



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Council**

File No.: **P25-10**

From: **Development Department**

Date: **November 5, 2025**

Proposed Amendments to the Heritage Conservation Fund Administration Policy

The following report has been reviewed and endorsed by the City Manager's Office.

▪ **RECOMMENDATION:**

THAT the following amendments to the Heritage Conservation Fund Administration Policy be adopted:

1. Increase the maximum financial assistance for a property in a single year from \$30,000 to \$50,000.
2. Increase the financial assistance to 100% of the capital costs of an approved project for accessibility upgrades up to \$150,000.
3. Expand eligibility criteria to include projects that preserve heritage of a property.
4. Reduce the Heritage Conservation Levy for all developments from 5% to 2% of the building permit fee and remove the Heritage Conservation Levy for developments with non-market or purpose-built rental components.
5. Clarify that funds may be used for the repair, restoration, and preservation of City-owned heritage properties as determined through the City's budget process.

▪ **PURPOSE:**

The purpose of this report is to present amendments to the Heritage Conservation Fund Administration Policy for Council's consideration (Attachment A). The Heritage Conservation Fund Administration Policy outlines the administration of the City of Delta's Heritage Conservation Fund.

▪ **BACKGROUND:**

At the January 20, 2025 Regular Meeting, Council directed staff to report back on the status of the Heritage Conservation Grant fund and proposed strategies and investments in community heritage projects. An excerpt of the meeting minutes is included as Attachment B.

The Heritage Conservation Fund Administration Policy (the "Policy") was first adopted in January 2018 to help fund heritage conservation and encourage the retention and maintenance of heritage properties. The Policy was amended in December 2020. The

current balance of the Heritage Conservation Fund is \$886,000. Each year, the Heritage Conservation Fund accumulates funding through the Heritage Conservation Levy, a 5% fee added to all new building permits under “Delta Consolidated Fees and Charges Bylaw No. 8386, 2024”. A financial breakdown of the Heritage Conservation Levy from 2020 to 2025 (as of August 31, 2025) is provided below.

Intake Year	Opening Balance	Heritage Conservation Fund Contribution	Heritage Conservation Fund Expenditure	Year end balance
2020	\$249,000	\$121,000	\$11,000	\$359,000
2021	\$359,000	\$126,000	\$34,000	\$451,000
2022	\$451,000	\$130,000	\$10,000	\$571,000
2023	\$571,000	\$173,000	\$127,000	\$617,000
2024	\$617,000	\$159,000	\$0	\$776,000
2025	\$776,000	\$139,000	\$29,000	\$886,000

Existing Heritage Conservation Policy and Grant Requirements:

The Heritage Conservation Fund provides financial assistance up to a maximum of 50% of the capital costs of a project approved by Council. The maximum financial assistance for any property in a single year is \$30,000. In order to be eligible for a Heritage Conservation Grant, the property owner must agree to place the building on Delta's Heritage Register and enter into a heritage maintenance restrictive covenant that protects the building from demolition and prevents significant impacts to the building's heritage features for a period of 10 years without additional approval.

The property owner must also provide two cost estimates for the work, including written estimates from all contractors proposed to be involved in the repair or restoration and material supplies required to complete the work. Funds are released to the recipient following completion of the work and upon execution of the heritage maintenance restrictive covenant.

▪ **DISCUSSION:**

Heritage Conservation Grant Engagement Program:

In April and May 2025, staff conducted an engagement program to look at ways to improve the Heritage Conservation Grant Program to better meet the needs of owners of heritage properties as part of the review. The engagement included a letter to heritage property owners listed on Delta's Heritage Inventory which is comprised of 150 properties inviting input. Local conservation groups were also consulted, including the Delta Heritage Society and the Kirkland House Foundation and a presentation to the Agricultural Advisory Committee (AAC).

The City received input from 15 property owners and key takeaways from the engagement are highlighted below. The complete engagement report is provided in Attachment C.

- The lack of response suggests that awareness of the grant or interest in undertaking renovations at this time may be low. Those who are considering heritage restoration work have knowledge of the grant.

- There is interest in expanding eligible project costs to include landscaping, energy efficiency upgrades, and accessibility improvements.
- The \$30,000 maximum grant and the restriction to one project per year was identified as limiting the ability to complete comprehensive restorations efficiently.
- Concerns were expressed that the 10-year covenant and Heritage Registry requirements could negatively affect future resale value and restrict certain modifications over time.
- Participants described the process as daunting, particularly for those unfamiliar with heritage grants.

Proposed Amendments to Heritage Conservation Fund Administration Policy:

The proposed Policy amendments aim to encourage more Heritage Conservation Grant applications and lower the heritage levy on development projects, while maintaining a grant balance that continues to support heritage conservation in Delta. The amended Policy is provided in Attachment A.

Amendment 1: Increase the maximum financial assistance for a property in a single year from \$30,000 to \$50,000.

Recommendation: Amend Section 11 of the Policy to increase the maximum annual financial assistance from \$30,000 to \$50,000.

Justification: Responses from the engagement program showed the current maximum grant limits the ability to complete comprehensive restorations efficiently, potentially discouraging larger projects. The increased maximum financial assistance could encourage more property owners to apply for a Heritage Conservation Grant for larger scale projects. There is adequate funding available to increase the available grant amount.

Amendment 2: Increase the financial assistance to 100% of the capital costs of an approved project for accessibility upgrades.

Recommendation: Amend Section 10 of the Policy to increase the maximum annual financial assistance from 50% of the capital costs of an approved project to up to 100% of the capital costs associated with accessibility upgrades for the project up to \$150,000.

Justification: When heritage-listed properties lack adequate accessibility infrastructure, it can limit use and enjoyment of these historic places. Providing greater financial support for approved accessibility improvements can enhance both access and functionality for everyone.

Amendment 3: Expand eligibility criteria to include energy efficient projects that preserve a heritage property.

Recommendation: Amend the Policy to include energy efficiency projects in addition to repair and restoration projects to be eligible for financial assistance under the Heritage Conservation Grant.

Justification: The Policy stipulates that financial assistance is eligible for projects that repair and restore buildings on the Heritage Register or Heritage Inventory. Focus-group feedback advocated expanding eligible projects to include energy efficiency upgrades that can preserve and extend the life of the heritage property.

Amendment 4: Reduce the Heritage Conservation Levy for all development and remove the Levy for developments with non-market or purpose-built rental components.

Recommendation: Amend the City's Fee Bylaw to reduce the Heritage Conservation Levy from 5% to 2% and to remove application of the Levy from developments with non-market or purpose-built rental components.

Justification: The year end balance of the Heritage Conservation Grant fund has continued to increase each year over the last six years, indicating that the amount of money being collected into the fund has exceeded the amount of money being spent through approved grants.

Council recently adopted amendments to the Delta Consolidated Fees and Charges Bylaw No. 8386, 2024, which increased building permit fees to align with the median of comparator municipalities effective January 1, 2026. As the base building permit fees increase, the amount of the Heritage Conservation fund would also increase proportionally assuming the percentage rate itself remains the same. In the absence of changing the percentage rate, the Heritage Conservation Grant fund would grow faster in 2026 than in previous years.

Reducing the percentage rate would bring the amount of funds being collected to more closely align with the amount of grant funds being collected prior to the building permit fee increases, while also considering the level of grant applications that are currently being received.

Under the CMHC Housing Accelerator Permit Rebate Program, purpose-built rental and non-market housing projects are eligible for full rebate of the Heritage Conservation Levy. This amendment to the Policy would ensure these developments continue to be exempt from the Levy after the expiration of the Permit Rebate Program to encourage development of these forms of housing.

Amendment 5: Clarify that funds may be used for the repair, restoration, and preservation of City-owned heritage properties.

Recommendation: Clarify within the Policy that contributions from the Heritage Conservation Grant fund may be used towards the restoration and repair of City-owned heritage properties which are considered by Council as part of the City's budgeting process.

Justification: The City of Delta owns several heritage structures, including McKee House, the former Municipal Hall on Delta Street, and more recent acquisitions such as St. Stephen's Church and East Delta Hall. Amending the Policy to clarify that Grant funds may be used for the restoration and repair of City-owned heritage

properties will enable the City to preserve and maintain these civic heritage assets. It is anticipated that the funding allocations would be considered by Council through the annual budgeting process.

Through these amendments, Staff are not proposing to remove the requirements that properties receiving grants must be on or added to the Register nor the requirement for a covenant protecting the building for 10 years.

Next Steps:

Should Council support the proposed Heritage Conservation Fund Administration Policy amendments, staff would undertake the following:

- Bring forward an amendment to “Delta Consolidated Fees and Charges Bylaw No. 8386, 2024” to reduce the Heritage Conservation Levy and remove the Levy for non-market and purpose-built rental housing projects;
- Update the Heritage Conservation Grant Application Guide; and
- Advise heritage property owners of the Policy changes and continue to encourage their participation in the program.

▪ **CONCLUSION:**

The proposed amendments to the Heritage Conservation Fund Administration Policy aim to increase participation in the Heritage Conservation Grant Program and maintain an appropriate balance for the Grant fund. It is recommended that the Heritage Conservation Fund Administration Policy be amended as outlined within this report.

Doreann Mayhew, P.Eng
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This report has been prepared in consultation with the following listed department.

Concurring Department		
Department	Name	Signature
Communications & Engagement	JoAnne Kleb	JK

▪ **ATTACHMENTS:**

- A. Amended Heritage Conservation Fund Administration Policy
- B. Excerpt of Minutes from January 20, 2025 Regular Meeting of Council
- C. Heritage Conservation Grant Engagement Summary