



COVID-RELIEF COMMUNITY IMPROVEMENT PLAN

April 19, 2021



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1.0 INTRODUCTION

1.1 What is a Community Improvement Plan (CIP)?

As enabled by Section 28 of the *Planning Act*, community improvement planning, provides the framework for municipalities to plan and finance development activities (both private and public) that effectively use, reuse and restore lands, buildings and infrastructure. The purpose of a CIP is to provide a long-range, comprehensive planning program for the implementation of community improvement initiatives within a defined Project Area.

For the purpose of carrying out a municipality's community improvement plan that has come into effect, the municipality may make grants or loans, in conformity with the community improvement plan, to registered owners, assessed owners and tenants of lands and buildings within the community improvement project area, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, to pay for the whole or any part of the eligible costs of the community improvement plan.

The eligible costs of a community improvement plan may include costs related to environmental site assessment, environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes, or the provision of energy efficient uses, buildings, structures, and works, improvements or facilities.

1.2 Planning Act

The Ontario *Planning Act* (Section 28) allows municipalities to use a Community Improvement Plan (CIP) as a tool to direct funds and implement policies intended to encourage revitalization initiatives and/or stimulate economic development or redevelopment. Through community improvement plans, municipalities can focus public attention on local priorities and municipal initiatives, target areas in transition or in need of repair, rehabilitation and redevelopment, facilitate and encourage community change in a coordinated manner and stimulate private sector investment through municipal incentive-based programs.

Part IV of the *Planning Act* states that Council may identify a CIP project area through a by-law, provided their Official Plan contains provisions relating to community improvement.

1.3 City of Waterloo Official Plan

The City of Waterloo Official Plan contains a detailed list of comprehensive policies designed to direct the form, nature and rate of growth and change within the municipality to the year 2031. Section 12.3.2 of the City of Waterloo Official Plan provides the necessary framework to establish a Community Improvement Project Area in the city, and outlines the goals and objectives for a Community Improvement Plan, to achieve one or more of the following objectives:

- Improving environmental, social, cultural, economic development, or safety conditions;
- Promote and focus public and private sector investment into maintenance, rehabilitation, and redevelopment activities that improve the living and working conditions in the City;
- Encouraging private sector renovation, repair, rehabilitation, redevelopment or other improvement of lands and/or building, including environmental remediation, development, redevelopment, construction and reconstruction of lands and buildings for rehabilitation purposes, or for the provision of energy efficient uses, buildings, structures, works, improvements or facilities.

On December 7, 2020, City of Waterloo Council directed staff to prepare a COVID-Relief CIP and to seek public engagement. They subsequently passed by-law 2021-001 on January 18, 2021 to designate the entire city a CIP area for the purpose of enacting a COVID-Relief CIP.

Once a CIP has been adopted and approved, the CIP allows municipalities to provide tax assistance, grants or loans to assist in the revitalization of lands and/or buildings within the defined Community Improvement Project Area (CIPA).

In addition, the City's Strategic Plan promotes programs that are intended to support the overall economic vitality of the city, including:

- 1) Economic growth and development – Foster a robust, diversified economy.
- 2) Sustainability and the environment – Transform Waterloo to be an environmentally, economically and socially sustainable community.

2.0 Waterloo COVID-Relief CIP

The purpose of the City of Waterloo's COVID-Relief CIP is to develop a program to support businesses and mitigate economic impacts across the city as a result of the COVID-19 pandemic. COVID-19 has presented unforeseen economic challenges to the

business community, requiring substantial investments to be made in many areas to adapt to social distancing, to implement barriers, to provide safe outdoor spaces, as well as to improve ventilation systems. This CIP will help businesses comply with public health and safety regulations aimed at supporting economic recovery and revitalization.

The COVID-Relief CIP will stimulate investment in COVID response measures that will improve viability of the local business community. Eligible businesses may receive a grant of up to a maximum \$2,500 for physical improvements to respond to the pandemic. The CIP is intended to be available until December 31, 2021. Applications will be accepted in the first quarter of 2022 for costs incurred prior to December 31, 2021. The CIP horizon may be extended at the discretion of Council. City staff will be responsible for program administration, communications and monitoring. Staff will review the program for future extension and/or modification for the purpose of making recommendations to Council.

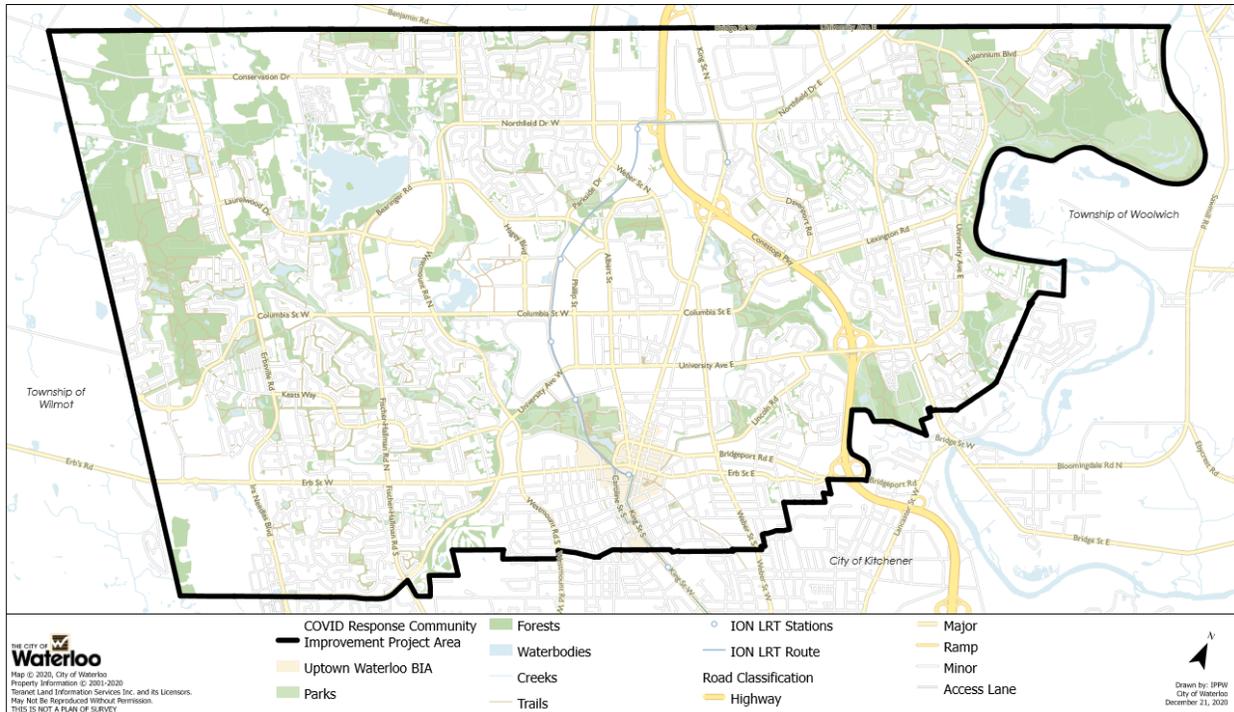
2.1 Community Improvement Project Area

City staff has identified this new COVID-Relief CIP to extend to eligible businesses located in the City of Waterloo due to the fact that the COVID-19 pandemic has negatively impacted many businesses across the city, irrespective of location. Businesses located in Uptown Waterloo have been eligible to receive funding from the Uptown BIA. To ensure that businesses outside the Uptown area are granted equal consideration, a city-wide COVID-Relief CIP is being proposed. More specifically, the COVID-Relief CIP will aim to assist small and medium-sized businesses disproportionately impacted by considering the sectors they fall within lockdown and the operational impacts on respective businesses.

Figure 1: City-wide Community Improvement Project Area

City of Waterloo

COVID Response Community Improvement Project Area



2.2 CIP Process and Consultation

Section 12.3.2(6) of the City of Waterloo Official Plan outlines public involvement as integral to the successful implementation of a proposed CIP. On December 7, 2020, Council directed staff to draft a COVID-Relief CIP and to seek public consultation.

On December 18, 2020, a survey was launched to broadly seek public input through the regional portal, Engage Waterloo, providing the opportunity for residents and business owners to identify priority areas, preferred methods of reporting finances and to provide any general considerations or comments. The public consultation process has provided staff with valuable feedback to ensure that the business community's needs are taken into consideration for the finalization of the CIP. The proposed COVID-Relief CIP was promoted to the community to build awareness and encourage participation through the following means:

- 1) Social Media and Partners:** The CIP engagement opportunities have been promoted on the City of Waterloo's Economic Development Twitter and LinkedIn; the Uptown BIA Office and the Waterloo Region Small Business Centre. It has also been shared by email to businesses who are registered with business licenses in the City of Waterloo.

- 2) **Survey:** A survey has been created that asks eight questions about the COVID-Relief CIP's proposed requirements and provides respondents the opportunity to provide additional comments and alternate solutions.
- 3) **Website:** The COVID-Relief CIP has been launched on the city's website under "COVID-19 Response → Business Support". This allows businesses and members of the public to stay up to date with assistance provided by the city, who to contact for questions and a summary of the program.
- 4) **Newsletter:** The proposed CIP and a direct link to complete the survey was provided in December and January editions of the City of Waterloo Economic Development newsletter.
- 5) **Print Media:** Information about the CIP has been shared by 570 News, Kitchener Today, and Waterloo Chronicle who have featured articles.
- 6) **Statutory Notice:** Notice of Public Meeting was given in accordance with the *Planning Act*, including direct notice to agencies and advertisements as prescribed.

3.0 Program Overview

The COVID-Relief Grant Program is proposed to provide businesses up to a maximum **\$2,500**. It is expected that expenses incurred by businesses will be reimbursed 100 percent up to the maximum, provided that receipts and additional documentation have been submitted. This grant is intended to offset the expenses sustained to respond to social distancing and other business requirements as a result of COVID-19. Expenses will be eligible that have been incurred retroactively to the declared state of Emergency in Ontario on March 17, 2020.

The program is proposed to assist with incremental expenses associated with building and space alterations, to enhance premises, digital business or health and safety measures, and respond to customer needs and safety enhancements as a result of COVID-19. The program is proposed through five program streams:

- Physical Distancing Improvements Grant,
- Business Adaptation Grant,
- Improved Ventilation Grant,
- Outdoor Business Improvement Grant and
- Technology Expansion Grant.

Table 1 provides a summary of the five program streams. Businesses are free to include expenditures from more than one program area upon applying. Once initiated,

the duration of this CIP is anticipated to close on December 31, 2021. The timeframe will be reviewed after one year and may be extended by Council as deemed appropriate and funds remain available.

3.1 Program Areas and Eligible Expenses

Table 1 identifies eligible projects and costs for each program area and must be considered in broader context of eligibility criteria identified in this plan.

Reimbursement percentages (100%) are up to the maximum \$2,500 per business. Total CIP reimbursement will be the lesser of 100% of eligible cost or \$2,500.

Table 1: Financial Incentive Programs

Program Assistance	Examples
Physical Improvement Grant (100% Reimbursement)	
This program area is intended to assist qualifying businesses with improvements required to implement physical distancing measures to meet public health and safety requirements.	<ul style="list-style-type: none"> • Installation of protective screens/physical barriers. • Floor markings to encourage safe distancing and delineate traffic flow. • Signage/displays to encourage physical distancing compliance. • Physical building modifications or space reconfigurations (addition/removal of walls) to optimize business. • Workstation modifications to enable physical distancing. • Other improvements as may be approved by the Executive Director of Economic Development.
Business Adaptation Grant (100% Reimbursement)	
This program is intended to assist qualifying businesses with physical or business operations modifications required to support changes for businesses to operate safely or to ensure financial viability.	<ul style="list-style-type: none"> • Physical modifications required to provide for curbside pick-up, or delivery services. • Washroom/change room modifications. • Physical changes to promote touch-free access such as automatic doors/touchless faucets. • Purchase of additional equipment or furniture that promotes health and safety.

Program Assistance	Examples
	<ul style="list-style-type: none"> • Other improvements as may be approved by the Executive Director of Economic Development.
Improved Ventilation Grant (100% Reimbursement)	
<p>This program area is intended to support retrofitting and enhancements to improve ventilation and air quality in accordance with COVID-19 recommendations.</p>	<ul style="list-style-type: none"> • Improved air purification system and air-exchange systems. • Upgrades to heating/air conditioning ventilation systems. • Implementation and upgrade in exhaust fans. • Window or door replacements to promote the air movement in accordance with COVID-19 recommendations. • Other improvements as may be approved by the Executive Director of Economic Development.
Outdoor Business Improvement Grant (100% Reimbursement)	
<p>This program area is intended to support eligible businesses with the cost of constructing or furnishing outdoor patio or seating areas, required to expand capacity or extend the season in response to COVID-19.</p>	<ul style="list-style-type: none"> • Infrastructure and/or permanent fixtures to enable the construction or expansion of an outdoor patio. • Addition of covered outdoor space to provide shelter for components of operations that were previously conducted indoors • Improvements to provide for all season use of outdoor spaces to implement COVID-19 related requirements (including permanent seating) • Other improvements as may be approved by the Executive Director of Economic Development.

Technology Expansion Grant	(100% Reimbursement)
This program area is intended to support eligible business with the cost of technological infrastructure required to enhance connectivity.	<ul style="list-style-type: none"> • Physical infrastructure required to enhance internet connectivity. • Other improvements as may be approved by Executive Director of Economic Development.

3.2 General Financial Incentive Eligibility Criteria

In order to assist businesses most impacted by the pandemic while protecting the city's financial, planning and other interests, the following eligibility criteria have been developed to apply to the COVID-19 financial program from the municipality. Applicants should note that the city reserves the right to audit at any time to ensure compliance and may request business owners to demonstrate a reduction in gross revenues prior to approval:

- 1) The small to medium-sized business must be located in the City of Waterloo and is determined to be within a sector most impacted by COVID-19 restrictions, including but not limited to businesses within the following categories:
 - Food Services,
 - Hospitality and Tourism
 - Retail Stores
 - Arts, Culture and Entertainment
 - Not-for-profit organizations that deliver programs or services within the geographic boundary of the City of Waterloo
 - Personal Care Services (salons, gyms, yoga studios, personal trainers, etc)
 - Recreation
 - Registered Medical Practitioners

Businesses that may fall outside of one of these categories must demonstrate that they have met the proposed eligibility criteria and that their business has been negatively impacted by limited operations as a result of COVID-19 requirements. Eligibility will be at the discretion of the Executive Director of Economic Development.

- 2) The business must have an up to date business license with the City of Waterloo, where applicable and be physically operating within the geographic boundary of the City of Waterloo. Where they are exempt from a business license, they must comply with zoning requirements.

- 3) Any business affiliated with a franchise will be eligible so long that the franchise location is independently owned and operated.
- 4) The business must have no more than 80 employees (full-time or part-time) as of January 1, 2020. Businesses in food services must not have over 90 full-time or part-time employees.
- 5) Home-based businesses will only be eligible for the Technology Expansion Grant.
- 6) The business must demonstrate a 30 percent reduction in gross revenues over a six month time period between March 17, 2020 and December 31, 2020 as compared to the same time period in 2019. Where a business is unable to demonstrate a 30 percent reduction in gross revenues, specifically for those businesses that are new and were not in operation during 2019, the applicant must demonstrate a need for the funding and will be considered eligible on a case-by-case basis at the discretion of the Executive Director of Economic Development.
- 7) Businesses that have been in operation prior to March 17, 2020, or those that are able to demonstrate that they secured a lease agreement/ownership prior to March 17, 2020, are eligible.
- 8) Businesses applying for the COVID-Relief Grant that have received funding from the Uptown BIA Come Back-Up Fund in 2020 or 2021 may only apply to this fund for any expenses that were not reimbursed to a maximum of \$2,500 for both programs.
- 9) Where businesses have been successful in receiving a grant from RTO4/Explore Waterloo through the Tourism Adaptation and Recovery program, the City may fund the 20% contribution required by the business or any expenses that were not reimbursed. The City will not reimburse expenses that already received reimbursement through this or another program. All eligible expenses for works must have taken place after the declared State of Emergency on March 17, 2020.
- 10) The property must be in good standing as it relates to municipal taxes, fees and charges satisfactory to City Finance.
- 11) The Business owner must comply with a Good Corporate Citizen declaration, stating that they have made every effort to be in full compliance with all government and Public Health recommendations as it related to COVID-19 and have worked with Public Health to ensure that their business operations are in compliance related to COVID-19 protocols.
- 12) The business must demonstrate overall compliance with all eligibility and program-specific criteria outlined in this CIP.

3.3 Implementation and Monitoring

Day to day administration of the program will be managed by Economic Development staff, including consultation with applicants, reviewing and evaluating applications for compliance with the eligibility requirements and the overall financial monitoring of the CIP. Economic Development staff have experience administering other CIP programs and will follow similar processes for managing the program and financial reporting. Staff will consult with other city departments such as business licensing, legal and finance as needed to clarify questions related to specific applications.

Processes will be developed to maximize staff efficiencies and to ensure timely processing of applications. Council has approved reallocation of \$1 million in funding for the program and have defined the CIP program area. Council will approve substantial program modifications or extensions.

3.4 Application and Review Process

1. Applicant Submission

The applicant will be asked to submit a completed application form along with required supporting documentation. If an application is not complete, staff will contact the applicant to request the necessary information. The typical supporting documentation may include:

- Description of business and justification for the project(s)
- City of Waterloo Business License
- Declarations
- Copy of receipts/invoices for work being claimed
- Estimates to obtain pre-approval for future work to be undertaken and subsequent invoices will be required upon completion
- Copy of Building Permits (if they were required)
- Photos of completed work
- HST, Corporate Income Tax returns or other financial documentation determined acceptable by staff
- Business or Not-for-Profit Registration
- Copy of dated lease (new businesses)
- Other information as may be required to assess applications

2. Application Review

Once an application has been determined to be fully complete, staff will review supporting documentation and undertake any follow up required to fully assess eligibility. Applications may be forwarded to other city departments or referred to

the Executive Director of Economic Development to ensure all eligibility requirements are satisfied.

3. Decision

The Executive Director of Economic Development or their delegate will make the final approval of an application. Once approved, the applicant will be notified by way of a letter outlining whether the application has been approved, the conditions of approval, the amount awarded, additional documentation required and the expected time frame for payment. If a project has not been undertaken, it will advise that the applicant is approved to proceed with planned works subject to identified conditions.

In the case an applicant is not approved, the applicant will be notified with the reason(s) the application did not meet the criteria. In some cases the applicant may have an opportunity to address deficiencies.

3.5 Funding Availability

Grants will be issued on a continuous intake basis and will be approved on a first-come, first-serve basis until the funds have been exhausted or until the program reaches its deadline at the end of 2021.

3.6 Monitoring and Evaluation

The COVID-Relief CIP is intended to be a short-term assistance program to provide immediate assistance to businesses who have incurred unexpected costs as a result of adjusting to shifting health and safety and business requirements due to the global pandemic.

Staff will monitor the following throughout the implementation of the CIP:

- 1) Eligible programs for additional common expenditures experienced by the business community;
- 2) Reporting documentation to enhance review efficiencies;
- 3) Uptake of the program relative to budget;
- 4) Program timeframe and potential need for extension beyond 2021; and
- 5) Feedback from applicants regarding the CIP and application process to inform staff of any changes that should be made.

The intended goal of collecting this type of information through the implementation of the CIP will assist city staff to adjust the CIP, if necessary. In doing so, the CIP will accurately reflect the types and costs of COVID-19 related improvements and that the anticipated outcomes are being achieved. Moreover, this information will assist with providing updates to Council on the impacts of the CIP. The experience gained through

this program will provide input and learnings to be used in any future CIP programs or determine the need to extend or modify the current program.

3.7 Adjustments and Amendments to the COVID-19 Relief CIP

The five program streams can be deactivated, adjusted or discontinued by Council without amendment to this Plan. The application requirements of the program may be adjusted without amendment to this Plan. In addition Council may approve a future extension of the program.

4.0 Interpretation

Sections 3 and 4 of this document, along with Figure 1 (Map of CIPA) shall form the actual CIP for the COVID-19 Community Improvement Project Area.

This Plan has been prepared in accordance with, and shall be deemed to conform to, the City of Waterloo Official Plan.

This Plan shall be referred to as the “City of Waterloo COVID-Relief Community Improvement Plan”.

Attachment 2: COVID-Relief CIP Information Sheet

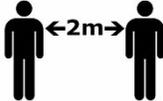
Community Improvement Plan: COVID-Relief Program Summary

The COVID-19 pandemic has affected many businesses, both within and outside the Uptown area. The City of Waterloo COVID-Relief CIP is intended to help provide support for businesses across the city that have been adversely impacted during the COVID-19 pandemic. A Community Improvement Plan is a tool that (i) allows a municipality to direct funds and implement policy initiatives toward a specific project area, and (ii) enables municipalities to make grants or loans within CIP project areas to help pay for certain costs and stimulate private sector investment in the community.

This support will help businesses cover the additional costs associated with building and space alterations and in obtaining professional advice to support their business and respond to COVID-19, through five program streams: Physical Distancing Improvements Grant, Business Adaptation Grant, Improved Ventilation Grant, Outdoor Business Improvement Grant and Technology Expansion Grant. These five programs will support expenditures incurred to enhance premises, digital business or health and safety measures to respond to government and customer needs. Businesses may include expenditures from more than one program area.

I. Grant Program Details

TOTAL: This grant will provide businesses up to a maximum \$2,500. Examples of eligible expenditures are noted below.

Program Assistance	Examples
Physical Improvement Grant (100% Reimbursement)	
<p>Improvements required to implement physical distancing measures to meet public health and safety requirements.</p> 	<ul style="list-style-type: none"> • Installation of protective screens/physical barriers. • Floor markings to encourage safe distancing and delineate traffic flow. • Signage/displays to encourage physical distancing compliance. • Physical building modifications or space reconfigurations (addition/removal of walls) to optimize business. • Workstation modifications to enable physical distancing. • Other improvements as may be approved by the Executive Director of Economic Development.

Program Assistance	Examples
Business Adaptation Grant (100% Reimbursement)	
<p>Physical or business operations modifications required to support changes required for businesses to operate safely or to ensure financial viability.</p> 	<ul style="list-style-type: none"> • Physical modifications required to provide for curbside pick-up, or delivery services. • Washroom/change room modifications. • Physical changes to promote touch-free access such as automatic doors/touchless faucets. • Purchase of additional equipment or furniture that promotes health and safety. • Other improvements as may be approved by the Executive Director of Economic Development.
Improved Ventilation Grant (100% Reimbursement)	
<p>Retrofitting and enhancements to improve ventilation and air quality in accordance with COVID-19 recommendations.</p> 	<ul style="list-style-type: none"> • Improved air purification system and air-exchange systems. • Upgrades to heating/air conditioning ventilation. • Implementation and upgrade in exhaust fans. • Window or door replacement to promote the air movement in accordance to COVID-19. • Other improvements as may be approved by the Executive Director of Economic Development.
Outdoor Business Improvement Grant (100% Reimbursement)	
<p>Constructing or furnishing outdoor patio or seating areas, required to expand capacity or extend the season in response to COVID-19.</p> 	<ul style="list-style-type: none"> • Infrastructure and/or permanent fixtures to enable the construction or expansion of an outdoor patio. • Addition of covered outdoor space to provide shelter for components of operations that were previously conducted indoors • Improvements to provide for all season use of outdoor spaces to implement COVID-19 related requirements (including permanent seating) • Other improvements as may be approved by the Executive Director of Economic Development.

Program Assistance	Examples
Technology Expansion Grant	(100% Reimbursement)
Cost of technological infrastructure required to enhance connectivity.	<ul style="list-style-type: none"> • Physical infrastructure required to enhance internet connectivity. • Other improvements as may be approved by Executive Director of Economic Development.

2. Eligibility Criteria

1 Eligible sectors include Retail, Food Services, Hospitality & Tourism, Arts, Culture & Entertainment, Not-for-profits, Personal Care Services, Recreation, Medical Practitioners, and Independently Owned Franchises.

3 Businesses must be able to demonstrate a 30 percent reduction in revenue through HST returns, Corporate Income Tax Return, or other acceptable financial statement as approved by the Executive Director of Economic Development. New businesses will be considered on a case-by-case basis.

5 Business must be operational prior to March 17, 2020, or those that are able to demonstrate that they secured a lease agreement/ownership prior to March 17, 2020.

2 Businesses must have a valid business license with the City of Waterloo, where applicable and be physically operating within the geographic boundary of the City of Waterloo. Where they are exempt from a business license, they must comply with zoning requirements.

4 Small and medium sized businesses must have 1 – 80 employees (full-time or part-time). For food services, the maximum number of employees should not exceed 90 (full-time or part-time).

6 Businesses applying for the COVID-Relief Grant that have received funding from the Uptown BIA Come Back-Up Fund in 2020 or 2021 may only apply to this fund for any expenses that were not reimbursed to a maximum of \$2,500 for both programs. Where businesses have been successful in receiving a grant from RTO4/Explore Waterloo through the Tourism Adaptation and Recovery program, the City may fund the 20% contribution required by the business or any expenses that were not reimbursed. The City will not reimburse expenses that already received reimbursement through this or another program. All eligible expenses for works must have taken place after the declared State of Emergency on March 17, 2020.

3. Application and Program Procedure



CIP grant applications will be submitted with all supporting documents.



Staff will review completed applications against eligibility and program criteria.



Approved applicants will be notified with details of payment. Those not approved will also be notified.



If the project has not started, the applicant must notify staff. Staff will request for photos of the work along with receipts and will determine if all conditions have been met prior to issuing funds.



Staff will issue the grant once conditions are met on a first come basis until funds are exhausted.