

BENEFITS OF A HERITAGE CONSERVATION DISTRICT (HCD)

➤ **General:**

- The essential benefit of heritage district designation under the Ontario Heritage Act (OHA) is to ensure that future developments, renovations, repairs, restorations and infrastructure are complementary to the character of the district. A clear and well-drafted HCD Plan can be an effective means to prevent demolition of significant buildings and to protect streetscapes by ensuring that new construction or renovations and other alterations are in keeping with the character of the area.
- District designation is a method for owners to express pride in the heritage value of their properties and neighbourhoods, and for the community to protect and promote awareness of its local history. Importantly, heritage status provides a process to ensure that property changes respect the community's heritage values and are appropriately managed.

➤ **Existential Climate Crisis and the Critical Role of Existing Buildings:**

- In the climate crisis, how do we make the case for retention of existing buildings?

The argument confronts us with the climate change consequences — in the form of carbon/greenhouse gas (GHG) emissions — of destroying buildings.¹ It runs something like this:

- Destroying sound buildings to make way for new builds wastes resources (the materials and embodied energy in a structure, which stays locked up if destruction is avoided).
 - Demolition activity itself, including transporting the waste, takes energy and adds to carbon emission.
 - Most new construction is heavily concrete and steel reliant; the production of cement, the key ingredient in concrete, is one of the largest contributors of GHG emissions in the built environment.
 - Compared to new construction, building retrofit and reuse reduces climate change and environmental impacts by 4 to 46%, depending on type, location and assumed level of energy efficiency.
 - The greenest building is the one that already exists.
- The argument concludes:
 - Keeping, retrofitting (especially to increase energy efficiency) and reusing Ontario's buildings — and integrating them into redevelopment — is better for the planet than demolition and building new. Retaining and enhancing our existing building stock reduces carbon emissions and helps Ontario/Canada meet our climate change targets.
 - In addition, the emissions created by demolition of existing structures on a site and their replacement with new construction is very difficult to off-set. The Greenest Building Study (2012)² found it would take between 10 and 80 years for a new highly energy efficient replacement building to offset: (i) the emissions created in its construction; and (ii) the destruction of the existing building.

➤ **Economic Arguments:**

- HCDs promote revitalization and stabilization of areas, which create more certainty and which, in turn, encourage investment. Investors prefer to put their funds to work where there is long term stability. Investors shy away from sketchy areas in decline — unless they buy properties for a bargain when the area is undervalued and gamble on the area improving. Establishing an HCD in a declining area is a potential way to reverse the decline.
 - With the steady increase in Ontario's population, there is enormous pressure for intensification even in HCDs. There is the potential, however, to use HCD Plans to control and shape the intensification so that, even though it occurs, it does not adversely impact the heritage elements in an HCD. If one of the main considerations for intensification is the construction of as many housing units as possible without defaulting to urban sprawl, HCDs may assist in mitigating any adverse effects so that such areas are still where residents want to live and work.
 - There is a strong relationship between HCDs and cultural tourism. HCDs can be used both to encourage and manage tourism activity. Managing tourism is critical to ensure that the number of visitors does not overwhelm and destroy the character of a heritage area and interfere with the well-being of local citizens. When initially working on a proposed HCD, it is important to engage with citizens who live and work in the area under consideration. It is critical for the HCD Plan to specifically identify and address how to maintain a balance between local citizen well-being and cultural tourism.
 - In an established built-up district, development/construction activity may well take the form of repair and renovation rather than new construction. Revitalization of heritage properties creates more jobs than construction of new buildings.³
 - HCDs can be used to reduce realty taxes by instituting a heritage property tax relief program in accordance with the provisions of the Municipal Act, 2001, section 365.2.
 - HCDs often have municipal grant programs to assist property owners and tenants with appropriate maintenance, renovation and restoration of heritage properties.
 - Canadian and U.S. studies indicate that heritage district status tends to accelerate property value increases during periods of rising prices, and sustains values during recessions. There is no evidence that designation reduces the market value of heritage properties. For example, the results of a study by the Heritage Resources Centre, University of Waterloo titled “Heritage Conservation Districts Work! Phases 1 and 2” indicate that market value of properties in an HCD are not adversely affected by designation. The executive summary of Phase 2 includes the following conclusions: (i) “Real estate values in Heritage Conservation Districts generally rise more consistently than surrounding areas”; and (ii) “Residents' thoughts about real estate show an understanding of what is happening in their districts, and a majority thought the value increased”.⁴
- **Community Building:**
- The first step in studying the potential establishment of an HCD is to involve the community and ask the community members if they support the undertaking of the study. Community support and interest are an essential part of the process. It is best if the process

is community driven; if instead it is driven by the municipality or an outside group the process should require working closely with the neighbourhood and responding to its concerns. Involving community members as volunteers in the process can add to these volunteers learning more about their own neighbourhood and may develop a personal interest in the outcome of the study – supporters of the study. Volunteers want the study to have a positive impact on their neighbourhood.⁵

- If there is a broad range of community involvement, there is an opportunity to recognize diverse cultures in an HCD. For example, this could include the influences of new immigrants from different parts of the world and could also include the influences of Indigenous peoples prior to European settlement.

➤ **Educating the Public:**

- HCDs based on careful historical research and evaluations promote the understanding and appreciation of an area's heritage values and attributes. This benefit is not only shared by property owners and tenants in the HCD but in the wider community and society. For example, tourists are drawn to HCDs. Also a successful HCD with its plan, policies and guidelines can be used as a precedent for developing an HCD elsewhere.
- During the study and research phase of an HCD, there is opportunity for the community to develop an understanding and appreciation of the community's heritage resources and the strong relationship between patterns of activity, memory, and imagination and physical patterns of buildings, other structures, streetscapes, land forms and natural features. Heritage district designation allows these resources and relationships to be identified and protected.⁶
- HCDs increase the interest and expertise among residents in conservation technology, such as historic woodwork, paint, masonry, as well as metal work and others. This increases the market for highly skilled craftspersons and the need for training such craftspersons.⁷
- Most people have busy day-to-day lives with little concern for and understanding of generational transitions (e.g. building techniques, building materials, cultural attitudes, religious beliefs, prejudices, historic events, etc.). HCDs, and the underpinning research, not only educate the public about generational transitions but provide a mechanism to preserve the understanding of these elements for further generations to come.

➤ **Satisfaction of Residents and Business Owners:**

- Designation allows a community to recognize and commemorate what it values within an area, that contributes to its sense of place. It provides a process for sustaining these elements into the future.⁸
- Home owners, entrepreneurs, local government and property developers all appreciate the benefits of culturally vibrant and established urban and rural communities. An HCD contributes towards the development of a rich physical and cultural environment and the promise of continuity and stability into the future. Such places are able to embrace a wide variety of lifestyle options and economic activities while still maintaining physical continuity and social cohesion. These are often attractive areas for commercial, residential

and mixed-use investment.⁹

- Research confirms that there is overwhelming satisfaction of residents and business owners located in HCDs.¹⁰

➤ **Designating Multiple Properties:**

- In the face of the Bill 23 amendments to the OHA and the new two-year expiry of properties listed on the municipal heritage register, HCD designation may be considered as a potential way to deal with multiple listed properties in a defined area. This could be more efficient than attempting to designate individual properties under Part IV of the *Ontario Heritage Act*.

To Maximize These Benefits, HCDs Require:

➤ **HCD Plans with Clear Policies and Guidelines:**

- A successful HCD will likely have a well-drafted plan with clear policies and guidelines (including periodic updates): (i) to ensure the integrity and sustainability of the area's unique cultural resources; and (ii) to manage the impacts of cultural tourism, adaptive reuse of buildings, and ongoing development. HCDs are not intended to prohibit development but rather to ensure that any development is compatible with, and perhaps even complementary to, the existing identified heritage architecture and other attributes. When establishing an HCD Plan with its policies and guidelines, municipal decision makers must ensure that the HCD Plan does not impede growth potential and future benefits of the area, and takes into account economic considerations plus the larger municipal planning policy framework. Note that there are a number of older HCDs, particularly those predating the 2005 amendments to the OHA, that do not have robust HCD Plans with policies and guidelines; so, to provide the necessary integrity and sustainability of these HCDs, robust up-to-date plans with much specificity need to be drafted and implemented. As is the case with Official Plans and the Provincial Policy Statement, all HCD Plans should be reviewed and updated periodically, perhaps every ten years.
- Official Plans and zoning bylaws do not adequately address adjacency and the compatibility of neighbouring buildings. HCDs address aesthetics and can provide detailed urban design guidelines. “The immediate benefit ... is a planning process that respects a community's history and identity. ... It is one of the best ways to ensure that this identity is conserved. The adoption of an HCD plan as part of the designation process ensures that the community's heritage conservation objectives and stewardship will be respected during the decision-making process.”¹¹
- Once an HCD Plan is adopted, its policies and objectives take precedence in the event of a conflict with existing municipal zoning and other by-laws that were in place before the designation of the district.¹²
- An HCD Plan can include the embellishment of a neighbourhood's streetscapes with improvements such as tree replanting, custom streetlights and signs, and traffic calming

- features. Also, landscapes such as public parks and other spaces in the neighbourhood can be improved with period landscaping, statuary and interpretive plaques.¹³
- “HCDs and the process for the studies that create them could be applied much more broadly to neighbourhoods anywhere, commercial or residential. While based on the Ontario Heritage Act and specifically intended to protect significant heritage resources, it is worthwhile to consider how the process of heritage district analysis could form the basis for good planning and contribute to understanding and managing change within almost any built environment.”¹⁴.

➤ **Efficiency and Consistency in Policy/Guideline Application:**

- Efficient and consistent handling of heritage permit applications and development proposals is critical so that property owners have a good understanding of what is required and what is likely to be approved. Any decisions need to be in accordance with the HCD Plan and its policies and guidelines, plus the provisions of the OHA and the Provincial Policy Statement. Pure NIMBY arguments should not be a factor. Having clarity and specificity in the HCD Plan is critical for the efficient and consistent handling of applications and proposals. Furthermore, proper training of municipal staff and volunteer members of municipal heritage committees is critical for this efficiency and consistency.

➤ **Clear Communications and Challenging of HCD Myths/Misconceptions:**

- There are a number of myths and misconceptions about HCDs which can be broken down by robust communication. Some of these are:
 - *HCDs stop development.* This is not the case. HCDs encourage and manage compatible development.
 - *HCD properties are frozen in time and cannot be changed.* This is not the case. All properties require maintenance and repairs, so HCD properties are no different. The applications for HCD alterations or demolitions do not prohibit changes but rather are there to ensure that changes are compatible within the context of the HCD guidelines and policies.
 - *HCD's control alterations to the interior space in buildings.* This is not the case as stipulated in Section 42(1) & (2.1) of the OHA. If, however, a property individually designated under Part IV of the OHA is located in an HCD, interior heritage attribute alterations on that property are controlled under the provisions of Part IV, Section 33(1). With that exception, heritage applications for the renovation or adaptive reuse of commercial and residential interiors are not required. This is critically important in commercial areas where retail spaces are frequently renovated or adaptively reused.
 - *HCD designation controls the type of use for designated properties.* This is not the case. It is other instruments, such as Official Plans and zoning by-laws, that regulate use so that, for example, industrial, commercial, institutional, and residential uses are restricted to certain areas of a municipality.
 - *HCDs lower the market value of properties.* This is not the case. In fact, studies provide evidence to the contrary (as already mentioned above under “Economic Arguments”).
 - *HCDs interfere with property rights.* It is true that HCDs regulate changes to the exterior of buildings and landscapes but this is no different than regulations such as those in building codes, fire codes, property standard by-laws, conservation authority regulations and zoning by-laws. Don't forget that for the vast majority of properties in Ontario all

ownership rights are subject to Crown prerogatives, such as expropriation.

- *HCD properties are more expensive to insure.* It is true that some insurance companies will not insure designated heritage properties or, alternatively, they will provide insurance but with a high premium to account for the potential replacement cost. There are, however, insurance companies that will insure designated heritage properties at reasonable rates. Also, education of insurance company actuaries is needed so they understand that, if a designated heritage building is damaged, it is not a requirement under heritage legislation that the replacement is an exact replica, especially if the damage is catastrophic.
- For an HCD to operate successfully, property owners and business owners should be regularly informed of HCD matters via methods such as a website, podcasts, brochures, lectures and letters. Welcoming new owners by visiting them and providing them with a welcoming letter and HCD material, such as contact information, can help ensure that new owners are aware of HCD matters, especially requirements for alteration and demolition permits or development plans.
- Successful operation of an HCD also needs the involvement of dedicated and knowledgeable volunteers. In addition to an active and experienced municipal heritage committee, having an ongoing volunteer committee to manage HCD community communications can be very effective.

Architectural Conservancy Ontario September 2023

-
1. Dan Schneider “*In the Climate Crisis, How Do We Make the Case for Older Buildings?*” PHA + M blog, University of Waterloo, Heritage Resources Centre, November 30, 2021
 2. https://living-future.org/wp-content/uploads/2022/05/The_Greenest_Building.pdf
 3. Ontario Home Builders Association: “*2021 Engine That Drives*” <https://www.ohba.ca/2021-engine-that-drives>
 4. Heritage Resources Centre, University of Waterloo, Projects, Heritage Conservation Districts Work! — More Stories of Success, Heritage Conservation District Study Phase 2, Summary Report, December 2012, section 4.1 Conclusions, page 15
 5. McClelland article in A Collection of Papers and Notes From Workshops held in 2003 and 2004
 6. “Heritage Conservation Districts: A Guide to District Designation under the Ontario Heritage Act”, part of the Ontario Heritage Tool Kit, page 8
 7. Stephen Hamilton: “*Checking Off the Boxes*”: <https://www.ohba.ca/checking-off-boxes>
 8. “Heritage Conservation Districts: A Guide to District Designation under the Ontario Heritage Act”, part of the Ontario Heritage Tool Kit, page 8
 9. “Heritage Conservation Districts: A Guide to District Designation under the Ontario Heritage Act”, part of the Ontario Heritage Tool Kit, page 8

-
10. Heritage Resources Centre, University of Waterloo, Projects, Heritage Conservation Districts Work! — More Stories of Success, Heritage Conservation District Study Phase 2, Summary Report, December 2012, section 4.1 Conclusions, page 15
 11. “Heritage Conservation Districts: A Guide to District Designation under the Ontario Heritage Act”, part of the Ontario Heritage Tool Kit, page 8
 12. Ontario Heritage Act, Section 41.2 (1): “Despite any other general or special Act, if a heritage conservation district plan is in effect in a municipality, the council of the municipality shall not, (a) carry out any public work in the district that is contrary to the objectives set out in the plan; or (b) pass a by-law for any purpose that is contrary to the objectives set out in the plan. (2) In the event of a conflict between a heritage conservation district plan and a municipal by-law that affects the designated district, the plan prevails to the extent of the conflict, but in all other respects the by-law remains in full force.”
 13. “Heritage Conservation Districts: A Guide to District Designation under the Ontario Heritage Act”, part of the Ontario Heritage Tool Kit, page 8
 14. McClelland article in A Collection of Papers and Notes From Workshops in 2003/2004