes or future redevelopment opportunities; and/or,
- lack of knowledge or understanding of the grant program opportunity.

In 2016, staff put forward a number of program adjustments to encourage program participation. While the program adjustments provided the opportunity to receive grant applications (i.e. all four applications submitted in 2017 could not have been accepted without them), they did not achieve the goal of attracting additional applicants.

Although participation has been low, staff note that the 12 completed projects over the four years the grant program has been offered have assisted in revitalizing Kerr Village, as envisioned through the Livable Oakville Plan. Staff are encouraged by the results of the grant program and look toward other opportunities.

Notwithstanding the program's successes, given the relatively low participation rates, staff are of the opinion that the grant program should conclude. Staff note that bonusing funds which have already been collected for use in Kerr Village may be better allocated to other streetscape projects moving forward. As mentioned earlier

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

Page 8

in this report, grant funds available come from the Section 37 (bonusing) reserve fund already collected for use in Kerr Village. The total amount of Section 37 money available to streetscape improvements in Kerr Village is \$400,000. After four years running the building façade improvement grant program, a total of \$97,711.54 has been awarded through grants. Given this, there is \$302,288.46 remaining for streetscape improvements.

As such, staff recommends that Council conclude the pilot Kerr Village Building Façade Improvement Grant Program in 2017.

NEXT STEPS

Should the grant program conclude, and given there are two outstanding approved grant projects with committed grants from the town, staff will continue to process the grant applications, as per the administration and review process, to their logical conclusion, including providing the option for a one year extension, if necessary.

CONSIDERATIONS

(A) PUBLIC

No public notification is required.

(B) FINANCIAL

The Building Façade Improvement Grant Program, implemented under the Kerr Village Community Improvement Plan, is a pilot program approved in 2014, which was anticipated to run for five years. Funding for the program comes from the Section 37 (bonusing) reserve fund for Kerr Village. Each year, funds for the program are transferred from the bonusing reserve to the operating budget. At the conclusion of a program year, staff must report back to Council to recommend whether the program be continued. Due to low levels of participation, staff recommends concluding the program, with allowance for projects approved in 2017, which have not been completed, to continue to be processed to their conclusion, as committed.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

The receipt of this report and concluding the grant program will not impact other departments.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- be accountable in everything we do
- be honest in everything we do
- be dedicated in everything we do

From: Planning Services Department

Date: February 26, 2018

Subject: **Kerr Village Community Improvement Plan - Building Façade Improvement Grant Program - 2017 Monitoring Report**

(E) COMMUNITY SUSTAINABILITY

The Kerr Village Community Improvement Plan has worked to enhance the social, economic and built environment of the community.

APPENDICES:

Appendix A – Grant Applications Summary 2017

Appendix B – Completed Projects (before and after)

Prepared by:

Brad Sunderland, MCIP, RPP
Planner, Policy Planning

Recommended by:

Diane Childs, MCIP, RPP
Manager, Policy Planning & Heritage

Submitted by:

Mark H. Simeoni, MCIP, RPP
Director, Planning Services