

ARCHITECTURAL CONSERVANCY ONTARIO

BACKGROUNDER #2

Prepared for: ACO Delegates to Heritage Advocacy Day, February 21, 2024

Housing-focussed Heritage Building Grant

Request to Province:

Create a new, application-based, matching grant program of \$10M/year, modelled on an existing Alberta program. The grant program would incentivize owners to keep, fix, and renovate/reuse heritage buildings, to create new housing.

Background:

- Ontario is the only province without a grant program to encourage the conservation of buildings of significant heritage value.
- The existing Ontario heritage property tax relief program is useful, but has limited impact on developers, and reduces municipal revenues.
- The Alberta grant program has a simple application process that provides half the grant up front – both these elements are popular with developers.
- The ACO proposal focuses the grant on maintaining or increasing housing, which is a priority for all Ontarians.

Grants versus Heritage Property Tax Relief

- The existing heritage building property tax relief has had limited impact for a number of reasons:
 - It is voluntary -- municipalities are not required to establish a heritage property tax relief program, but choose to do so.
 - It varies across the province (relief can range from 10% to 40% of property tax).
 - It reduces municipal revenues, so municipalities have no direct incentive to establish such a program.
 - It adds additional administrative burden to municipalities
- A grant is a simpler and more direct way for building owners to fund renovations or restoration. It would also provide an incentive for owners to work with their municipality to have their buildings designated under the Ontario Heritage Act.

Developers' Perspective

- Ontario developers surveyed by the National Trust for Canada in 2014 ranked a heritage revolving fund as their top incentive to encourage heritage development IF:
 - the grants are simple to apply for and to administer, and
 - the fund is large enough to meet at least 33% of the demand (so that applicants had a reasonable chance of recovering the cost and effort of applying).¹

Housing Focus

- An Ontario program should focus on encouraging owners of heritage buildings to keep, fix and reuse their buildings to maintain existing housing units or create more housing. Investing in the repair and reuse of existing buildings of heritage value:
 - Contributes to house choices for Ontarians through adaptive reuse of existing buildings;
 - Helps save the environment and meet Ontario/Canada's climate targets;
 - Grows the green economy and spurs innovation in ways that decarbonize our built environment;
 - Strengthens Ontario communities, enhancing identity and pride while building our tourism brand and appeal; and
 - Triggers more economic growth and jobs than new construction.

¹ [Final Report -Financial Measures-2016 use this.pdf \(nationaltrustcanada.ca\)](#), p. 24.