

### Summary of the Proposed Changes

The following three tables summarize the changes proposed for replacing the Development Incentive Program with a Commercial Vacancy Reduction Program and the Commercial Redevelopment Grant.

| Program Governance                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                |
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| 2008 - 2023 Development Incentive Program Governance                                                                                                                                                                                     | Changes Proposed Under New Programs                                                                                                                                                                                                                                                                                                                                                                            |
| <p>City Policy C553C Development Incentive Program</p> <p>This Policy defines the two grant streams within the program, the geographic area of applicability, key eligibility requirements, and the maximum grant amounts per grant.</p> | <p>Two Administrative Standards, to be approved by the City Manager:</p> <ol style="list-style-type: none"> <li>1. Commercial Vacancy Reduction Grant</li> <li>2. Commercial Redevelopment Grant</li> </ol> <p>For each grant, these Administrative Standards will identify the purpose of each grant, the areas of geographic applicability, key eligibility requirements, and the maximum grant amounts.</p> |

| Interior Building Improvement Program / Commercial Vacancy Reduction Grant |                                                                |                                                                                    |
|----------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------------------------|
|                                                                            | DIP                                                            | Changes Proposed                                                                   |
| <b>Program Name</b>                                                        | Interior Building Improvement Program                          | Commercial Vacancy Reduction Program                                               |
| <b>Grant Amount</b>                                                        | \$20,000 reimbursement grant (maximum)                         | \$30,000 reimbursement grant (maximum)                                             |
| <b>Area of Applicability</b>                                               | Business Improvement Areas, Little Italy and Norwood Boulevard | Business Improvement Areas, Little Italy and Norwood Boulevard (remains unchanged) |

## Attachment 2

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| <b>Program Eligibility</b>     | <ul style="list-style-type: none"> <li>• Building cannot have received the grant before</li> <li>• One grant per building regardless of number of Commercial retail units (CRUs) within it</li> <li>• Units eligible to apply for grant funding must be commercial use only</li> <li>• CRU is located on the main floor and faces the street</li> <li>• CRU must be vacant for more than 6 months prior to applying</li> <li>• Building is 20 years or older</li> <li>• Work cannot have started before being approved for grant funding</li> <li>• CRU must have a 2 year lease at end of the project</li> </ul> | <ul style="list-style-type: none"> <li>• To be eligible, a unit in the building must not have received the grant within the last 10 years</li> <li>• One grant per eligible CRU in a building</li> <li>• Units eligible to apply for grant funding must be commercial use only (this requirement remains in place)</li> <li>• Commercial retail unit (CRU) is located on the main floor and faces the street (this requirement remains in place)</li> <li>• CRU must be vacant for more than 6 months prior to applying (this requirement remains in place)</li> <li>• Building is 10 years or older</li> <li>• Work cannot have started before being approved for grant funding (this requirement remains in place)</li> <li>• CRU must have a 2 year lease at the end of the project, but no lease is needed if the property owner is the business owner who plans to operate in the CRU, and they have obtained a City business license</li> </ul> |
| <b>What can be reimbursed?</b> | <ul style="list-style-type: none"> <li>• Structural repairs</li> <li>• Electrical and plumbing upgrades</li> <li>• HVAC (including rooftop units)</li> <li>• Flooring, interior walls, ceilings</li> <li>• Drywall and/or painting</li> <li>• Improved accessibility</li> <li>• Fire safety compliance (i.e. sprinklers)</li> <li>• Improvements related to health and safety</li> <li>• Architecture/design/engineering fees to a maximum of 20% of eligible work costs</li> <li>• Project management/administration fees to a maximum of 10% of eligible work costs</li> </ul>                                  | <p>All eligible costs from the previous Development Incentive Program will be included. The following costs will now be considered eligible for funding as well:</p> <ul style="list-style-type: none"> <li>• Roof repairs</li> <li>• Replacement of existing exterior doors and windows (including security glass such as Rock Glass)* <ul style="list-style-type: none"> <li>◦ Does not include significantly expanding or adding new window/door openings</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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|                           |                          | <ul style="list-style-type: none"> <li>○ May not be reimbursed through both this program and the Storefront Improvement Program</li> <li>● Semi-permanent fixtures such as bars and cabinetry (to accommodate a new use)</li> <li>● Asbestos/other hazardous material abatement</li> </ul> |
| <b>Grant Availability</b> | First come first served. | First come first served. Additional applicant information will be collected to support equity-seeking applicants, and to prioritize applications if necessary.                                                                                                                             |

| New Commercial and Mixed-Use Development Program / Commercial Redevelopment Grant |                                                                                                                                             |                                                                                                                                     |                                                                                                                                                                                          |
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|                                                                                   | <b>DIP: New Mixed-Use Buildings</b>                                                                                                         | <b>DIP: New Commercial Buildings</b>                                                                                                | <b>Changes Proposed</b>                                                                                                                                                                  |
| <b>Grant Amount</b>                                                               | A reimbursement grant of \$10,000 per new residential unit to a maximum of \$200,000                                                        | A reimbursement grant of 10% of total construction costs to a maximum of \$100,000                                                  | Both new commercial and new mixed-use buildings are eligible to apply under the same program, with a maximum reimbursement grant amount of \$400,000. Up to two grants awarded per year. |
| <b>Area of Applicability</b>                                                      | Business Improvement Areas                                                                                                                  | Business Improvement Areas                                                                                                          | Priority Growth Areas and Business Improvement Areas (see map in Attachment 1)                                                                                                           |
| <b>Program Eligibility</b>                                                        | <ul style="list-style-type: none"> <li>● Be a new mixed-use development that has commercial unit(s) on the ground floor, as well</li> </ul> | <ul style="list-style-type: none"> <li>● Be a new commercial building that has a minimum construction value of \$250,000</li> </ul> | <ul style="list-style-type: none"> <li>● Either a new commercial building or a new mixed-use building with commercial ground floor units</li> </ul>                                      |

## Attachment 2

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|                                      | <p>as market rate residential units</p> <ul style="list-style-type: none"> <li>• Projects that include Live Work units are eligible to apply</li> <li>• Construction has not started</li> <li>• Must be at least 2 stories high</li> </ul>                                                                                                            | <ul style="list-style-type: none"> <li>• Is a minimum of two storeys in height, and</li> <li>• Has a commercial unit(s) on the ground floor</li> <li>• Construction has not started</li> <li>• Must be at least 2 stories high</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>• Construction has not started (this requirement remains in place)</li> <li>• Height requirement removed to allow context to be taken into consideration during the competitive application evaluation process</li> </ul>                                                                                                                                                        |
| <b>What can be reimbursed?</b>       | <ul style="list-style-type: none"> <li>• All construction except for permit fees, insurance, etc.</li> <li>• Architecture/design/engineering fees to a maximum of 20% of eligible costs</li> <li>• Project management /administration fees to a maximum of 10% of eligible costs</li> </ul>                                                           | <ul style="list-style-type: none"> <li>• All construction except for permit fees, insurance, etc.</li> <li>• Architecture/design/engineering fees capped at 20% of eligible costs</li> <li>• Project management /administration fees capped at 10% of eligible costs</li> </ul>                                                                                                     | <ul style="list-style-type: none"> <li>• These requirements remain in place</li> <li>• Funding cannot be put toward infrastructure upgrades such as sewer or alley upgrades.</li> </ul>                                                                                                                                                                                                                                 |
| <b>Grant Availability and Review</b> | <ul style="list-style-type: none"> <li>• Competitive (not first-come first-served)</li> <li>• Project evaluation for potential grant awards by Committee, against design criteria: <ul style="list-style-type: none"> <li>◦ Pedestrian friendly/pedestrian-first design</li> <li>◦ Accessibility</li> <li>◦ Four season design</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Competitive (not first-come first-served)</li> <li>• Project evaluation for potential grant awards by Committee, against design criteria: <ul style="list-style-type: none"> <li>◦ Pedestrian friendly/pedestrian-first design</li> <li>◦ Accessibility</li> <li>◦ Four season design</li> <li>◦ Safe streets/CPTED</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Competitive (not first-come first-served)</li> <li>• Project evaluation for potential grant awards by Committee, against a condensed version of the previous design criteria, as well as additional criteria: <ul style="list-style-type: none"> <li>◦ Potential increase in assessed land value</li> <li>◦ Relative priority of a Priority Growth Area</li> </ul> </li> </ul> |

## Attachment 2

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|  | <ul style="list-style-type: none"><li>○ Safe streets/Crime Prevention Through Environmental Design (CPTED)</li><li>○ Energy efficiency and climate resilience</li></ul> | <ul style="list-style-type: none"><li>○ Energy efficiency and climate resilience</li></ul> | <ul style="list-style-type: none"><li>○ Commercial square footage created</li><li>○ Community context</li></ul> |
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