



# CITY OF MAPLE RIDGE HERITAGE INCENTIVES REVIEW

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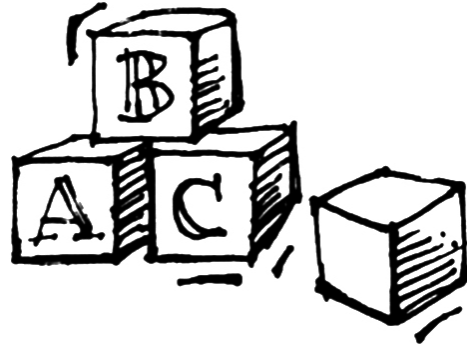


# CITY OF MAPLE RIDGE HERITAGE INCENTIVES REVIEW

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# 1. INTRODUCTION



This report will assist the City of Maple Ridge in the utilization of realistic and effective heritage incentives, regulations and heritage procedures that will promote the conservation of historic resources throughout the community. This report outlines a broad range of incentive-based heritage tools, and forms an important step in the proactive management of the City's significant historic places.

This current project builds on the potential range of heritage conservation incentives that were discussed as part of the *Hammond Heritage Conservation Area Discussion Paper 2017*, prepared by Donald Luxton & Associates. This report assesses the full range of potential heritage conservation tools and techniques available to the City, explores those that are applicable to individual properties, and also reviews new models of financial incentives adopted by the City of Vancouver in 2019.

Heritage can be defined as anything of a physical, cultural or social nature that is unique to, and valued by, a community, and can be passed from generation to generation. Each community's heritage is distinctive, and the retention of heritage character helps instill a sense of community identity and pride, develops a sense of continuity for residents, and promotes an understanding of place character for current and future generations. Heritage conservation is also important economically; protection of heritage resources can protect property value as well as provide opportunities for businesses, property owners and tourism.

The value of conserving a community's heritage is not always immediately recognized, especially if there are perceived financial benefits from redevelopment. Municipal heritage programs provide a balance of regulations ("sticks") and incentives ("carrots") based on owner cooperation; in virtually all cases, heritage protection is achieved on a voluntary basis. Where there are external pressures threatening heritage assets, it has been recognized that conservation will be achieved more effectively through incentives rather than by stringent regulation.



## 2. COMMUNITY BENEFITS OF HERITAGE CONSERVATION



Heritage conservation has many potential cultural, social and economic benefits. Conserving and celebrating a community's heritage allows it to retain and convey a sense of its history, and provides aesthetic enrichment as well as educational opportunities. Heritage resources help us understand where we have come from so that we can appreciate the continuity in our community from past to present to future. Historic sites become physical landmarks and touchstones, and many other intangible heritage features - such as traditions, events and personal histories - add to the City's vibrancy and character. This broad range of heritage resources represents a legacy that weaves a rich and unique community tapestry.

Cultural and heritage-based tourism, including visits to historic sites, is now one of the fastest growing segments of the burgeoning tourism industry. Over the last twenty years, international tourism arrivals in Canada have been growing consistently at an average of 4% per year. Tourism is an important sector of the economy in B.C., generating nearly \$6.5 billion dollars or over 4% of the provincial real GDP. In addition, employment in the tourism sector in 2010 totalled 127,000, accounting for approximately 1 in every 15 jobs in the province.

Travel research organizations have tracked cultural tourism data in recent years, identifying the trends and characteristics of an attractive, accessible and large market. The cultural tourism market is leisure-travel based and grows globally by 15% every year. Cultural tourists in North America tend to be represented by the baby boomers (those over 45 years old) although there is also an emerging trend of cultural tourists in the 20-34 'young professionals' age group, who use the internet to identify where and how to travel.<sup>1</sup> Other current research clearly identifies the growing trend for heritage and cultural tourism, and the strength of the cultural sector in our economy.<sup>2</sup>

Other benefits of strong heritage policies include maintaining distinctive neighbourhoods, conserving cultural heritage, strengthening community identity and promoting civic pride. Heritage conservation is also inherently sustainable, and supports initiatives such as landfill reduction and conservation of embodied energy. It reinvests in existing infrastructure and promotes avoided impacts through reduced GHG emissions. These are all important considerations in the long-term management of our built environment.

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<sup>1</sup> *Ontario Cultural & Heritage Tourism Product Research Paper*, February 2009.

<sup>2</sup> <http://www.allianceforarts.com/research-publications/>

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The public benefits of heritage conservation include:

- encouraging retention of unique community heritage;
- celebrations of historical events and traditions;
- partnership opportunities with senior levels of government;
- engagement of the broader community including the private and volunteer sectors;
- flexible heritage planning that assists private owners in retaining historic resources;
- conservation of a broad range of historical sites that supports other public objectives such as sustainability initiatives, tourism development and education;
- reduction of greenhouse gases through avoided impacts;
- investment in heritage sites through community partnerships; and
- generation of employment opportunities and other economic benefits.

Heritage initiatives provide many tangible and intangible benefits, and have a strong positive impact on the development of a complete community and the emergence of a vibrant culture of creativity and innovation. There is, however, a widely-held perception that protecting heritage property reduces property values or inhibits development. Numerous studies have demonstrated that this is not so; Professor Robert Shipley of the University of Waterloo assessed almost 3,000 properties in 24 communities across Ontario between 1998 and 2000. His study concluded that heritage designation could not be shown to have a negative impact on property values. In fact, there appears to be a distinct and generally robust market in protected heritage properties. Generally, these properties perform well, with 74% of them maintaining their value at average or better than average market value. The rate of sale among designated properties is also as good, or better than, average market trends. Moreover, the values of heritage properties tend to be resistant to downturns in the general market. Additionally, two reports<sup>3</sup> in 2008 and 2012 on a two-phase study of 32 well-established Heritage Conservation Districts in Ontario, many of which were designated in or before 1992, found that real estate values in these districts remain strong. Conducted by the Architectural Conservancy of Ontario with cooperation from the Heritage Resources Centre at the University of Waterloo, the studies conclude “real estate values in Heritage Conservation Districts generally rise more consistently than surrounding areas.”

The Vancouver Heritage Foundation undertook a research project to determine whether there were positive or negative impacts to heritage designation, through a comparison of the assessed values of heritage and non-heritage properties in four Vancouver neighbourhoods (Strathcona, Kitsilano, Mount Pleasant & Hastings Sunrise). The study found that between 1999 and 2005, Heritage Register and designated heritage houses increased in value by 42%, while non-heritage houses increased in value at a slightly lower rate of 39%.<sup>4</sup>

The Victoria Heritage Foundation has tracked the market values and assessments of 142 heritage houses designated prior to 1988. Between 1988 and 1999 the tax assessments for these individual designated (and well-maintained) heritage houses increased at a rate 26% higher than the average tax assessments for residences throughout the City.<sup>5</sup>

The experience of these two heritage foundations – and others in the province – is that when incentives are available, the property values of heritage houses rise at a higher rate than normal building stock.

As part of the process that led to the establishment of the First Shaughnessy Heritage Conservation Area in 2015, the City of Vancouver commissioned an economic study by Coriolis Consulting Corp.<sup>6</sup> to examine the financial impact

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<sup>3</sup> See *Heritage Districts Work! Heritage Conservation District Study Summary Report 2009* and *Heritage Districts Work – More Stories of Success Heritage Conservation District Study Phase Two Summary Report* available at <https://uwaterloo.ca/heritage-resources-centre/projects/recent-projects>

<sup>4</sup> Research information provided by the Vancouver Heritage Foundation.

<sup>5</sup> Research information provided by the Victoria Heritage Foundation.

<sup>6</sup> Economic Analysis of Proposed Changes to First Shaughnessy Zoning District: Supplemental Report, June 2015. Coriolis Consulting Corp. <http://former.vancouver.ca/cityclerk/cclerk/20150721/documents/phea-YellowMemo-Appendix2.pdf>

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of the proposed HCA; it was concluded that the downward pressure on price was not likely to translate into an immediate, significant, persistent drop in value, but that lot values could see small short term decreases and experience smaller future increases than would otherwise have occurred, if buyers did not choose to take advantage of the new benefits offered in the proposed new regulations and did not factor these benefits into the price they would be willing to pay for a property with a pre-1940 house. In fact, there was no perceptible change in property values after the HCA enactment until other intervening factors came into effect, such as the Additional Property Transfer Tax (a 15% tax that foreign entities or taxable trustees pay in addition to the general property transfer tax on transfers of residential property located in Metro Vancouver Regional District).

In general, heritage conservation initiatives provide community placemaking opportunities, support stability in the marketplace and help protect property values.



View of [buildings and businesses on] Maple Crescent - Pt. Hammond, circa 1921.  
[Philip T. Timms, photographer. City of Vancouver Archives CVA 677-1105]

# 3. ENABLING LEGISLATION



Prior to 1994, there were two provincial Acts that most directly enabled municipal heritage conservation initiatives: the *Heritage Conservation Act* and the *Municipal Act*. These two Acts, and a number of others, were amended by the *Heritage Conservation Statutes Amendment Act 1994*, which allowed municipalities to comprehensively integrate heritage conservation activities into the mainstream of development and community planning. The Act enabled procedures for more powerful regulations (Heritage Conservation Areas, Community Heritage Commissions, heritage site maintenance standards, tree protection, etc.) and heritage incentives (negotiated agreements, tax exemptions, an expanded legal protection toolkit, consolidated approvals for heritage rehabilitation work, etc.).

Heritage tools are referenced in a number of provincial acts, such as the *Community Charter* (revitalization tax exemptions) and the *Land Titles Act* (which enables covenants to be registered on land titles), but the majority of the tools the City is liable to use in the conservation of heritage resources are now enabled under the *Local Government Act*. Other provincial acts and policies can have adverse impacts on heritage sites unless specific exemptions or equivalencies apply; the *B.C. Building Code*, the *Energy Efficiency Act* and the *Homeowner Protection Act* now provide alternate compliance allowances for heritage buildings.

## 3.1 Local Government Act

Under the *Local Government Act (LGA)*, a legal framework is provided for the establishment and continuation of local governments to represent the interests and respond to the needs of their communities. Local governments are enabled with the powers, duties and functions necessary for fulfilling their purposes, including stewardship of public assets, and the flexibility to respond to the different needs and changing circumstances of their communities. The City of Maple Ridge is empowered to regulate land development through zoning, subdivision control, building bylaws, maintenance and occupancy bylaws, and a number of other regulatory mechanisms, based on an Official Community Plan. Many of the tools that the City will use to provide incentives and regulations for the heritage program are enabled under Part 15 of the *LGA*.



One of the tools commonly used as the basis of a municipal heritage program is a Community Heritage Register, an official listing of properties having heritage value, passed by resolution of local government. The City of Maple Ridge has already established an official Heritage Register. In addition to the tracking and regulatory powers implied by a Heritage Register listing, there are also important incentives that can be offered to assist owners with conservation. Properties on a Register are eligible for special provisions, including equivalencies under the *B.C. Building Code* and exemptions and alternative compliance under the *Energy Efficiency Act* and the *Homeowner Protection Act*.



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The City can legally protect heritage sites through heritage designation (as has been undertaken for several sites) or through a Heritage Revitalization Agreement, a voluntary negotiated agreement that may vary bylaw and permit conditions (the City has already undertaken several HRAs). The City has also established a Community Heritage Commission to advise Council on heritage matters; a commission can also undertake other activities as directed by Council. Further information on the provincial legislation is available in a publication, “*Heritage Conservation: A Community Guide*” that is available online (see *Appendix F: Websites*).

### **3.2 Heritage Conservation Act**

The purpose of this Act is to encourage and facilitate the protection and conservation of heritage property in British Columbia. This Act is most relevant when dealing with archaeological issues, the management of which remains a provincial jurisdiction. The province may enter into a formal agreement with a First Nation, with respect to the conservation and protection of heritage sites and heritage objects that represent the cultural heritage of the Indigenous people who are represented by that First Nation. Owners of identified archaeological sites are required to conform to provincial requirements.

### **3.3 Community Charter**

The *Community Charter* came into effect in 2004, and provides municipalities with a framework for local activities and services. This legislation applies to all municipalities whose core powers were previously found in the *Local Government Act*, and replaces the tradition of prescriptive legislation with enabling legislation that allows municipalities to be innovative in meeting the needs of their communities. The *Charter* gives municipalities broad powers, including revitalization tax exemptions, to regulate activities. The tax exemption provisions in the *Charter* that can be used for facade improvement and heritage conservation projects are listed below (See *Appendix B: Community Charter Excerpts* for further information):

- *Section 225:* Revitalization tax exemptions can be offered to “eligible heritage property.” A rebate on municipal and provincial taxes can be provided. There is no specified time limit to the exemption that can be negotiated. These provisions require a 2/3 supporting vote of Council for enactment.
- *Section 226:* Tax exemptions can be offered to revitalization projects. A rebate can only be provided on municipal taxes, and can be offered to any property. There is a 10-year time limit to this exemption, however it requires only a simple majority vote of Council for enactment.

### **3.4 British Columbia Building Code**

The *British Columbia Building Code 2018 (BCBC)* is a provincial regulation that governs how new construction, building alterations, repairs and demolitions are completed. This code establishes minimum requirements for safety, health, accessibility, fire and structural protection of buildings and energy and water efficiency. Building Code upgrading is the most important aspect of heritage building rehabilitation, as it ensures life safety as well as long-term protection for the resource. It is essential to consider heritage buildings on a case-by-case basis, as the blanket application of Code requirements does not recognize the individual requirements and inherent strengths of each building. Over the past few years, a number of Code equivalencies have been included in the *BCBC*, which facilitate heritage building upgrades. For example, the use of sprinklers in a heritage structure helps to satisfy fire separation and exiting requirements. Heritage sites eligible for alternate compliance provisions are defined as those protected through heritage designation or included in a community heritage register by a local government under the *Local Government Act*,

Given that Code upgrading is a significant factor in the conservation of heritage buildings, it is important to provide viable alternative methods of compliance that protect heritage value and are economically feasible. The City should explore the full range of potential heritage building code equivalencies in order to provide consistent review and knowledgeable advice to building owners. On individual projects, the City can also accept the report of a Building Code Engineer as to acceptable levels of code performance.

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Under the current Code, alternate compliance is offered only for interior rehabilitation; building envelope compliance must be negotiated through HPO exemptions or site-specific equivalencies negotiated through the City. The one exception is for windows; the wording of the code requires “two sheets of glass” rather than double-glazing (as it is usually interpreted) and therefore Code requirements can be met through the use of interior or exterior storm windows, or exempted under the heritage definitions of the *Energy Efficiency Act*.



### 3.5 Energy Efficiency Act

Heritage conservation and sustainability initiatives have mutual goals of conservation. In the case of heritage buildings, this includes considering the inherent performance and durability of their character-defining assemblies, systems and materials, and the minimal interventions required to achieve the most effective sustainability improvements. The conservation of heritage buildings avoids potential impacts by retaining their embodied energy and carbon, and reduces landfill requirements and greenhouse gases. The *Energy Efficiency Act (Energy Efficiency Standards Regulation)* was amended in 2009 to include the following definition:

**"designated heritage building"** means a building that is

- (b) protected through heritage designation or included in a community heritage register by a local government under the *Local Government Act*.

Under this legislation, Energy Efficiency standards do not apply to windows, glazing products, door slabs or other products installed in heritage buildings. This means that the City, as an incentive to listing a site on a Heritage Register or as part of a negotiated agreement, can allow exemptions to energy upgrading measures that would destroy heritage character-defining elements such as original windows and doors.

These provisions do not preclude that heritage buildings must be made more energy efficient, but they do allow a more sensitive approach to alternative compliance and a higher degree of retained integrity. Increased energy performance can be provided through non-intrusive methods such as attic insulation, improved mechanical systems, and storm windows. Please refer to the *Standards & Guidelines for the Conservation of Historic Places in Canada* for further information.

### 3.6 Homeowner Protection Act

Amendments to the *Homeowner Protection Act Regulation (HPA)* were introduced in 2010 to allow for exemptions for heritage sites from the need to fully conform to the B.C. Building Code under certain conditions, thus removing some of the barriers to compliance that previously conflicted with heritage conservation *Standards and Guidelines*. The changes involved:

1. An amendment to the *Homeowner Protection Act Regulation*, B.C. Reg. 29/99 that allows a warranty provider, in the case of a commercial to residential conversion, to exclude components of the building that have heritage value from the requirement for a warranty; and
2. Clarification of the definition of ‘substantial reconstruction.’ The *Act* explains that 75% of a home must be reconstructed for it to be considered a ‘new home’ under the *HPA*, thus enabling single-family dwelling to multi-family conversions and strata conversions without the *Act* now coming into play.

The definition of a heritage building under the *HPA* is consistent with that under the *B.C. Building Code* and the *Energy Efficiency Act*.

## 4. HERITAGE INCENTIVES



The most effective way to encourage heritage resource owners or potential owners to conserve and invest in the rehabilitation of their properties is by offering incentives. Incentives refer to programs or measures administered by the City or other community-based agencies to encourage the protection and retention of historic resources. Unlike regulatory measures, these tools usually offer something to the owner or developer in return for undertaking rehabilitation work or legal protection. They often work hand-in-hand with regulatory policies, in order to offer tangible advantages to heritage property owners. Examples of incentives include grant programs, tax incentives, technical assistance, or negotiated agreements that waive or vary standard requirements.

Property owners likely to benefit directly from heritage conservation incentives may be individuals, businesses, corporations or organizations, including the following broad categories of ownership:

- Commercial (revenue-generating)
- Residential (revenue-generating)
- Residential (owner-occupied)
- Religious, Governmental, Institutional

Each of these categories has different requirements for incentives, and different types and levels of incentives may need to be offered. For example, religious buildings will not benefit from tax incentives. Similarly, developers of strata-titled residential property will not benefit from tax holidays, as the intent is to sell the property upon completion. Any incentives program will need to consider the broad range of property owner requirements.

### 4.1 FINANCIAL INCENTIVES

Heritage conservation incentives can be provided through financial support. Each project needs to be individually assessed to determine which incentives may apply, as different levels of assistance may be required to ensure financial viability.

#### 4.1.1 City Financial Incentives

There are a number of financial incentives that the City can offer to encourage heritage conservation. Generally these can be considered to be of five types, including: (1) direct grants (“out-of-pocket”), from either the City or a Heritage Foundation; (2) tax incentives (“tax holiday”); (3) revitalization tax exemptions; (4) interest-free / low-interest loans; and/or (5) reduced permit fees.

##### 4.1.1.1 Direct Grants

One of the most motivating incentives, especially for homeowners, can be direct financial assistance. Modest financial grants are sometimes extremely effective in promoting conservation, especially in the residential context. These are often only seed money or a show of support, rather than reflecting a large share of restoration costs. Grants sometimes “top up” a project so that the specific heritage character-defining elements (e.g., porches) can be restored. Sometimes relatively small projects can have a dramatic impact on the appearance of a heritage building exterior (e.g., opening of an enclosed verandah, heritage

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paint colours, or re-installation of wood windows and doors). The City of Maple Ridge could consider allocating a budget amount for heritage restoration grants that could be directed towards the conservation of properties, similar to what occurs in the City of Surrey and the Township of Langley. The City of Kelowna offers a grant program that is administered by an outside agency (the Central Okanagan Heritage Society).

In 2019, the City of Vancouver introduced a substantial Heritage Incentives Program, to support heritage conservation and seismic upgrades of heritage designated buildings citywide, through 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. In addition, it adopted as \$300,000 annual allocation for a Heritage House Conservation Program developed and implemented by the Vancouver Heritage Foundation to support conservation of heritage resources citywide. (See *Appendix C: Financial Incentives Programs* for further information).

There are a number of municipalities throughout the province that offer programs through municipally-funded foundations that provide direct financial assistance to the owners of residential heritage properties. These include Vancouver, New Westminster, Oak Bay and Saanich; Victoria has separate heritage foundations for residential and commercial properties.



### 4.1.1.2 Property Tax Incentives

Currently, if a property owner undertakes a rehabilitation of a heritage building, they usually encounter an increased property tax assessment due to an increase in market value. This, combined with the high cost of meeting building code requirements, can make the upgrade of heritage properties a marginal economic proposition. The assessment and taxation process is governed by provincial legislation.

Municipalities may choose to forgive all or part of the municipal portion of the property tax on a heritage property as long as the property is protected. In these cases, the tax relaxation may be calculated based on the extent and cost of the rehabilitation. Experience in the United States has demonstrated that incentives tied to income tax are amongst the most effective mechanisms for the preservation of heritage buildings. In Canada, federal income tax incentives for conservation do not currently exist, but municipal tax-based heritage grants have been proven to be successful in many cities including Vancouver and Victoria. The potential for tax-based heritage incentives will need to be explored further as to their applicability within the Maple Ridge context.

Revitalization tax exemptions are enabled under Sections 225 and 226 of the *Community Charter*. Maple Ridge has already undertaken tax exemption agreements in conjunction with heritage designations and heritage revitalization agreements. This is described in *Tax Exemption–Heritage Sites Policy No: 5.23*: “Council will consider requests for exemption from taxation under Section 197(1)(a) of the Community Charter [municipal property taxes] for: 1. Eligible heritage property under Section 225(2)(b) of the Community Charter; or 2. A historical building which has previously received an exemption from taxation under Section 400 (2)(a), now repealed, of the Municipal Act. The purpose of this policy is to confirm that requests for tax exemption for eligible heritage properties will be considered by Council.

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A number of other municipalities have utilized these provisions to support heritage conservation, including:

- **City of Victoria:** offers a Tax Incentive Program (TIP) to eligible owners of heritage designated commercial, industrial and institutional to offset seismic upgrading costs for the purposes of residential conversion of existing upper storeys or rehabilitation for uses other than residential. Eligible property owners may apply under the TIP for design and construction of approved seismic upgrading work. Property owners may receive tax exemptions based on the annual property taxes for a period up to ten years to offset the cost of seismic upgrading. Specifics will be subject to negotiation and approval by the Victoria City Council.
- **City of Chilliwack:** The Official Community Plan for the City of Chilliwack identified the revitalization of the downtown as a priority. In 2004, the *Community Charter* was introduced, offering a new revitalization tax exemption opportunity. As a result of this, the City of Chilliwack has established a downtown revitalization tax exemption program. Council may enter into an agreement with property owners within the designated areas and upon issuance of an exemption certificate to the assessor, those improvements are exempt from municipal property value taxes for a period of time not longer than five years, and with a 50% phase-in for the 6th year.
- **City of Surrey:** has adopted a policy to provide property tax exemption to owners of protected heritage properties. Application forms for property tax exemption are available from Legislative Services. Applications must be submitted on an annual basis and Council must adopt a bylaw to allow such tax relief to continue each year.
- **City of Port Moody:** in 2011, the City established a revitalization tax exemption program for heritage properties under *Heritage Revitalization Tax Exemption Bylaw, 2011, No. 2913*. Eligible properties must be listed on the City's Heritage Register or located within the Moody Centre Heritage Conservation and Character Areas. To qualify, a project must be either 1) heritage conservation projects of \$15,000 or above in eligible costs, or 2) projects that retain the existing principal building with a construction value of \$100,000 or greater. The tax provisions are tied to recognized heritage conservation *Standards and Guidelines*. Notably, there has been very little uptake of this program, as it is cumbersome to apply to residential projects. (See Appendix D: *City of Port Moody Tax Exemption Program* for further information).

### 4.1.1.3 Reduced Permit Fees

The City has already offers HRAs and HAPs at negligible rates, which sends a message of administrative support as well as a financial incentive to heritage projects.

### 4.1.2 Provincial Financial Incentives

Under its Heritage Conservation Program, The Heritage Legacy Fund provides cost-shared financial contributions; eligible applicants include the City, registered non-profit societies and registered federal charities. Funding is offered in four streams:

- *Heritage Conservation Program* for the preservation, rehabilitation, and restoration of heritage resources (up to \$25,000).
- *Heritage Awareness Program* for the research, documentation, presentation, and publication of information about specific community heritage resources (up to \$10,000).
- *Heritage Planning Program* for the creation of planning documents to assist with heritage conservation and awareness (up to \$1,500).
- *Indigenous Partnership Program* for initiatives to further reconciliation with Indigenous peoples through collaboration (up to \$7,500).

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## 4.1.3 Federal Financial Incentives

The Residential Rehabilitation Assistance Program (RRAP), offered through the Canada Mortgage and Housing Corporation, helps low-income Canadians, people with disabilities and First Nations people live in decent, affordable homes. These programs also support renovations to rooming houses and rental units to increase the availability of housing for those in need. Depending on the individual situation for each resource, one of the following programs may apply:

- **Homeowner RRAP:** Financial assistance to repair substandard housing to a minimum level of health and safety
- **Rental RRAP:** Assistance for landlords of affordable housing to pay for mandatory repairs to self-contained units occupied by low-income tenants
- **Secondary/Garden Suite RRAP:** Financial assistance for the creation of a Secondary or Garden Suite for a low-income senior or adult with a disability, making it possible for them to live independently in their community, close to family and friends.
- **RRAP for Persons with Disabilities:** Assistance for homeowners and landlords to improve accessibility for persons with disabilities
- **RRAP for Conversions:** Assistance for converting non-residential buildings into affordable housing

It is recommended that there be further exploration of other available funding sources, especially for non-profit organizations. Additional funding assistance may be available from a variety of other government and private programs. Private foundations may also be willing to support local heritage conservation efforts.

## 4.2 NON-FINANCIAL INCENTIVES

Heritage conservation incentives may also be provided through non-monetary support. In addition to the measures listed below, the City should examine the permit application and approval process, to ensure the removal of any disincentives to heritage conservation.

### 4.2.1 Heritage Revitalization Agreements

Heritage Revitalization Agreements provide a powerful and flexible tool that enable agreements to be specifically written to suit unique properties and situations. This formal written agreement can be negotiated by the City and an owner to protect a heritage property, and may be used to set out the conditions that apply to a particular property, thus providing both regulation and incentive at the same time. A Heritage Revitalization Agreement (HRA) is a contractual agreement between a property owner and the City. The terms of the agreement supersede local government zoning regulations, and may vary use, density, and siting regulations. Through an HRA, heritage projects can be designed with special conditions that promote financial viability for projects that could not otherwise proceed.



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An HRA outlines the duties, obligations, and benefits negotiated by both parties to the agreement. An HRA may:

- detail the timing of the agreement terms;
- vary or supplement the provisions of a bylaw that concerns land use designation, development cost recovery, subdivision and development requirements;
- vary or supplement a permit, bylaw or Heritage Alteration Permit under Part 15 of the *Local Government Act*; and/or
- include other terms agreed to by the City and the property owner.

HRAs are intended to provide a powerful and flexible tool that enables agreements to be specifically written to suit unique properties and situations. They may be used to set out the conditions that apply to a particular property. This tool is suited to unique / non-conforming conservation situations that demand creative solutions. The terms of the HRA supersede local government zoning regulations, and may vary use, density, and siting regulations. This can also be used to provide incentives that the owner can accept in lieu of compensation for continuing protection.

An HRA application requires the following process:

1. The City identifies the need for the use of an HRA. The need may arise from the unusual siting of a building, a unique lot configuration or other unique circumstances.
2. The City and the property owner negotiate the terms of the HRA, including the obligations, duties, and benefits of the agreement.
3. The City seeks legal advice and drafts the HRA bylaw.
4. If the use and/or density of the property are proposed to be changed, a public hearing must be held.
5. Council adopts the HRA bylaw.
6. Within 30 days of adoption of the bylaw, The City files a notice in the Land Title Office to register the HRA on the property title. The City must also notify the minister responsible for the *Heritage Conservation Act*.
7. The HRA may only be altered with the consent of the property owner and the City. The City must adopt a bylaw to amend the HRA. Amendments to legally protected property are enabled through a Heritage Alteration Permit.

Other ways in which HRAs can be used to conserve heritage resources and their heritage value is to:

- enable relocation of a threatened resource;
- create or transfer density; and/or
- permit uses not allowed by existing zoning

The requirements of the HRA can be changed through consultation with the City, and if approved the changes can be authorized by the issuance of an HAP. An HAP provides the flexibility to respond to the requests and needs of owners over time. The requirements for HAPs must be established in the HRA bylaw, which can provide exemptions for minor repairs and maintenance, repainting in the same colours, etc. An HAP cannot vary use or density provisions, which would require a revised HRA bylaw.

### IMPLICATIONS:

- The HRA supersedes local government zoning regulations and provides continuing protection. Therefore the issue of zoning is rendered moot as each HRA is site specific.
- The application needs to conform generally to the intent of City policies, zoning and bylaws, while making certain exceptions for the conservation of heritage property.
- HRAs are NOT precedent setting. They are always site specific. Any concerns about setting precedents are based on how policy is applied.
- HRAs are generally used to regularize non-conforming situations and provide conservation incentives. They should not be used as a tool for relocation except as a last resort.

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- As an HRA specifies development potential, including on any newly-subdivided lots, rezoning is not required.
- If the heritage resource is damaged or destroyed, the owner is obligated to obtain a Heritage Alteration Permit and restore and repair to the same condition and appearance as before the damage. If the resource is considered completely destroyed, the building is required to be constructed in a heritage style acceptable to the City and substantially similar in design.
- An HRA can include minimum site maintenance requirements.
- An HRA can outline the owner's obligations to protect, conserve, maintain and rebuild the resource. This may include penalties for lack of protection until completion of the HRA, including compensating the City in the event the heritage improvements or features on the site are moved or destroyed other than through natural causes, or allow additional penalties if the resource has to be replicated.<sup>7</sup>

The primary reason for the use of a Heritage Revitalization Agreement should be to ensure conservation of an identified heritage resource. The proposed conservation interventions should protect the heritage value of the resource, and should conform to the *Standards & Guidelines for the Conservation of Historic Places in Canada*.

### 4.2.1.1 NEW WESTMINSTER HERITAGE REVITALIZATION AGREEMENT POLICY

The City of New Westminster commonly uses HRAs to protect heritage properties.<sup>8</sup> Due to community concerns over what were considered to be inappropriate interventions being enabled by HRAs, in 2011 the City defined a process for the use of HRAs<sup>9</sup>, as follows:

#### *Guiding Principle and Objectives for the Use of Heritage Revitalization Agreements*

*Principle:* Preserve and encourage the rehabilitation of valued heritage resources using a clear Heritage Revitalization Agreement policy.

#### *Objectives:*

- 1) Ensure that the HRA policy is integrated with other important City policies. This includes the *Official Community Plan*, the *Affordable Housing Strategy* and the *Livable City Strategy*.
- 2) Ensure that HRAs are used appropriately, and that they balance both public and private benefits.
- 3) Create an application process that is clear.
- 4) Establish a follow-up procedure to ensure that heritage conservation work is completed as promised.

This HRA process defines a seven-step HRA Application Process

Step #1: Preliminary Inquiry

Step #2: Application

Step #3: Departmental Review

Step #4: Community Consultation: includes the Heritage Commission, relevant Neighbourhood Associations, the Advisory Planning Commission, the Design Panel and immediate neighbours.

Step #5: Heritage Revitalization Agreement and Bylaw Readings

Step #6: Project Phase

Step #7: Project Completion Phase

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<sup>7</sup> *City of Surrey Bylaw No.16993: George Lawrence House, 6945 185 Street.*

<sup>8</sup> [https://www.newwestcity.ca/database/files/library/Guide\\_\\_\\_Heritage\\_Revitalization\\_Agreements.pdf](https://www.newwestcity.ca/database/files/library/Guide___Heritage_Revitalization_Agreements.pdf)

<sup>9</sup> <https://www.newwestcity.ca/database/rte/files/Heritage%20Policy%20for%20the%20Use%20of%20HRAs%20Jan%202011.pdf>



## CITY OF MAPLE RIDGE HERITAGE INCENTIVES REVIEW

The *HRA Heritage Policy* states: “Finally, for heritage conservation to be successful, it must meet a community standard of reasonableness. A heritage building owner should be given the opportunity to upgrade or add to the building, especially when the zoning allows it, and provided the proposed changes do not impair the identified character-defining elements of the building.”

Overall, the City of New Westminster’s HRA policy framework is generally applicable to other municipalities, and forms a reasonable basis for the assessment of similar applications in the City of Maple Ridge.

### 4.2.2 Relaxations/Variations

When approving Development Permit applications, the City has discretionary powers and may relax some requirements, especially when other amenities are being offered. In return for the conservation and rehabilitation of a heritage building, the City may be able to relax requirements related to parking, setbacks and access. Similarly, some requirements could be relaxed in order to prevent conservation principles and guidelines from being compromised. One example would be a lot with an existing heritage home that is zoned for duplex use. In this case, an infill house could be built on the property instead, and perhaps a slight increase in allowable density could also be allowed. Each situation will be unique and will require special consideration.



### 4.2.3 Density Bonus and Transfer Procedures

One of the most effective heritage incentives that can be offered is the redistribution of density or an increase in allowable density. Density refers to the ratio of floor area to the lot size. Sometimes there is an option to increase the allowable onsite density without compromising the context of the heritage building. In other cases, a heritage building may be located on a property that has much higher development potential than currently occupied by the building, meaning that there is residual density that is not being utilized. In this situation, the residual density can be transferred or sold to another property, negating the need to achieve the allowable density onsite. In other cases, a conservation incentive – usually used to offset the costs of rehabilitation – may be offered through the creation of an additional bonus density that can be sold to a receiver site, with the resulting financial benefits being considered part of the incentives (compensation) package. Each of these situations requires careful study of the potential impact on the heritage site, and an understanding of appropriate receiver sites for transferred density. The transfer of density can be accomplished either through the use of a Heritage Revitalization Agreement (for individual sites) or the creation of a municipal density bank process. The density transfer process is considerably simplified when a receiver site is identified at the time of application.

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## 4.2.4 Alternate Compliance

As discussed in Sections 3.4, 3.5 and 3.6, alternate compliance equivalencies and exemptions are currently available to Heritage Register or Protected Heritage Sites under the *B.C. Building Code*, the *Energy Efficiency Act (Energy Efficiency Standards Regulation)* and the *Homeowner Protection Act Regulation*. The definition of a heritage building is consistent under all three pieces of legislation. Alternate compliance is offered on a case-by-case basis, and must be individually applied in each circumstance.

## 4.2.5 Administrative Support

Streamlining the development and building permit application processes for heritage properties is a desirable objective (also known as a “Green Door” policy). Heritage projects are sometimes more complex and can require additional review; property owners will object to a complicated procedure if they are already concerned about costs. Time equals money, therefore it is recommended that the permit review procedure be simplified as much as possible, and that every consideration be given to expediting heritage permit applications.



## 4.2.6 Heritage Support Programs

The City can also provide support through:

- the provision of technical advice;
- complementary public works projects in defined heritage character areas (e.g., street improvements such as pedestrian lighting, paving, street furniture and way-finding signage); and/or
- referral to other agencies or organizations for further assistance.

## 4.2.7 Ongoing Monitoring

Once updated policies, procedures and regulations are established, monitor the Heritage Program to ensure its ongoing effectiveness. A cyclical re-examination should be initiated, to review results, effectiveness and direction, and ensure that the Heritage Program remains relevant and useful.



## 5. RECOMMENDATIONS

The tools enabled through provincial legislation are currently available to the City. The recommendations provide a framework for the establishment of a dedicated financial incentives program for heritage projects.

- **STEP ONE:**  
As an interim step, direct eligible property owners to existing sources of funding such as the Heritage Legacy Fund.
- **STEP TWO:**  
Build support throughout the civic administration for the provision of heritage conservation incentives. Ensure that staff can explain the application and negotiation process, and has a good technical understanding of the requirements of heritage conservation (e.g., *Standards & Guidelines*).
- **STEP THREE:**  
Establish the order of magnitude of the City's heritage conservation incentives. An initial step would be a preliminary study that would review the:
  - number and location of sites targeted for incentives
  - lot size, existing zoning and potential for redevelopment
  - current property tax assessmentsThis will help identify the most appropriate incentives and support mechanisms, and will also provide estimates for what level of municipal resourcing may be necessary. Some of these may be relatively simple to implement or already underway, such as negotiated agreements, building code equivalencies and the streamlining of application procedures. Others may take more time to research, administer, and adopt (e.g., grant programs, tax incentives). Consider the scale of what would provide effective incentives. Note: comparable municipal financial incentives programs are generally funded at an average of \$1 per resident per annum, or approximately \$80,000 for Maple Ridge.
- **STEP FOUR:**  
Determine eligibility requirements. Does the program extend beyond buildings and include cultural landscapes?
- **STEP FIVE:**  
Confirm the appropriate delivery model for financial heritage incentives. The City can administer directly, or consider the feasibility of establishing a heritage foundation, which in addition to administering grant programs could also serve an education and awareness function. A heritage foundation would also be able to actively fundraise to fulfill its mandate and establish an identity distinct from the municipal government. Matching funding could be sought for potential grant programs through corporate sponsorship, private foundations and other sources.
- **STEP SIX:**  
Promote and market the range of incentives available to owners of heritage properties. This may be done by holding meetings with heritage property owners, distributing brochures, and posting information on the City's website.

## **ACKNOWLEDGEMENTS**

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# A: HERITAGE CONSERVATION TOOLKIT

The Heritage Conservation Toolkit lists the legislative tools available before, during and after a permit application is made. For further information please refer directly to the relevant legislation (Revised Statutes and Consolidated Regulations of British Columbia: Web Site: <http://www.bclaws.ca/>).



## TOOLS THAT NEED TO BE IN PLACE BEFORE NEGOTIATION:

- Official Community Plan (*Local Government Act*)**  
Sets out the City's intent for development. States overall goals for heritage conservation and can also include heritage area designations. (Maple Ridge has enacted)
- Zoning and Development Bylaws (*Local Government Act*)**  
Outlines the existing general requirements for site development. (Maple Ridge has enacted)
- Development Permit Controls (*Local Government Act*)**  
Provides specific requirements for areas designated as Development Permit Areas. (Maple Ridge has enacted)
- Heritage Conservation Areas (*Local Government Act*)**  
The City can define special areas in the Official Community Plan to provide long-term protection to distinct heritage areas.
- Community Heritage Register (*Local Government Act*)**  
The City can establish an official listing of properties defined as having heritage character or heritage value; this can act as the basis for offering incentives. (Maple Ridge has enacted)
- Community Heritage Commission (*Local Government Act*)**  
Enables the establishment of a Community Heritage Commission, which may have a citywide mandate or be limited to a specific area or purpose. (Maple Ridge has established)
- Heritage Procedures Bylaw (*Local Government Act*)**  
The City can enact a bylaw that establishes civic procedures and guidelines for heritage conservation. This bylaw may also delegate authority to an officer or authority for the negotiation of heritage issues. (Maple Ridge has enacted)
- Heritage Site Maintenance Standards (*Local Government Act*)**  
The City can enact a 'Heritage Site Maintenance Standards Bylaw,' that establishes minimum requirements for the care and maintenance of legally protected heritage properties. (Maple Ridge has enacted). This can also include any property within an HCA.
- Reservation and Dedication of Municipal Property (*Local Government Act*)**  
The City can commit to the long-term protection of public property. Although previously enabled, there is new scope added to this tool.

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### Administrative Procedures

- *Priority Routing*  
The City can institute a policy of expediting applications involving identified heritage resources.
- *Heritage Awareness Programs*  
The City can continue to make the public aware of the importance of heritage resources through education programs.
- *Commemoration and Interpretation*  
The City can provide for commemoration and/or interpretation of historic sites or buildings. This is not the equivalent of designation.
- *Complementary Public Works*  
The City may commit to public works that complement the character of heritage sites or areas.

### TOOLS AVAILABLE DURING NEGOTIATION:



### Financial Incentives

- *Financial Assistance (Local Government Act)*  
Direct monetary grants can be offered in exchange for heritage conservation.
- *Tax Incentives/Exemption (Local Government Act)*  
Full or partial tax exemptions for up to ten years can be offered.
- *Revitalization Tax Exemption (Community Charter)*  
Full or partial tax exemptions can be offered for eligible property and revitalization projects.



### Development/Zoning Incentives

- *Heritage Revitalization Agreements (Local Government Act)*  
This is potentially the most useful conservation tool, and has been widely used by other local governments. It allows for a voluntary negotiated agreement, which may vary bylaw and permit conditions. If use and density are not varied, a Public Hearing is not required. This is considered a form of continuing protection. (Maple Ridge has enacted HRAs)
- *Heritage Conservation Covenants (Land Titles Act)*  
Allows for the negotiation of a contractual agreement with the owner, which is registered on the Land Title. This may not vary siting, use or density, and is considered a form of continuing protection. (Maple Ridge has enacted Covenants)
- *Equivalencies and Exemptions*  
Buildings identified on a Heritage Register or legally protected are eligible for building code equivalencies under the *British Columbia Building Code*, the *Energy Efficiency Act* and the *Homeowners Protection Act*.
- *Heritage Density Bonuses (Local Government Act)*  
Increases in density, although previously available, may now be achieved more easily through a Heritage Revitalization Agreement.
- *Transfer of Density (Local Government Act)*  
Although previously enabled, transfers may now be expedited through negotiated agreements.
- *Development Variance Permits (Local Government Act)*  
Allow for development requirements to be varied or waived.



### Alternate Compliance

Alternate compliance provisions (including exemptions and equivalencies) are enabled for heritage sites (including Heritage Register sites) under the following legislation:

- *B.C. Building Code*
- *Energy Efficiency Act*
- *Homeowner Protection Act*

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- Heritage Designation (*Local Government Act*)**

This tool is now enabled under the Local Government Act, and provides long-term protection and demolition control. Designation is generally negotiated in exchange for development incentives. This is considered a form of continuing protection. (Maple Ridge has enacted)
- Heritage Alteration Permits (*Local Government Act*)**

Once a Heritage Conservation Area is established, HAPs may be required for subdivision, additions, new construction or alteration of an existing building. HAPs may also be used to allow changes to legally protected heritage property.
- Tree Protection (*Local Government Act*)**

Although previously enabled, there are now procedures that streamline the ways in which the City can protect and maintain significant identified trees.

### TOOLS AVAILABLE IF NEGOTIATION BREAKS DOWN:

- Temporary Heritage Protection (*Local Government Act*)**

A heritage resource can be temporarily protected through the withholding of permits and approvals, or adopting protection orders and bylaws. The resource must be listed on a Heritage Register, and a Heritage Procedures Bylaw should be in place. Specific time periods apply, and this protection cannot be indefinitely extended.
- Heritage Designation (*Local Government Act*)**

See above for details; if the resource is of sufficient community value, the City may enact an involuntary designation. However, doing so will make the City liable for financial compensation.
- Heritage Inspection (*Local Government Act*)**

The City can order heritage inspections to assess heritage value and conservation needs.
- Heritage Impact Assessment (*Local Government Act*)**

The City can order an assessment to be prepared at either the expense of the owner or the municipality in order to predict the impact of a proposed development on adjacent heritage resources.
- Relocation**

When it is not possible to save a structure on its original site, it may be desirable to move it to another location to ensure its conservation. Costs may be borne either by the developer or the City.
- Documentation**

When it is not possible to save a structure, it may be desirable to document it before demolition. Costs may be borne either by the developer or the City. The City can set standards for documentation (such as provided by the Township of Langley).
- Salvage**

When it is not possible to save a structure, it may be desirable to salvage artifacts or portions of the structure before demolition.

Further information on these tools may be found in *Heritage Conservation: A Community Heritage Guide*, or through reference to legislation. Information on specific tools is available through Heritage BC Heritage Conservation Tools Resource Guides <<https://heritagebc.ca/learning-centre/heritage-conservation-tools-resource-guides/>>

# B: COMMUNITY CHARTER EXTRACTS

## GENERAL AUTHORITY FOR PERMISSIVE EXEMPTIONS

### Partnering, heritage, riparian and other special exemption authority

225

- (1) In this section:  
"eligible property" means property that is eligible under subsection (2);  
"exemption agreement" means an agreement under subsection (5).
- (2) The following property is eligible for a tax exemption under this section:
  - (a) eligible partnering property, being property that
    - (i) is owned by a person or public authority providing a municipal service under a partnering agreement, and
    - (ii) the council considers will be used in relation to the service being provided under the partnering agreement;
  - (b) eligible heritage property, being property that is
    - (i) protected heritage property,
    - (ii) subject to a heritage revitalization agreement under section 610 of the *Local Government Act*,
    - (iii) subject to a covenant under section 219 of the *Land Title Act* that relates to the conservation of heritage property, or
    - (iv) if property referred to in subparagraphs (i) to (iii) is a building or other improvement so affixed to the land as to constitute real property, an area of land surrounding that improvement;
  - (c) eligible riparian property, being property that
    - (i) is riparian land,
    - (ii) is subject to a covenant under section 219 of the *Land Title Act* that
      - (A) relates to the protection of the property as riparian property, and
      - (B) has the municipality granting the exemption under this section as a covenantee in whose favour the covenant is made, and
    - (iii) meets any other requirements prescribed by regulation;
  - (d) eligible cemetery property, being land held for cemetery, mausoleum or columbarium purposes;
  - (e) eligible golf course property, being land maintained as a golf course.
- (3) A council may, by bylaw, exempt eligible property from taxation under section 197 (1) (a) [*municipal property taxes*] to the extent provided in the bylaw and subject to the conditions established by exemption agreement.
- (4) The authority under subsection (3) is not subject to section 25 (1) [*prohibition against assistance to business*].
- (5) For the purposes of this section, the council may enter into an agreement with the owner of property that is exempt or is to be exempt under this section, respecting the extent of the exemption and the conditions on which it is made.
- (6) Without limiting subsection (5), an exemption agreement may do one or more of the following:
  - (a) require the eligible property to be subject to a covenant under section 219 of the *Land Title Act* in favour of the municipality;
  - (b) provide that the exemption is subject to specified conditions;
  - (c) provide that, if
    - (i) a condition is not met,
    - (ii) a required covenant under section 219 of the *Land Title Act* is discharged, or
    - (iii) any other circumstances specified in the agreement occur,



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the property owner must pay to the municipality an amount determined in accordance with the agreement.

- (7) A bylaw under this section
  - (a) must establish the term of the exemption,
  - (b) may only be adopted after notice of the proposed bylaw has been given in accordance with section 227 [*notice of permissive tax exemptions*],
  - (c) may only be adopted by an affirmative vote of at least 2/3 of all council members, and
  - (d) does not apply to taxation in a calendar year unless it comes into force on or before October 31 in the preceding year.
- (8) An exemption under this section ceases to apply to property, the use or ownership of which no longer conforms to the conditions necessary to qualify for exemption and, after this, the property is liable to taxation.

### Revitalization tax exemptions

#### 226

- (1) In this section:
  - "exemption agreement" means an agreement under subsection (7);
  - "exemption certificate" means a revitalization tax exemption certificate issued under subsection (8);
  - "revitalization program bylaw" means a bylaw under subsection (4).
- (2) A council may, for the purpose of encouraging revitalization in the municipality, provide tax exemptions for land or improvements, or both, in accordance with this section.
- (3) For a revitalization tax exemption under this section to apply to a particular property,
  - (a) the exemption must be in accordance with a revitalization program bylaw under subsection (4),
  - (b) an exemption agreement under subsection (7) must apply to the property, and
  - (c) an exemption certificate for the property must have been issued under subsection (8).
- (4) A revitalization tax exemption program must be established by a bylaw that includes the following:
  - (a) a description of the reasons for and the objectives of the program;
  - (b) a description of how the program is intended to accomplish the objectives;
  - (c) a description of the kinds of property, or related activities or circumstances, that will be eligible for tax exemptions under the program;
  - (d) the extent of the tax exemptions available;
  - (e) the amounts of tax exemptions that may be provided under the bylaw, by specifying amounts or by establishing formulas by which the amounts are to be determined, or both;
  - (f) the maximum term of a tax exemption that may be provided under the bylaw, which may not be longer than 10 years.
- (5) A revitalization program bylaw
  - (a) may include other provisions the council considers advisable respecting the program including, without limiting this,
    - (i) the requirements that must be met before an exemption certificate may be issued,
    - (ii) conditions that must be included in an exemption certificate, and
    - (iii) provision for a recapture amount that must be paid by the owner of the property to the municipality if the conditions specified in the exemption certificate are not met, and
  - (b) may be different for
    - (i) different areas of the municipality,
    - (ii) different property classes under the *Assessment Act*,
    - (iii) different classes of land or improvements, or both, as established by the bylaw,
    - (iv) different activities and circumstances related to a property or its uses, as established by the bylaw, and
    - (v) different uses as established by zoning bylaw.

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- (6) A revitalization program bylaw may be adopted only after
  - (a) notice of the proposed bylaw has been given in accordance with section 227 [*notice of permissive tax exemptions*], and
  - (b) the council has considered the bylaw in conjunction with the objectives and policies set out under section 165 (3.1) (c) [*use of permissive tax exemptions*] in its financial plan.
- (7) The council may enter into an agreement with the owner of a property respecting
  - (a) the provision of a revitalization tax exemption under this section,
  - (b) any requirements that must be met before an exemption certificate is issued, and
  - (c) any conditions on which the tax exemption is to be provided.
- (8) Once
  - (a) all requirements established in the revitalization program bylaw, and
  - (b) any additional requirements established in the exemption agreementhave been met, a revitalization tax exemption certificate must be issued for the property in accordance with the exemption agreement.
- (9) An exemption certificate must specify the following in accordance with the revitalization program bylaw and the exemption agreement:
  - (a) the extent of the tax exemption;
  - (b) the amount of the tax exemption or the formula for determining the exemption;
  - (c) the term of the tax exemption;
  - (d) if applicable, the conditions on which the tax exemption is provided;
  - (e) if applicable, that a recapture amount is payable if the exemption certificate is cancelled, and how that amount is to be determined.
- (10) So long as an exemption certificate has not been cancelled, the land or improvements, or both, subject to the exemption certificate are exempt from taxation under section 197 (1) (a) [*municipal property taxes*] as provided in the exemption certificate.
- (11) An exemption certificate may be cancelled by the council
  - (a) on the request of the property owner, or
  - (b) if any of the conditions specified in the exemption certificate are not met.
- (12) An exemption certificate or cancellation does not apply to taxation in a calendar year unless the exemption certificate is issued or cancelled, as applicable, on or before October 31 in the preceding year.
- (13) The designated municipal officer must
  - (a) provide a copy of an exemption certificate to the relevant assessor as soon as practicable after it is issued, and
  - (b) if applicable, notify that assessor as soon as practicable after an exemption certificate is cancelled.
- (14) The authority to provide a tax exemption under this section is not subject to section 25 (1) [*prohibition against assistance to business*].

# C: FINANCIAL INCENTIVE PROGRAMS

## CITY OF VANCOUVER

On March 13, 2019, the City of Vancouver approved a substantial Heritage Incentives Program, to support heritage conservation and seismic upgrades of heritage designated buildings citywide, through 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. In addition, it adopted a \$300,000 annual allocation for a Heritage House Conservation Program developed and implemented by the Vancouver Heritage Foundation to support conservation of heritage resources citywide.

**The Heritage Incentive Program (HIP)** encourages 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 replaces the Heritage Building Rehabilitation Program (HBRP) which expired in 2015, and is 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). Funding for the HIP comes 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 included in the 2019-2022 Capital Plan. On average, \$18 million would be sufficient to support six to eight 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 be limited to the funding available in the Heritage Conservation Reserve. As of December 31, 2018 there was \$13,750,000 of funding in the Heritage Conservation Reserve.

### **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 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 a Heritage Revitalization Agreement 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

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**The Heritage House Conservation Program (HHCP)** is designed to support privately owned residential buildings that are primarily constructed of wood-frame structural assemblies and otherwise ineligible for an incentive under the HIP. The HHCP program applies citywide and is 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. The HHCP program is 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.

### **VANCOUVER HERITAGE FOUNDATION**

The City's Heritage House Conservation Program is now being administered by the VHF, and includes a number of financial assistance programs for heritage projects.

### **VICTORIA HERITAGE FOUNDATION HOUSE GRANTS**

The House Grants Program of the Victoria Heritage Foundation (VHF) promotes the retention and preservation of Victoria's irreplaceable historic housing stock by assisting owners of heritage designated and covenanted houses with the costs of rehabilitation and maintenance. Each year the VHF receives funds from the City of Victoria and allocates them to homeowner applicants. Owners may submit one application per year per property, but an application may contain more than one project. The House Grants Program covers a portion of project costs, subject to VHF priorities and the availability of funds. If a grant is approved, the work should be completed within the year. The VHF administers this program on the City's behalf. Grants are a percentage of a maximum \$25,000 project cost per year. The percentage (35-40%) varies based on the current year's number of applicants and cost of projects. Grant funds for any one house over a ten-year period will normally be limited to \$25,000 of VHF monies. The awarding of grants is subject to the demand for and availability of funding.

### **VICTORIA CIVIC HERITAGE TRUST BUILDING INCENTIVE PROGRAM**

The Victoria Civic Heritage Trust works in cooperation with the City and community heritage groups to develop, administer and financially support programs that preserve, promote, interpret and enhance the cultural and natural heritage resources of the City of Victoria and its environs. The Building Incentive Program provides financial assistance to owners of commercial or institutional heritage designated buildings to assist with facade restoration; structural improvements, upgrading required by building codes, and other rehabilitation costs. Grants may cover up to 50% of the cost of eligible heritage work, up to a maximum of \$50,000 per project.

### **TOWNSHIP OF LANGLEY HERITAGE BUILDING INCENTIVE PROGRAM**

The Heritage Building Incentive Program is designed to assist with the costs of restoration, repair and maintenance of eligible heritage buildings within the Township of Langley. The objectives of the Heritage Building Incentive Program are to:

- promote the conservation and stewardship of residential, commercial, industrial, institutional, and agricultural heritage buildings in the Township
- encourage investment in the Township's built heritage
- ensure the long-term viability of the Township's historic resources

Although grant consideration will be given to buildings listed on the Township's Heritage Inventory, to receive an award a building must establish official heritage recognition through addition to the Community Heritage Register, or be protected by a heritage covenant, a designation bylaw, a Heritage Revitalization Agreement, or be listed on a Heritage Conservation Area Schedule.

- Grants will be considered for exterior preservation, restoration or rehabilitation projects.
- Exterior or structural repair work will take priority over general maintenance work in awarding grants.
- Seismic upgrades to a public-use building where required for public safety, as well as proposed exterior changes to a public-use building for the purpose of improving access, will also be considered.
- All project work shall meet the intent of the *Standards and Guidelines for the Conservation of Historic Places in Canada*.

## **CITY OF MAPLE RIDGE HERITAGE INCENTIVES REVIEW**

Grants will be awarded based on the level of legal protection on the property and the funds available, to a maximum of \$10,000 per grant. The funding formula for grants up to the allowable maximum value, will be calculated on a percentage of actual project costs relative to the official recognition or legal protection on a building.

### **CITY OF SURREY BUILDING PRESERVATION PROGRAM**

The Building Preservation Program provides grants to owners of protected heritage properties for stabilization, maintenance, and restoration of heritage buildings. The City will contribute 50% of the cost of the work or materials up to \$5,000 in a calendar year. An owner may also claim any unclaimed amounts from the previous 2 years to a maximum of \$15,000. In order to receive this grant, an owner must bring forward an application for financial assistance to the Heritage Advisory Commission for its review and approval. Detailed requirements are set out in the *City of Surrey Heritage Sites Financial Assistance Bylaw, 1003, No. 15099*.

### **NEW WESTMINSTER RESIDENTIAL HERITAGE BUILDING GRANTS PROGRAM**

Incorporated as a Society in 1992, the New Westminster Heritage Foundation operates an annual Residential Heritage Building Grants program. Funds were initially generated by donations from the film industry. Now there is a long standing partnership between NWHPS and the City of New Westminister, whereby NWHPS and the City of New Westminister's Heritage Endowment Grant Program each contribute 50 per cent of the grant program's annual budget. The maximum grant award to a qualified heritage home owner is \$10,000. Information, including eligibility and application criteria, is available on the New Westminister Preservation Society's webpage.

### **OAK BAY HERITAGE FOUNDATION HERITAGE RESTORATION GRANTS**

Administered by the Oak Bay Heritage Foundation to provide cost-sharing grants to owners of buildings listed on the official Oak Bay Community Heritage Register and to owners of designated heritage buildings. Buildings protected under a Heritage Revitalization Agreement may also be eligible for the Heritage Restoration Grants programme. A single grant will normally not exceed \$1,000 for a building listed on the official Oak Bay Community Heritage Register and \$10,000 for a designated building. Priority will be given to designated buildings. Applicants are restricted to one application per calendar year. Over a 10 calendar year period, total grants for one property are limited to a maximum of \$10,000 for a designated home and \$3,000 for a home on the Register. Grants will be awarded at the sole discretion of the Foundation.

### **SAANICH HERITAGE FOUNDATION HOUSE GRANTS PROGRAM**

Grants are based on a maximum of 35% of project costs to a maximum of \$10,000 per year per designated house. Grant funds for any one house over a ten-year period will normally be limited to \$20,000 of SHF monies; this will apply to grant applications received for 2017 and subsequent years. These grants are subject to SHF priorities and the funding received from the Municipality.

### **CITY OF KELOWNA HERITAGE GRANTS PROGRAM**

The Heritage Grants Program was established in 1991 and was administered by City staff with applications reviewed by a volunteer board. In 2008, the Central Okanagan Heritage Society (COHS) was awarded the contract to administer the grants program. The intent of the program is to recognize the value of Kelowna's built heritage. Through the granting process, financial support is extended to assist with the upkeep of properties listed on the City of Kelowna's Heritage Register. The City of Kelowna's Heritage Grants Program promotes the conservation of residential, commercial, industrial, institutional and agricultural heritage buildings by assisting owners with grants for a portion of the costs incurred in conservation work. Approximately \$35,000 in total is available for distribution annually from the City.

## D: CITY OF PORT MOODY TAX EXEMPTION PROGRAM

Permissive tax exemptions are enabled under Section 226 of the *Community Charter*. The City of Port Moody has enacted a Heritage Revitalization Tax Exemption Bylaw, 2011, No.2913 under these provisions. This is expected to encourage revitalization by lowering costs for property owners in the initial years after a major capital investment.

The purposes of Port Moody's tax exemption program are to:

- support conservation of heritage properties;
- foster revitalization through heritage and cultural awareness;
- increase the economic viability of the Heritage Conservation Area and Heritage Character Areas of Moody Centre; and,
- enhance quality of life in the city.

The program is intended to accomplish these objectives by:

- lowering costs for heritage property owners to invest in the restoration, rehabilitation and repair of heritage properties;
- establishing a financial incentive for redevelopment that meets heritage and sustainability guidelines;
- cultivating a heritage precinct for business attraction and cultural tourism; and,
- promoting a heritage aesthetic that improves the sense of place and promotes vitality in the identified historic area of the city.

Eligible properties must be listed on the City's Heritage Register or located within the Moody Centre Heritage Conservation and Character Areas. To qualify, a project must be either 1) heritage conservation projects of \$15,000 or above in eligible costs, or 2) projects that retain the existing principal building with a construction value of \$100,000 or greater, as follows:

- i. Wherein the land use is consistent with the Official Community Plan land use designation, as amended from time to time; and
- ii. That involves preservation of the heritage significance of a building on the City's Heritage Register and results in qualifying project costs of \$15,000 or greater (Type I); or
- iii. Improvements on a Lot which result in a construction value of \$100,000 or greater as determined by the building permit(s) issued where (Type II):
  - (a) the existing principal building is retained; and
  - (b) the Project is exemplary of the Moody Centre Heritage Conservation Area Guidelines as determined by the Director of Development Services; and
  - (c) green building elements are included such as reused materials, and/or conservation of water and energy as demonstrated through the completion of the City's Checklist for Community Sustainability; or
  - (d) a heritage Statement of Significance is prepared to direct the Project and, upon completion of the heritage conservation works as per the *Standards and Guidelines for the Conservation of Historic Places in Canada*, the Lot is added to the Heritage Register.

## CITY OF MAPLE RIDGE HERITAGE INCENTIVES REVIEW

iv. In the case of a Type I project as described in this bylaw, qualifying project costs shall include any of the following:

- (e) conservation and repair of significant original architectural elements, including doors, windows, roofing, or other significant features as identified in the Statement of Significance documented in the Heritage Register;
- (f) reconstruction of significant historical features, using materials that replicate the original;
- (g) work to restore a building to structural soundness as per the *Standards and Guidelines for the Conservation of Historic Places in Canada*, with reference to the B.C. Building Code;
- (h) the conservation of interior elements will be eligible if it is necessary for a building's structural integrity;
- (i) interior services including plumbing, electrical and heating are eligible if necessary to ensure the continued use of the building and the replacement technology is consistent with a recognized Canadian green building standard;
- (j) professional design and engineering reports, drawings, cost estimates, and specifications as required by the City for the project.

The tax provisions are tied to recognized heritage conservation *Standards and Guidelines*. Notably, there has been very little uptake of this program, as it is cumbersome to apply to residential projects.

## E: DEFINITIONS

**Character-Defining Elements:** the materials, forms, location, spatial configurations, uses and cultural associations or meanings that contribute to the *heritage value* of a *historic place*, which must be retained in order to preserve its *heritage value*.

**Conservation:** all actions or processes that are aimed at safeguarding the *character-defining elements* of a cultural resource so as to retain its *heritage value* and extend its physical life. This may involve “*Preservation*,” “*Rehabilitation*,” “*Restoration*,” or a combination of these actions or processes. Reconstruction or reconstitution of a disappeared cultural resource is not considered conservation and is therefore not addressed in this document.

**Heritage Guidelines:** statements that provide practical guidance in applying the *Standards for the Conservation of Historic Places*. They are presented as recommended and non-recommended actions.

**Heritage Value:** the aesthetic, historic, scientific, cultural, social or spiritual importance or significance for past, present or future generations. The *heritage value* of a *historic place* is embodied in its character-defining materials, forms, location, spatial configurations, uses and cultural associations or meanings.

**Historic Place:** a structure, building, group of buildings, district, landscape, archaeological site or other place in Canada that has been formally recognized for its *heritage value*.

**Intervention:** any action, other than demolition or destruction, that results in a physical change to an element of a *historic place*.

**Maintenance:** routine, cyclical, non-destructive actions necessary to slow the deterioration of a *historic place*. It entails periodic inspection; routine, cyclical, non-destructive cleaning; minor repair and refinishing operations; replacement of damaged or deteriorated materials that are impractical to save.

**Minimal Intervention:** the approach that allows functional goals to be met with the least physical intervention.

**Standards:** Principles for the respectful conservation of historic places.



## F: WEBSITES

### FEDERAL GOVERNMENT

***Canadian Register of Historic Places***

<http://www.historicplaces.ca>

***Standards and Guidelines for the Conservation of Historic Places in Canada***

<http://www.historicplaces.ca/en/pages/standards-normes.aspx>

***Canada Mortgage and Housing Corporation***

<https://www.cmhc-schl.gc.ca/en/>

### PROVINCE OF BRITISH COLUMBIA

***Statutes and Consolidated Regulations of British Columbia***

<http://www.bclaws.ca/>

***Local Government Act***

[http://www.bclaws.ca/civix/document/id/complete/statreg/r15001\\_00](http://www.bclaws.ca/civix/document/id/complete/statreg/r15001_00)

***Community Charter***

[http://www.bclaws.ca/Recon/document/ID/freeside/03026\\_00](http://www.bclaws.ca/Recon/document/ID/freeside/03026_00)

***Heritage Branch, Province of British Columbia***

<http://www2.gov.bc.ca/gov/content/governments/celebrating-british-columbia/historic-places/conserving-buildings-properties>

***Heritage Conservation: A Community Guide (“Read the Guide”)***

<http://www2.gov.bc.ca/gov/content/governments/celebrating-british-columbia/historic-places/conserving-buildings-properties>

### PROVINCIAL INITIATIVES

***Heritage Legacy Fund of British Columbia***

<http://www.heritagebc.ca/funding/heritage-legacy-fund>

***Heritage BC Heritage Conservation Tools Resource Guides***

<https://heritagebc.ca/learning-centre/heritage-conservation-tools-resource-guides/>