



THE REGIONAL MUNICIPALITY OF NIAGARA
WORKSHOP/TRAINING/EDUCATION SESSION
SESSION OUTLINE

Thursday, July 22, 2021

4:30 p.m.

Workshop will be held by electronic participation only

Due to efforts to contain the spread of COVID-19 and to protect all individuals, there is no public access to Niagara Region Headquarters. If you have questions about this workshop, please contact the Office of the Regional Clerk at clerk@niagararegion.ca

	Pages
1. <u>PRESENTATIONS</u>	
1.1. <u>Niagara Region Incentive Review</u> Marian Bannerman, Program Manager, Grants and Incentives	2 - 21

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

Niagara Region Incentive Review

Regional Council Information Session

July 22, 2021

Incentive Review Catalysts and Goals

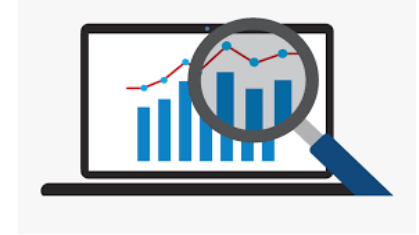
Increased Programs



Increased Cost



New Business Models



Incentive Review Goals

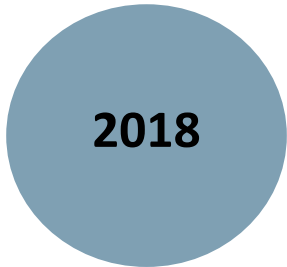
- Align with Regional priorities and responsibilities
- Address current and future needs
- Provide meaningful and measurable results
- Be sustainable, clear and accountable

Regional Incentive Review

- Review Endorsed
- Incentive Program Audits

- Meeting and survey for Local Municipal staff
- Regional staff work on program alignment

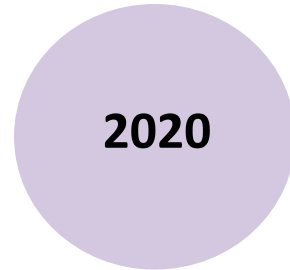
- **Implementation of aligned incentive programs**
- **Finalize Regional DC By-law**



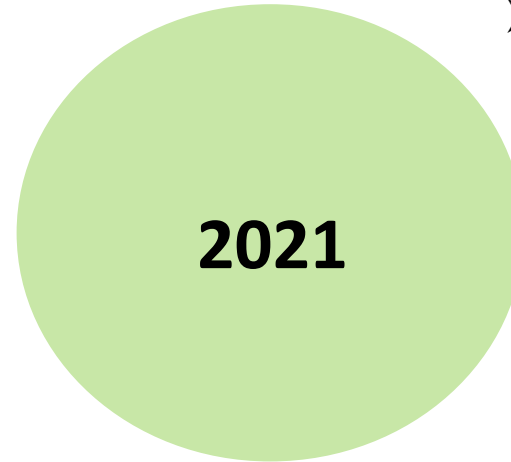
2018



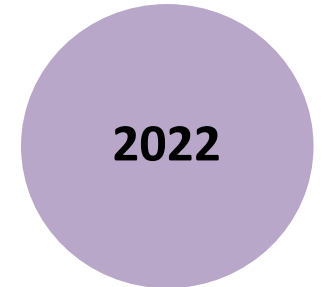
2019



2020



2021



2022

- Council establishes four incentive Priority Areas
- Engagement with Local Municipal staff

- Resident and Stakeholder survey and webinar
- Local Municipal staff engagement
- **Recommendation report to Regional Council**
- **Information sessions on aligned programs**

Basis of Review and Recommendations

Council Direction

- Council Strategic Priorities
- Council direction on incentive reports

Research and Data

- Audits of Regional incentive programs – process and value-for-money
- Incentive program data and KPIs
- Review of comparator programs and best practices

Engagement

- Information: Meetings, presentations, webinar
- Feedback: Surveys of public, stakeholders, and local municipalities

Council Direction: Four Priority Areas



Affordable
Housing



Employment



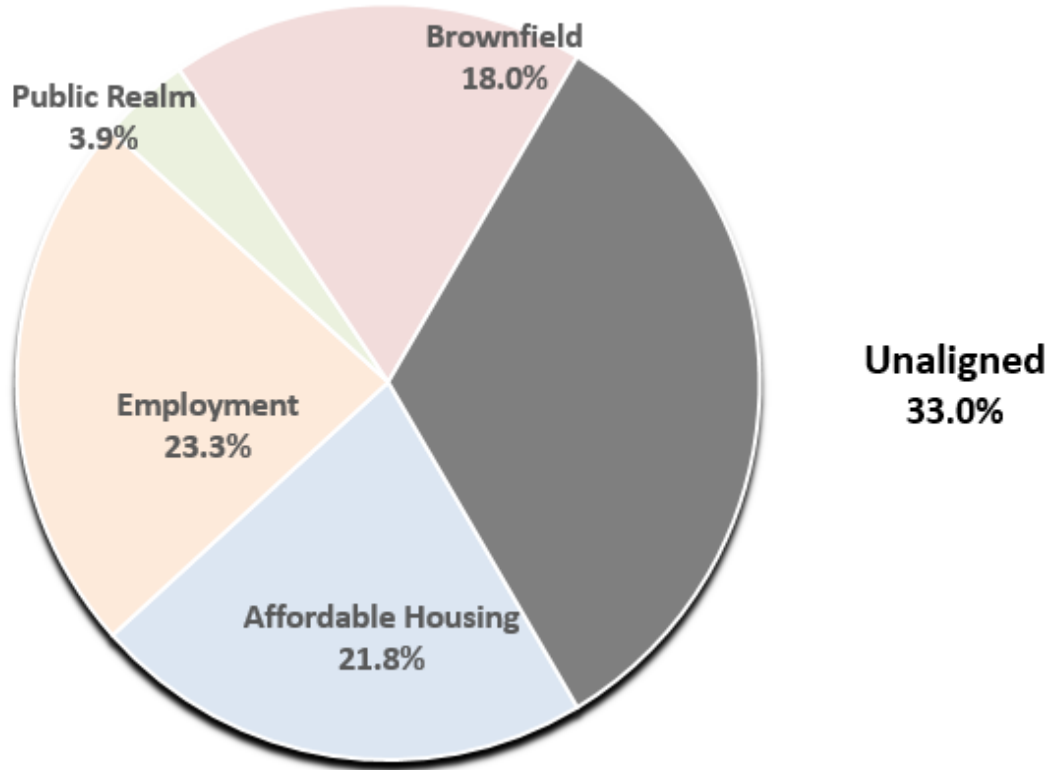
Brownfield
Remediation



Public Realm

Current Funding

2021 Incentive Budget (\$14M)



➤ Funding not fully aligned with Priority Areas or targeted distribution

➤ Future investment will be guided by:

- Program performance over time
- Key variables such as pandemic recovery, housing market, employment patterns
- Provincial and federal funding

Funding Options

Repurpose Existing Grant Dollars	Federal/Provincial Governments	Increase Taxes
PROs		
<ul style="list-style-type: none"> no incremental tax impact 	<ul style="list-style-type: none"> minimizes incremental tax impact (often comes with cost sharing) 	<ul style="list-style-type: none"> funding available immediately
<ul style="list-style-type: none"> aligns discretionary budget dollars with Council Strategic Priorities 	<ul style="list-style-type: none"> offsets Provincial costs downloaded to Region (e.g., hospitals) 	<ul style="list-style-type: none"> can retain other program/grant spending
<ul style="list-style-type: none"> aligns our spending more with other municipalities' incentives 		<ul style="list-style-type: none"> can design sustainable programs targeted to priority areas
<ul style="list-style-type: none"> can create partnerships/leverage private sector investment 		<ul style="list-style-type: none"> can create partnerships/leverage private sector investment
CONs		
<ul style="list-style-type: none"> local priorities may continue to be uploaded to Region 	<ul style="list-style-type: none"> reactive, unpredictable, and tight time frames 	<ul style="list-style-type: none"> impact on residents including low income households
<ul style="list-style-type: none"> takes time to realize funding due to commitments and by-laws 	<ul style="list-style-type: none"> agenda may not align with Regional priorities 	<ul style="list-style-type: none"> tax increases further impact housing affordability

Research Findings

Tax Increment Grants

- Costs will double that of 2019 for the next 5-7 years
- Higher level of grants/incentives than provided by other cities/regions
- 80% of CIP TIGs are for market residential (singles, townhouses, condos)
- Almost 50% of Niagara renter households spend 30%+ of their income on shelter

Development Charge Grants

- Estimated \$17 million shortfall in 2022 DC grant budget
- Smart Growth criteria often standard not incentivized by other municipalities
- Niagara brownfield incentives generally in line with other municipalities

Grants Overall

- Individual projects resulted in payback periods in excess of 100 years
- 76% of residents do not want Region to fund enhancements to privately owned buildings
- Growth means some incentives no longer essential to secure development
- Region provides incentives in areas of local responsibility

Strategies

- ✓ **Directly link Regional incentives to Regional priorities**
- ✓ **Target incentives to core housing need**
- ✓ **Support purpose-built rental and affordable housing**
- ✓ **Consider deferrals and redirect unaligned funding for sustainability**

Affordable Housing



Over 26,000 households
in core housing need in
Niagara

Housing prices increased
26% in 2020, the largest
increase on record

Over 23,000 renters and
owners spend over 50% of
their income on housing

NRH waitlist for housing
for singles aged 16-54 is
7-18 years in Niagara

- ✓ Increase affordable and attainable rental supply
- ✓ Decrease NRH affordable housing wait times
- ✓ Maintain existing affordable housing stock

Affordable Housing

Encourage affordable and attainable rental housing



Program	Regional grant minimums/maximums	Key Parameters
<u>Partnership Housing Program</u> Suite of Incentives (e.g., grants, deferrals)	Determined on a case by case basis depending on funding/contributions available	Scoring criteria weighted to projects increasing purpose-built rental and creating affordable units for waitlist tenants at lower cost than Regional construction
<u>Affordable and Supportive Housing</u> Regional Development Charge Deferral	Up to 100% of Regional DCs deferred for eligible units as long as they remain affordable	Some units which move households off wait list may have DCs granted after specified time period
<u>Non-Profit Grant</u> Regional Development Charge Grant	Up to 100% of Regional DCs Annual budget (current \$150k)	Scoring criteria for projects based on alignment with Regional priorities
<u>Intensification Grant</u> Regional Development Charge Grant	100% of Regional DCs granted for eligible projects	Includes interior and exterior secondary suites as defined by provincial DC Act
<u>Residential Rental Grant</u> Regional Project Grant	Maximum \$40k/unit for up to two units Annual budget	Must remain affordable rental units for a minimum of 10 years
<u>Small Building Rental Grant</u> Regional Project Grant	Maximum grant of \$15k/unit for up to five units Annual budget	Must remain affordable rental units for a minimum of 10 years

Key Success Measures: number and type of affordable units created; households removed from waitlist; amount of incentive per unit

Affordable Housing



Encourage affordable home ownership and maintain existing affordable housing stock

Program	Regional grant minimums/maximums	Key Parameters
<u>NRH Home Ownership Downpayment Assistance</u> Forgivable Loan	Up to 5% of down payment Provincial funding	Must meet age, renter household, income and asset requirements
<u>NRH Niagara Renovates Homeownership</u> Forgivable Loan	Up to \$22k for eligible projects and up to \$5k in accessibility renovations Provincial funding	Must meet certain income and ownership requirements
<u>NRH Niagara Renovates Multi-residential</u> Forgivable Loan	Maximum \$10k/unit, maximum per building of \$25k-\$90k depending on number of units Provincial funding	Must have over two units, units must be at or below average market rent for 15 years
<u>NRH Non-Profit and Co-op Capital Repair Costs</u> Forgivable Loan	Federal/provincial funding Grant maximums dependent on funding	Must have agreements with Housing Services Ranked on criteria including urgency, ability to fund
<u>NRH Housing Provider Capital Loan Program</u> Loan and Grant	Annual program budget Grant maximums dependent on funding	Must have agreements with Housing Services Must be non-profit or co-op Ranked on criteria including urgency, ability to fund

Key Success Measures: number of units purchased or maintained; households removed from waitlist; amount of incentive per unit

Employment



Employment dropped about 15,000 and the labour force dropped by 10,000 in Niagara from 2016-20

Investment in industrial building construction experienced a significant decline of \$42.4 million or 40% from 2017-2020

Jobs in the targeted sectors are among the highest in economic impact in the Region

- ✓ Incentivize an average of 100 full time jobs per year in the next five years
- ✓ Attract five new businesses in the next five years
- ✓ Expand the range of employment TIGs while maintaining unique status of Gateway CIP

Employment

Attract jobs and businesses to Niagara



Program	Regional grant minimums/maximums	Key Parameters
<p><u>Gateway CIP Tax Increment Grant</u> Local and Regional Gateway CIP matching grant</p>	Maximum 100% TIG for 10 years in Strategic Locations for Investment (five years outside SLIs)	With Local Municipalities, align Smart Growth criteria with industrial development Review of Strategic Locations for Investment
<p><u>Gateway CIP Regional DC Grant</u> Local and Regional Gateway CIP matching grant</p>	Maximum \$1.5M per project	Local DC matching grant required
<p><u>Niagara Business Attraction Tax Increment Grant</u> Local CIP matching grant</p>	Maximum of 75% of Gateway TIG calculation for five years	Project must be approved by LAM under a CIP
<p><u>Regional Employment Grant</u> Regional Development Charge Grant</p>	<p>1-10 full time positions created = 50% of RDCs 11-20 full time positions created = 75% of RDCs 21+ full time positions created = 100% of RDCs</p>	Eligible employment sectors are Manufacturing (NAICS 31-33) and Professional, Scientific and Technical Services (NAICS 54, with some exceptions)
<p><u>50% Industrial Expansion Grant</u> Regional Development Charge Grant</p>	100% of DCs on maximum of 50% of gross floor area prior to first enlargement	See maximum and minimums

Key Success Measures: number of jobs created; amount of grant provided; number of local partners; square feet added

Brownfield Remediation



There are at least five brownfield sites in Niagara estimated to have \$15M or more in remediation costs

The majority of Niagara brownfield sites are in the urban area → remediation supports employment, intensification, housing, reduced GHG emissions

Just five key Niagara brownfield sites represent over 500 acres that could be remediated and redeveloped

- ✓ Generate an average increase of 10 times the original assessment value on brownfield properties
- ✓ Approve two Tier 1 BTIGs in the next five years
- ✓ Provide funding for remediation of at least 200 acres in the next five years



Brownfield

Clean up contaminated sites to prepare for development

Program	Regional grant minimums/maximums	Key Parameters
<p><u>Brownfield Tax Increment Grant Tier 1:</u> <u>Select Sites</u> (Local CIP)</p>	<p>80% or 100% with affordable housing 10 Years - fixed calculation Annual grant no greater than \$10M Minimum \$5M in remediation costs</p>	<p>For remediation costs only Eligible sites identified in collaboration with local municipalities Project must be approved by LAM under a CIP</p>
<p><u>Brownfield Tax Increment Grant Tier 2</u> (Local CIP)</p>	<p>60% or 80% with affordable housing 10 Years - Fixed calculation Annual grant no greater than \$1M Minimum \$250k in remediation costs</p>	<p>For remediation costs only Project must be approved by LAM under a CIP</p>
<p><u>Brownfield RDC Deferral</u> Regional Development Charge Deferral</p>	<p>100% of RDCs may be deferred until occupancy permit issued or five years from signing of agreement, whichever is first</p>	<p>May stack with BTIG</p>

Key Success Measures: number of acres remediated; affordable housing units created; jobs created; assessment increase

Public Realm



Provincial requirements to support walkable communities, active transportation, and promote universal accessibility

Lost opportunity costs without coordination on service delivery for major capital projects

Niagara has an estimated vegetative cover of 27%

- ✓ Improve public realm including road, bike paths, sidewalk, trails and accessibility amenities in an average of six projects annually
- ✓ Plant approximately 500 trees through PRIP in the next five years
- ✓ Achieve at least 10 of the following in the next five years: public plaza enhancements, placemaking and public art installations, gateway features

Public Realm



Improve accessibility, sustainability and attractiveness of public spaces on Regional roads in core areas

Program	Regional grant minimums/maximums	Key Parameters
<p><u>Public Realm Investment Program</u> Regional Matching Grant</p>	<p>\$25,000 minimum to \$150,000 maximum per grant Annual program budget (current \$350K)</p>	<p>Within or directly adjacent to a Regional Road right-of-way and areas of significant Regional investment in urban and core areas</p>

Key Success Measures: Kilometres of roads/trails created or improved; number of trees planted; accessibility components installed; place-making features installed; public art installed

Programs Outside Review Direction

- Smarter Niagara Incentive Program (SNIP): façade and building improvement, heritage restoration, planning grant
- Brownfield Tax Assistance Program
- Niagara Investment in Culture Program
- Waterfront Investment Program
- Heritage Tax Rebate Program
- Smart Growth Regional DC Program

Next Steps



Summer 2021

- Incentive Policy Report to COTW August 5

Fall 2021

- Incentive Procedures to CLT for approval
- Incentive funding through 2022 Budget process
- Consultation, coordination with LAMs on key program components and alignment
- Stakeholder information sessions
- Administrative updates



2022

- Implementation of Niagara Region Incentives Policy
- Continued work and engagement on Regional DC Bylaw



Thank you

Questions?