

May 10, 2013

CL 6-2013, May 9, 2013
ICPC 6-2013, May 1, 2013
Report ICP 41-2013

Bonnie Nistico-Dunk, City Clerk
City of St. Catharines
P.O. Box 3012
St. Catharines, ON L2R 7C2

SENT ELECTRONICALLY

Implementing the Smarter Niagara Incentives Program
Residential Units Analysis 2010-2012
ICP 41-2013

Dear Ms. Nistico-Dunk,

Regional Council, at its meeting of May 9, 2013, approved the following recommendations of its Integrated Community Planning Committee:

That Report ICP 41-2013, May 1, 2013, respecting Implementing the Smarter Niagara Incentives Program, Residential Units Analysis 2010-2012, **BE RECEIVED** for information; and

That a copy of this report **BE CIRCULATED** to the local municipalities for information.

A copy of Report ICP 41-2013 is enclosed for your information.

Yours truly,



Janet Pilon
Regional Clerk
:nld

cc: Clerks of the Local Area Municipalities
P. Robson, Commissioner, Integrated Community Planning
J. Jones, Student Planner
D. Landry, Policy Planner
M. L. Tanner, Associate Director, Regional Policy Planning
S. McPetrie, Administrative Assistant, Integrated Community Planning
N. Smagata, Administrative Assistant

Niagara Region

REPORT TO: Integrated Community Planning Committee

SUBJECT: Implementing the *Smarter Niagara* Incentives Program
Residential Units Analysis 2010-2012

RECOMMENDATIONS

1. That this report **BE RECIEVED** for information by Council.
2. That a copy of this report **BE CIRCULATED** to the local municipalities for information.

PURPOSE

The purpose of this report is to provide an update to Council on the performance of the *Smarter Niagara* Incentives Program (SNIP) specifically regarding the creation of residential units since the last comprehensive review completed in the Fall of 2011 (ICP 97-2011).

This report aligns with the Council Business Plan under Strategic Themes 1 and 3: Responsive Region and Open for Business.

BUSINESS IMPLICATIONS

There are no financial implications arising from the adoption of the recommendations in this report. The annual budget for the *Smarter Niagara* Incentives Program has been approved by Regional Council. In terms of business implications, the findings of this report demonstrate how SNIP has continued to be a significant investment for communities across the Niagara Region. The findings of this report further support the Region's and the local municipalities goals of revitalizing community improvement areas and creating attractive, livable downtowns.

REPORT

Background

In 2011, the *Smarter Niagara* Incentives Programs went through a comprehensive review to determine program gaps and where improvements can be made. Council approved and implemented a number of revisions such as increasing the annual SNIP budget and the level of Regional contribution to certain programs and the addition of new programs.

To gain a better understanding of the impacts the program has had on the redevelopment and intensification of the local Community Improvement Plan (CIP) areas since the last comprehensive review, staff have completed an analysis of SNIP

applications that have resulted in the creation of new residential units between 2010 and 2012.

Comparisons have been made between the findings of the comprehensive review (2003- 2009) to the focused analysis from 2010 to 2012, which is demonstrated below in Table 1. From the focused analysis, there were several notable findings.

Table 1

The Number of Residential Units Created and Yearly Average by Time Period		
	Comprehensive Review 2003-2009	Focused Analysis 2010-2012
Number of Residential Units Created	733	518
Yearly Average	105	173

The comprehensive review in 2011 encompassed a seven year time period (2003-2009) while the focused analysis was based on the last three years (2010-2012). To provide for a better comparison of the number of residential units between the two time periods, yearly averages were calculated. As shown above, the review determined a yearly average of 105 residential units for the period of 2003 to 2009 while between 2010 and 2012, there has been 173 units created per year. Although the analysis is based on a shorter time period, the yearly average of residential units created is substantially higher than between 2003 to 2009. There has been a significant increase in the number of residential units created since 2009.

Certain incentive programs including the Residential Grant/Loan program and the Tax Incremental Financial Grant (TIF) have been implemented to facilitate the development of residential units. These two programs promote residential conversion, infill and intensification, and brownfield rehabilitation and development. The focused analysis, as shown in the table below (Table 2), has illustrated that although there are more applications for Residential Grants than TIFs, the number of residential units being constructed on brownfield sites receiving TIFs is significantly higher. Under SNIP, brownfield redevelopment has been the predominant creator of residential units.

Table 2

The Number of Applications and Residential Units Created by Program Type			
2010-2012	Residential Grant/Loan Program	Tax Increment Financial Grant	Total
Number of Applications	14	3	17
Number of Residential Units Created	107	411	518

As a result of the 2011 comprehensive review, there have been many significant changes to the *Smarter Niagara* Incentives Program including an increase to the SNIP yearly budget and an increase to the maximum matching contribution for such programs as the Residential Grant/Loan Program. This increase in funding provides a greater financial incentive for the development community to construct more residential units in CIP areas.

Since the initiation of SNIP in 2003, 21 CIPs have been adopted, implemented or have been prepared by 11 local municipalities. Between 2003 and 2009, 178 SNIP applications for central urban areas and brownfield sites were approved by five local municipalities. Since the comprehensive review and up to April 1, 2013, there has been an additional 135 applications that have been approved in community improvement areas across the Region.

Council's recent changes to the program also includes the addition of the Affordable Housing Grant/Loan. Although there has been no applications to date, this program provides further opportunity for the creation of residential units. Encouraging and supporting the construction of affordable housing aligns with meeting the Provincial and Regional policies and objectives. The next phase of analysis will be to determine the amount of change in the property tax base.

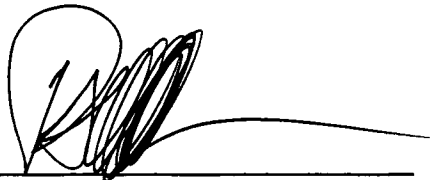
CONCLUSION

The *Smarter Niagara* Incentives Program has continued to have a significant impact in the revitalization of community improvement areas across the Region. A vital component of urban renewal is creating a community with a mix of uses where people can live, work and access daily amenities. Specific incentive programs such as the Residential Grant/Loan and the Tax Increment Financial Grant have contributed significantly through the construction of new residential units. Since the SNIP comprehensive review and the associated revisions made, there has been a substantial increase in the number of residential units created and the number of SNIP applications approved. The results demonstrate that the SNIP is becoming a valuable and well-utilized tool in facilitating the development of residential units.

REPORTS PERTINENT TO THIS MATTER

- ICP 97-2011, Final Report SNIP Review and Update, November 30, 2011

Submitted by:



Patrick Robson
Commissioner
Integrated Community Planning

Approved by:



Mike Trojan
Chief Administrative Officer

This report was prepared by Jamila Jones, Student Planner & Denise Landry, Policy Planner and reviewed by Mary Lou Tanner, MCIP, RPP, Associate Director, Regional Policy Planning.