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Planner: E. Lalande

TO:	CHAIR AND MEMBERS PLANNING & ENVIRONMENT COMMITTEE
FROM:	JOHN M. FLEMING MANAGING DIRECTOR, PLANNING AND CITY PLANNER
SUBJECT:	EXTENSION OF ENHANCED FINANCIAL INCENTIVE PROGRAMS FOR DOWNTOWN AND OLD EAST VILLAGE MEETING ON OCTOBER 29, 2013

RECOMMENDATION

That, on the recommendation of the Managing Director, Planning & City Planner, the following actions **BE TAKEN** with respect to the extension of the Forgivable Upgrade to Building Code Loan Program and the Forgivable Façade Improvement Loan Program in the Downtown and Old East Village Community Improvement Project Areas:

- A. The proposed by-law attached hereto as Appendix “A” **BE INTRODUCED** at the Municipal Council meeting on November 5, 2013 to extend the Forgivable Upgrade to Building Code Loan Program and the Forgivable Facade Improvement Loan Program for the Downtown Community Improvement Plan Project Area; and,
- B. The proposed by-law attached hereto as Appendix “B” **BE INTRODUCED** to Municipal Council meeting on November 5, 2013 to extend the Forgivable Upgrade to Building Code Loan Program and the Forgivable Facade Improvement Loan Program for the Old East Village Community Improvement Plan Project Area.

IT BEING NOTED that the cost of the program shall not exceed \$1.1 million over the 2 year timeframe of the extension and is subject to annual budget approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None.

BACKGROUND

On April 14, 2008, Council approved new incentive programs for Downtown and Old East Village Community Improvement Project (CIP) Areas to encourage pedestrian-oriented rehabilitation and redevelopment. The enhanced incentives were available for a 5-year period, expiring on January 1, 2013.

On November 26, 2012, the Planning and Environment Committee received correspondence from the Downtown London and Old East Village Business Improvement Area requesting that Council consider an extension to the Targeted Incentive Zone programs: Forgivable Facade Improvement Loan Program and Forgivable Upgrade to Building Code Loan Program.

Council on December 11, 2012 directed the following:

*“That the Civic Administration **BE REQUESTED** to report to the appropriate Committee with respect to the financial implications of granting a two year extension of the Forgivable Upgrade to Building Code Loan Program and the Forgivable Façade Improvement Loan Program to the Old East Village Business Improvement Area and Downtown London;*

It being noted that the Planning and Environment Committee reviewed and received the following communications, with respect to this matter:

- *a communication from K. Keane, Chair, Old East Village Business Improvement Area; and,*

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- a communication, dated November 20, 2012, from J. MacDonald, Executive Director, Downtown London, with respect to this matter;”

The communications noted above are attached to this report as Appendix “A”.

This report is intended to provide Council with sufficient information to make a decision with regards to re-establishing the Forgivable Programs until the end of 2014. The attached draft by-law is intended to extend the Forgivable Upgrade to Building Code Loan Program and Forgivable Facade Improvement Loan Program within the Targeted Incentive Zone for both the Downtown and Old East Village until December 31, 2014.

PROGRAM HISTORY

The City initiated incentive programs to encourage Downtown revitalization in the late 1980’s. Originally, funding for facade and building code upgrade loans were available to properties in the Downtown and was expanded to the Old East Village Community Improvement Area in 1992 (Facade Improvement) and 2005 (Upgrade to Building Code). After seed funding was provided, the programs were intended to become self-sustaining; where the repayment of loans would replenish the fund over time to be used for future projects.

To accelerate interest in private revitalization, six programs were introduced in 2008 to a “Targeted Incentive Zone” within the CIP Areas. The Targeted Incentive Zones are located along Dundas Street in both the Downtown and Old East Village and part of Richmond Street (in the Downtown), and were identified as priority areas for revitalization efforts.

Among the new programs offered, the two forgivable programs were added to provide the opportunity for projects, within the targeted area, to receive up to 50% of their loan forgiven over a 10-year repayment period. The forgivable portion of the loan is paid annually to the property owner after repayments are made to the City. Each project is reviewed to ensure its on-going compliance with the program guidelines before the forgivable portion is released. The remaining portion of the loan is continued to be paid back over ten years. This ensures that the loan recipients continue to have “skin in the game” over the life of the agreement.

Measuring Success

Prior to 2008, the Facade Improvement Loan Program and Upgrade to Building Code Loan Program offered loans, without the accompanying 50% forgivable program. From 1999 to 2007, the City of London issued 55 loans worth approximately \$1.0 million, or \$111,000 per year (noting that Upgrade to Building Code was added for Old East Village in 2005). These loans leveraged \$5.5 million in construction value translating to \$5.50 of private investment for every \$1.00 loaned by the City of London. In other words, these loan programs leveraged approximately \$0.6 million of private investment each year in the Downtown and Old East at no cost to the City (other than financing, noting that these are no interest loans).

The forgivable programs were added in 2008 in the “Targeted Incentive Zone” within each of the Downtown and Old East CIP areas. These forgivable programs result the value loan being recovered by the City and 50% of the recovered value is granted back to the respective property owners. For the almost 5 ½ year period from 2008 to May 2013, the City of London issued a combined total of 88 loans, with 54 being eligible for the forgivable programs, worth approximately \$2.8 million, or approximately \$500,000 per year. This represents an almost five-fold increase in the take-up of these programs. This investment leveraged \$6.6 million in construction value or **\$2.36** of private investment for every **\$1.00** loaned by the City of London. This translates to \$1.2 million of private investment each year in the Downtown and Old East.

The programs allow properties to be eligible for multiple loans based on the scope of their project. Individual properties could apply and receive loans for both the Facade and Upgrade to Building Code loan programs. Of the 88 loans issued during the targeted incentive period, 48 discrete properties have availed of incentives.

The increase in program take-up for façade improvement and upgrade to building code is most likely attributed to adding the forgivable programs. This comes with a cost. Of the \$2.8 million of loans from 2008 to May 2013, \$1.4 million was forgivable or approximately \$250,000 per year. This \$250,000 annual “cost” increased the private investment in the Downtown and Old East from \$0.6 million to \$1.2 million annually.

Another measure of success in the programs is average assessment growth and increase in tax revenue. For example, properties in the Downtown Targeted Incentive Area which have received financial incentives have, on average over 5 years, increased assessment value by \$46,000 compared to \$33,000 for those in the area which did not. This represents a 40% difference over the five year time period

Current Interest in Programs

In the final month prior to the expiration date of the targeted incentive programs, the City received applications for loan commitments in the amount of \$1.1 million. This is in addition to \$240,000 of previous outstanding applications. While the requests for funding may come forward at various times based on varying project completion dates, ensuring the availability of cash flow remains a priority. As per the terms of the program, loan commitments are provided subject to funding availability and if necessary, applications will be held and processed in chronological order of their application date as funding becomes available. It is important to note that applications are submitted prior to the work being completed. Experience with the program has seen approximately 75% of the applications following through as loan commitments.

Funding Analysis

The programs are designed to be self-sustaining, such that loan repayments from previous loans fund the reserve fund to pay for new loans that are issued. However, because the loan repayment is over ten years, the program requires some seed funding. From 1999 to 2007, \$1 million in loans were issued, funded by \$700,000 in contributions from reserve funds and tax support. These contributions allowed the fund to generate a balance of \$680,000 by the end of 2007. The introduction of the forgivable portion created more interest in the program and led to the balance slowly being lowered throughout the years. As the forgivable portion created interest by applicants, additional contributions from tax were required to ensure the fund remained in a positive balance.

The following chart outlines the loans paid out, loan repayments and tax-supported contributions to the reserve fund supporting the program since 1999.

(\$000's)	1999-2007	2008-2012
Loans - Facade	102	325
Loans – Upgrade to Building	910	2,265
Total Loans	1,012	2,590
Loan Repayments	(628)	(1,182)
Tax Supported Contributions to Reserve Fund	700	933

The enhanced financial incentive programs for Downtown and Old East Village are funded from the Community Improvement Program - Loan Reserve Fund. As of August 31, 2013, this reserve fund has a balance of approximately \$551,000 including the tax supported contribution of \$350,000 for 2013 that was approved in the 2013 budget. The year-end reserve fund balance since 2007 is shown below.

	2007	2008	2009	2010	2011	2012
Year End Balance of Loan Reserve Fund (\$000's)	680	554	416	401	184	262

This balance alone cannot support all of the \$1.1 million of applications that were received in the last month before the program was originally intended to end, however, as mentioned above, applications are submitted before the work is completed and history shows that only a portion of applications follow through to loan commitments.

The potential shortfall against the outstanding applications and the two year extension of the forgivable programs can be sustained within the overall funding for Community Improvement Programs (CIP) funding framework. The funding available consists of the CIP Loan Reserve Fund mentioned above and also the CIP Grant Reserve Fund. The balance of the CIP Grant Reserve Fund as of August 31, 2013 is approximately \$3.8 million. Based on the availability of funds within the existing CIP reserve funds as well as repayment of current loans, there is sufficient funding to maintain the program extension over the two year timeframe, assuming the annual tax supported contribution of \$350,000 to the Community Improvement Program - Loan Reserve Fund is maintained until 2015.

Annual Property Tax Supported Contributions

	2012	2013	2014*	2015*	2016*
Without Program Extension	333	350	-	-	-
With Program Extension to Dec 31, 2014	333	350	350	350	-
(1) Annual contribution levels are subject to change given adjustments to loan agreements, forgivable loan repayment schedules and program interest.					

**Contributions in 2014- 2016 are subject to annual budget approval*

It is recommended that a cap be placed on the maximum draw on funding available to new applications to ensure the sufficient funds are available. This cap will ensure financial stability over extension period and limit the potential exposure to the Corporation.

Programs Purpose

It is important to note that the financial incentives offered through these programs represent one facet of the programs offered through the City of London’s 6 CIPs. The Downtown and Old East Village have served as historical focal points and areas for revitalization and therefore have the most comprehensive programs available.

The Facade Improvement and Upgrade to Building Code programs serve a specific function as it relates to protecting and improving upon the existing building stock. These areas are characterized by a significant collection historic buildings in London. As expected with aging infrastructure, the cost to renovate existing, aged buildings generally carry higher costs. The Façade Improvement and Upgrade to Building Code Loan programs are geared to provide additional incentive to make these upgrades where it may have otherwise been cost prohibitive and to make good projects better.

The incentives are tied directly to the amount of work put into a building, and loans are made available as work is completed. These programs are targets primarily towards the smaller projects within the CIP Areas.

The city offers a variety of financial incentives under different programs. Including Tax Grants based on rehabilitation and redevelopment of properties. However, these programs are based around assessment growth and provide a “rebate” where municipal taxes have increased directly as a result of work complete on a property. This program typically attracts new development projects on vacant or underutilized parcels. The Tax Grant Program provides a greater incentive to larger projects CIP Areas.

FINANCIAL INCENTIVE PROGRAM AMENDMENTS

In addition to the request to look at the financial implications of a program extension, three changes to the program guidelines are recommended. These changes are intended to facilitate the extension of the programs, limit the total financial commitments and enhance the quality of projects availing of municipal loans.

Extended Time Frame:

It is recommended that the Upgrade to Building Code Loan Program and Facade Improvement Loan Program be extended until December 31, 2014.

This extension is intended to provide added assistance the Community Improvement Plan Areas who have benefited from the programs and are leveraging significant amounts of private money for each municipal dollar loaned. The success of the programs to date demonstrates the benefit to the Downtown and Old East Village.

The Facade Improvement Loan Program has leveraged approximately \$2.28 for every \$1 dollar loaned by the city. Further, the Upgrade to Building Code has leveraged approximately \$2.74 for every \$1 loaned by the City.

Total Commitment Value:

The proposed by-law is intended to provide a cap on the total dollar values committed. The proposed cap is intended to provide several functions:

- Provide incentive to get projects in early;
- Provide sufficient funding to meet potential demands on the programs;
- Create assurances around the total funding available of the program;
- Manage expectations for Municipal budgeting processes.

The cap is proposed to be limited to \$1.1 million dollars over the life of a two year extension, as a means of providing stability and set expectations for municipal budgeting purposes. This cap is appropriate based on the level of uptake seen over the life of the forgivable programs to date. This amount is based on the number of applications submitted at the expiry of these programs on December 31, 2012. This is a reasonable amount and can be supported by the existing programs.

Facade Design Requirements:

It is recommended that the quality of projects undertaken under the Forgivable facade Improvement Loan should reflect the City's contribution to these projects. It is recommended that the program guidelines be amended to require that applications to this program require a higher quality project. Administration is proposing that the following criteria be added as a requirement under the facade improvement loan program guidelines:

“Major alterations to a façade must be completed in accordance with the approved drawings as prepared by a qualified professional and as indicated through any commitment issued by the City of London.”

This criteria is intended to “raise the bar” with regards to improvements within our key commercial areas. These programs are intended to protect the long term viability of the existing building stock, but more specifically help “good” projects become “great” projects.

Minor improvements to a façade which does not contemplate alterations to the façade materials, character, or design such as repainting, brick repair, and window replacement may waive the qualified professional drawing requirements subject to staff approval.

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CONCLUSION

Through review of the existing programs, it is recommended that the forgivable Upgrade to Building Code and Facade Improvement Loan Program be extended until December 31, 2014.

PREPARED BY:	SUBMITTED BY:
ERIC LALANDE PLANNER II POLICY PLANNING & PROGRAMS	GREGG BARRETT, AICP MANAGER POLICY PLANNING & PROGRAMS
RECOMMENDED BY:	CONCURRED BY:
J.M. FLEMING, MCIP, RPP MANAGING DIRECTOR, PLANNING AND CITY PLANNER	LARRY PALARCHIO DIRECTOR FINANCIAL PLANNING & POLICY

EL/el
“Attach”

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November 20th, 2012.

City of London,
300 Dufferin Ave,
London, ON.

**Chair and Members,
Planning and Environment Committee.**

Re: Targeted Incentive Zone

Dear Chair and Members:

Downtown London is the organization that represents both the 850-member London Downtown Business Association and the MainStreet London Revitalization Organization. Both non-profit organizations work in unison towards one key goal – making London’s Downtown better. Our organizations have been working in partnership with the City of London since 1998 to ensure that the investments made in London’s Downtown in the late 1990’s through the early 2000’s have been well managed and that the programs offered in the Community Improvement Plan have been well publicized and utilized.

Our partnership with the City of London, together with sound public policy, has resulted in a dramatic increase to taxable assessment, hundreds of millions of dollars of private sector investments, a substantial reduction in retail vacancies, and a doubling of the residential population. The Downtown is home to the vast majority of London’s office workforce and contributes nearly 10% of the total property taxes paid to the City of London, despite occupying less than half a percent of London’s total land area.

Now that the Targeted Incentive Zone program is scheduled to end on December 31, 2012, Downtown London would recommend that the incentives be reviewed for consideration of a possible extension. Downtown London would also appreciate the opportunity to review the incentive programs with Staff to ensure that they continue to produce the desired results and stimulate rehabilitation and redevelopment in the Downtown.

**Yours truly,
DOWNTOWN LONDON**


Janette MacDonald
Executive Director

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1/19/2012 10:00 FAX 5196457041

Old East Village BIA

0002/0002



Business Improvement Area

Mr. Bud Polhill,
Chair,
Planning and Environment Committee,
City of London,

Request for Delegation Status.

Dear Mr. Pohill,

I am writing on behalf of the Old East Village Business Improvement Area to request Delegation Status at the November 26th, 2012 meeting of the Planning and Environment Committee. This will make it possible for the Old East Village BIA to participate in a joint presentation to the Planning and Environment Committee with Downtown London.

During the presentation our delegates will report on the success of the Old East Village Enhanced Incentives Programs. They will also request an extension of the Forgivable Upgrade to Building Code Loan Program and the Forgivable Façade Improvement Loan Program for the Old East Village and Downtown. The presentation will emphasize the importance of retaining these particular programs to continuing the revitalization of the Old East Village and Downtown London.

As the Chair of the Old East Village BIA Board of Directors, I have authorized BIA Board Director Mrs. Maria Drangova and BIA Revitalization Director Mr. Clark Bryan to speak on behalf of the Old East Village BIA. They will also submit their comments in writing.

Thank you for your attention to this request.

Sincerely,

Ken Keane,
Chair,
Old East Village BIA

cc: His Worship Mayor Joe Fontana, City of London
Councillor Stephen Orser, City of London

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APPENDIX “A”

Bill No.
2013

By-law No. C.P.-1467()-_____

A By-law to amend C.P.-1467-175 entitled “A by-law to establish financial incentives for the Downtown Community Improvement Project Areas”.

WHEREAS by Subsection 28(2) of the Planning Act, the Council of a municipal corporation may, by by-law, designate such an area as a community improvement project area;

AND WHEREAS by Subsection 28(4) of the Planning Act, the Council of a municipal corporation to adopt a community improvement plan for the community improvement project area;

AND WHEREAS Municipal Council adopted By-law C.P.-1467-175 to establish financial incentives for the Downtown Community Improvement Project Area;

AND WHEREAS the Official Plan for the City of London contains provision relating to community improvement within the City of London;

Therefore the Municipal Council of The Corporation of the City of London enacts as follows:

1. Delete from Schedule “A” of By-law C.P.-1467-175 entitled “A by-law to establish financial incentives for the Downtown Community Improvement Project Areas”, pages 7 to 14 and replace with attached Schedule “A” entitled Forgivable Facade Improvement Loan Program, renumbering pages as required.
2. Delete from Schedule “A” of By-law C.P.-1467-175 entitled “A by-law to establish financial incentives for the Downtown Community Improvement Project Areas”, pages 35 to 43 and replace with attached Schedule “B” entitled Forgivable Upgrade to Building Code Loan Program renumbering pages as required.
3. “Financial Incentives for the Downtown” will be available for eligible projects, subject to annual budget approval, within the Downtown Community Improvement Area;
4. This by-law shall come into effect on the day it is passed.

PASSED in Open Council on November 5, 2013.

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading - November 5, 2013
Second Reading - November 5, 2013
Third Reading - November 5, 2013

SCHEDULE “A”

Forgivable Façade Improvement Loan Program

1) Purpose:

The Forgivable Façade Improvement Loan Program is intended to:

- assist property owners in identified community improvement project areas with street front façade improvements; and,
- bring participating buildings and properties within the identified community improvement areas into conformity with the City of London Property Standards By-law.

2) Funding:

Loan commitments will be provided subject to funding availability within the supporting reserve fund. Should there not be adequate funding to meet demand for the loan program, applications will be held and processed in chronological order of their application date as funding becomes available.

3a) Eligible Areas:

The Forgivable Façade Improvement Loan Program applies to:

- all properties within the Downtown Community Improvement Project Area Targeted Incentive Zone as defined in the Downtown London Community Improvement Area By-law (see Schedule #1).
- All properties within the Old East Village Community Improvement Project Area (except the Entertainment and Recreation Zone) as defined in the Old East Village Community Improvement Area By-law (see Schedule #2).

3b) Eligible Uses:

To be eligible for a Forgivable Façade Improvement Loan, the ground floor of the building must contain:

A targeted or non-targeted ground floor use (see Schedule #3 or Schedule #4).

4) Eligible Forgivable Façade Improvements:

Eligible Forgivable Façade Loan improvements would include:

- exterior street front renovations consistent with the Downtown Design Study Guidelines (1991) and the London Downtown Façade Study Guidelines (1986);
- exterior street front renovations consistent with the Centretown Façade Design Guidelines (1990);
- professional fees at the discretion of the General Manager of Planning and Development.

5a) Eligibility for Loan (owner):

To be eligible for a Forgivable Façade Improvement Loan, the applicant must meet all conditions detailed in this program description and the associated loan agreement including:

- The applicant must submit a complete Forgivable Façade Improvement Loan Program application;

- the applicant must be the registered owner of the property for which the application is being submitted;
- all mortgages and loans, including the Forgivable Façade Improvement Loan, must not exceed 90% of the post rehabilitation value of the property;
- all City of London realty taxes must be paid in full when the loan is issued and remain so for the lifetime of the loan;
- there must be no other outstanding debts to the City of London;
- the property owner must not have defaulted on any City-sponsored loan or grant program in the past;
- the applicant must sign a loan agreement which will identify the terms and conditions of the loan.

5b) Eligibility for Loan (Structure):

Eligible structures for the Forgivable Facade Improvement Loan Program would include:

- the ground floor of the building must be occupied by a targeted or non-targeted use;
- any discrete building held in one ownership in the identified program area. Within a contiguous group of buildings, a discrete building will be interpreted as any structure which is separated from other structures by a solid party wall. The entirety of a multi-unit building, which contains separate units with condominium status, will be considered one building for the purpose of this program;
- Each discrete building on each property is eligible for multiple loans provided the loans do not exceed the maximum amount allowable under program guidelines. Separate applications must be submitted for each discrete building on a single property;
- There must be no City of London Building Division orders or deficiencies when the loan is issued.
- Major alterations to a façade must be completed in accordance with the approved drawings as prepared by a qualified professional and as indicated through any commitment issued by the City of London.”

6) General Terms of the Loan:

The loan will be interest free and will be amortized over a 10 year period.

6a) Loan Amount:

Loans will be issued to cover the lesser of:

- 50% of the cost of the eligible works per buildings;
- A maximum of \$25,000 per building as of the date of adoption of the Forgivable Façade Improvement Loan Program.

Loans may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards (FADS).

Loans may be increased by an additional \$5,000 if the property is designated under Part IV of the Ontario Heritage Act.

While more than one building on a single property may be eligible for a loan, loans will not exceed 50% of the cost of the eligible works that related to each discrete building.

More than one loan may be issued for each building on each property, but the sum of these loans must not exceed the maximum loan amount of \$25,000 per building.

6b) Loan Security:

Loans will be secured through the registration of a lien placed on title for the total amount of the loan. Liens will be noted on the tax roll and will be registered and discharged by the City.

The General Manager of Planning and Development or designate may postpone the lien which is given as security for the Façade Loan in circumstances where any of the registered mortgages are being consolidated or renewed and the total value of all mortgages and charges against the property is not in excess of 90% and the market value of the property indicates that there is sufficient equity to protect the value of the lien.

6c) Loan Disbursements:

The loan shall be paid to the property owner upon receipt of invoices for completed work and inspection of the completed improvements by the staff of the City of London Planning Division.

Prior to the advancement of funds, the loan agreement will be signed only when the work is completed.

There will be no progress payments.

6d) Loan Repayment Provisions:

Loan payments will begin six months after the advancement of funds. Repayment of the loan will be on a monthly basis and do not include interest. The amount of these monthly payments will be calculated based on a ten year amortization period. Full repayment can be made at any time with no penalty.

6e) Transferable Loans:

At the discretion of the City, loans may be transferable to a new owner providing that the new owner meets with the eligibility criteria and agrees to the terms and conditions of the loan. The new owner must enter into a new loan agreement with the City for the outstanding loan value at the time of purchase. Otherwise, where ownership is transferred the outstanding balance of the loan shall immediately become due and payable.

6f) Annual Grant Value:

Subject to the eligibility criteria detailed in this program guideline, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. For the urpose of calculating the annual grant, the following definitions shall apply:

- Calendar Year would mean the 12 months of the year commencing January 1st and ending December 31st;
- Yearly Loan Repayments would mean the total value of the loan repayments in the Calendar Year;
- Maximum Yearly Grant Value would equal the Yearly Loan Repayments multiplied by 50%;
- Active Occupancy would mean that the business is open and in operation and is servicing customers;
- Pro-rated Yearly Grant Percentage would mean the percentage of months in the Calendar Year wherein the ground floor is actively occupied by a targeted or non-targeted use; and,
- Final Yearly Grant Value would equal the Maximum Yearly Grant Value multiplied by the Pro-rated Yearly Grant Percentage.

The Final Yearly Grant Value would be calculated as follows:

- Yearly Loan Repayments X .50 = Maximum Yearly Grant Value;
- Maximum Yearly Grant Value X Pro-rated Yearly Grant Percentage = Final Yearly Grant Value

6g) Grant Disbursement:

The disbursement of the grant requires action by the applicant.

At the end of the calendar year the applicant will be responsible for submitting to the City of London Planning Division a letter of acknowledgement certifying the months in which a targeted or non-targeted use actively occupied the ground floor of the building. Providing misleading information will result in the default of the loan and the forfeiture of the grant. Upon receipt of the letter of acknowledgement, the City of London will determine the Final Yearly Grant Value.

To be eligible to receive the annual grant, the applicant must meet all conditions detailed in the Program Guideline including:

- The loan must be in good standing with no arrears owing;
- All City of London realty taxes must be paid in full;
- There must be no outstanding debts to the City of London;
- The property owner must not have defaulted on any City-sponsored loan or grant program in the past; and,
- There must be no outstanding City of London Building Division orders or deficiencies.

Having confirmed that the applicant has met the conditions of the program guideline, the annual grant would then be disbursed.

6h) Transferable Grants:

If the building is sold, the seller forfeits all rights to future grants for the building. The new owner would be eligible for future grants subject to the terms and conditions detailed in this guideline. In those instances where the building is sold, the annual grant for the seller and buyer would be pro-rated to reflect the date of sale and active occupancy by a targeted or non-targeted use.

7) Additional Rehabilitation and Demolition:

Additional work to the façade may be undertaken only after consultation with the Planning Department to ensure consistency with the provisions of the Design Guidelines detailed in Section 4) above. One objective in providing assistance under this program will be to bring the entire property into conformity with the City of London Property Standards By-law.

Work carried out in the absence of consultation with the Planning Department may result in the forfeiture of any future grants and the City’s consideration of subsequent applications for funding assistance under any of the City-sponsored loan or grant programs.

The Forgivable Façade Improvement Loan Program does not impose any specific restrictions on demolition except that any outstanding loan amount must be repaid to the municipality prior to the issuance of a demolition permit.

In those instances where the building is demolished, the annual grant will be pro-rated to reflect the date of demolition and active occupancy by a targeted or non-targeted ground floor use.

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8) Relationship to other Financial Incentive Programs:

It is intended that the Forgivable Façade Improvement Loan Program will complement other incentive programs offered by the City of London. Property owners may also qualify for financial assistance under those programs specifically detailed on Schedule #5 However, the funding from these programs cannot be used to subsidize the property owner’s share of the total cost of the Forgivable Façade Improvement Loan improvements.

9) Procedures:

The following procedures must be completed in entirety prior to the disbursement of funds under the Forgivable Façade Improvement Loan Program.

9a) Loan Application:

The applicant is required to submit a complete Forgivable Façade Improvement Loan application form and submit the form to the General Manager of Planning and Development or designate.

The Forgivable Façade Improvement Loan Program will not apply retroactively to works completed prior to the approval of the Loan application by the General Manager of Planning and Development or designate.

9b) A “Complete” Application:

To be eligible for a Forgivable Façade Improvement Loan, the applicant will be required to submit a complete application. A complete application may include:

- Complete drawings of the works to be undertaken;
- A copy of the Building Permit (if required);
- Product brochures for the proposed installations;
- Where exterior cleaning is proposed – the cleaning method, type of product to be used, rinsing system, areas of sample cleaning, mortar joint repair procedure, experience of contractor including completed projects;
- A detailed estimate of the works to be completed,
- The cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purpose of the program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit (if required). In no case shall a loan be issued where the portion of the loan attributed to work completed under a Building Permit exceed the verified construction value noted on the Building Permit; and,
- Any or other information required by the General Manager of Planning or designate.

9c) Relationship of the Improvements to Design Guidelines:

The application will include a description of how the proposed works relate to the Downtown, or Centretown, Design Guidelines. The onus is on the applicant to show how the proposed works relate to the relevant Design Guideline.

9d) Planning Division Inspection

Following the submission of the loan and prior to its approval, the Planning Division will inspect the building front to review its condition and the proposed amendments. The Planning Division will make arrangements for a title search of the property and check on tax payment records.

9e) Final Determination of Eligible Improvements:

The final determination as to how much of the proposed work is eligible for funding under the Forgivable Façade Improvement Loan Program will be made by the General Manager of Planning and Development or designate. The General Manager of Planning and Development or designate may require further drawings, cost estimates, or other items of information relating to the proposed works before approval of the loan is issued.

9f) Loan Approval – Approval Expires in One Year :

Once all eligibility criteria and conditions are met, and provided that funds are available in the supporting Reserve Fund, the General Manager of Planning and Development or designate will approve the Forgivable Façade Improvement Loan. If an application is refused, the applicant may appeal the decision of the General Manager of Planning and Development to Council through the Planning Committee.

Approval by means of a letter to the applicant will represent a loan commitment. Loan commitments will be valid for one year and will expire if the work is not completed within that time period. The General Manager of Planning and Development may, at his/her discretion, provide a written loan commitment extension of up to one year. It is important to note that the consideration of such an extension will require a written request from the applicant detailing the reasons the extension is being sought.

9g) Inspection of Completed Works:

The loan will be paid to the property owner upon receipt of invoices for all completed work and after the City inspection of all completed improvements has taken place. The City will inspect the work completed to verify that the proposed improvements have been completed as described in the application. The loan amount will relate to the invoices showing the actual costs of completed work and not the estimated costs as Described in 9b) above.

Prior to the advancement of funds, the loan agreement will be signed only when the work has been completed.

There will be no progress payments.

9h) Annual Grant Payments:

See Section 6f) and 6g) above

10) Commencement of Program:

The Forgivable Façade Improvement Loan Program will commence in June, 2013 and provide letters of financial commitment until December 31, 2014.

11) Program Funding Limit

The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

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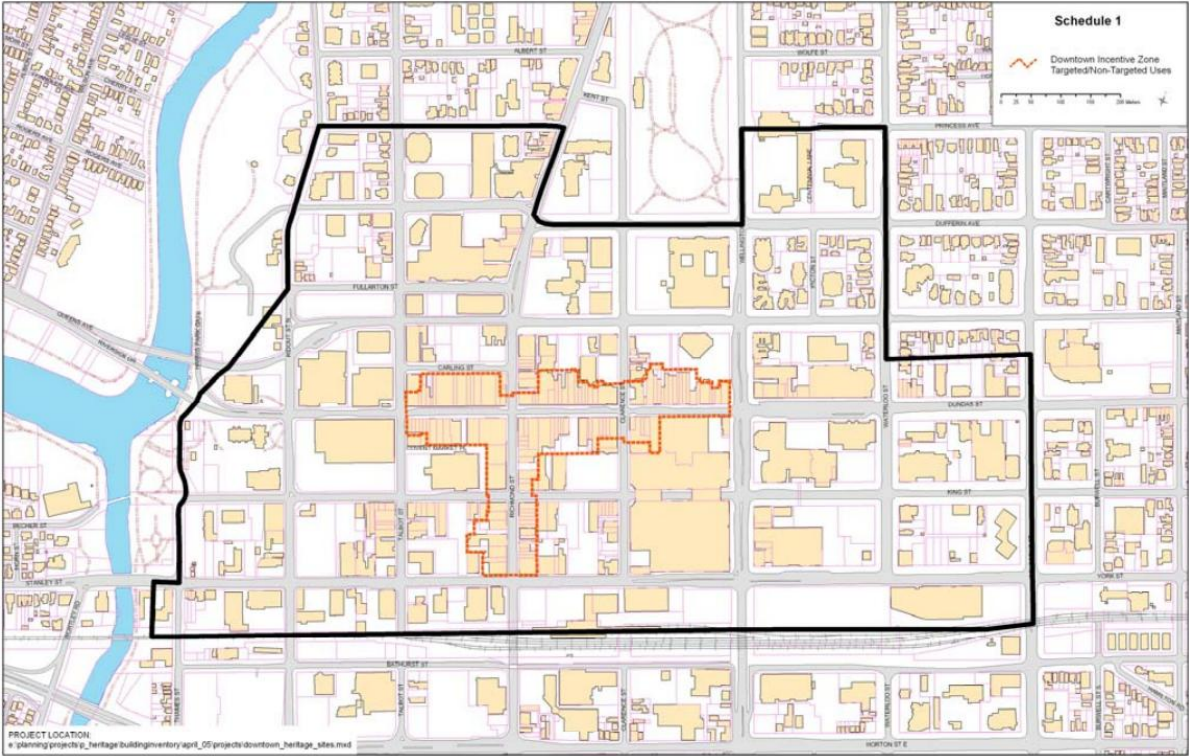
11) Applicable Schedules:

For the purpose of this program, the following schedules shall be utilized:

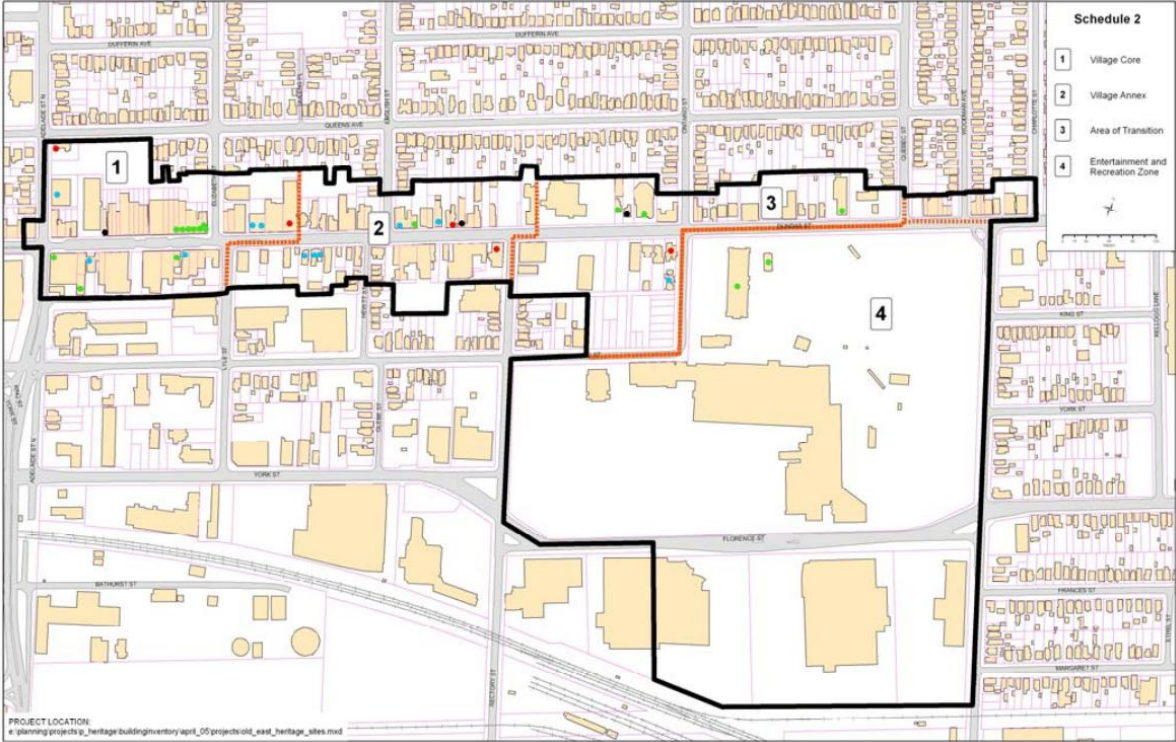
- Schedule 1 – Downtown Community Improvement Area;
- Schedule 2 – Old East Village Community Improvement Area;
- Schedule 3 – Targeted/Non-Targeted Uses (Downtown)
- Schedule 4 – Targeted/Non-Targeted Uses (Old East Village)
- Schedule 5 – Program Bundling

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Planner: E. Lalande



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Planner: E. Lalande

Schedule #3 – Targeted and Non-Targeted Uses (Downtown Community Improvement Project Area Targeted Incentive Zone)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Retail stores	x	
Supermarkets	x	
Amusement Games Establishments*		x
Apartment buildings*		x
Apartment Hotels	x	
Art Galleries	x	
Assembly Halls	x	
Bake shops	x	
Churches	x	
Clinics		x
Commercial parking structures		x
Commercial recreation establishments		x
Convenience stores		x
Day care centres	x	
Dry cleaning and laundry depots	x	
Duplicating shops	x	
Dwelling units*		x
Emergency care establishments		x
Film processing depots	x	
Financial institutions	x	
Funeral homes	x	
Group home type 2		x
Hotels	x	
Institutions	x	
Laboratories		x
Libraries	x	
Medical/dental offices	x	
Museums	x	
Service offices	x	
Offices (above first floor)		x
Patient testing laboratories	x	
Personal service establishments	x	
Printing establishments		x
Private clubs		x
Repair and rental establishments	x	
Restaurants	x	
Restaurants, outdoor patio	x	
Schools	x	
Senior citizen apartment building*		x
Service and repair establishments	x	
Service trades		x
Studios	x	
Taverns	x	
Theatres and cinemas	x	
Video rental establishments	x	
Lodging house class 2		x
Place of entertainment		x
Accessory dwelling units*		x
Brewing on premises establishment		x

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Schedule #4 – Targeted and Non-Targeted Uses (Old East Village Community Improvement Project Area)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Animal Hospitals		X
Apartment Buildings		X
Bake Shops	X	
Clinics	X	
Commercial recreation Establishments		X
Commercial Parking Structures and/or lots		X
Converted Dwellings		X
Day Care Centres		X
Dry Cleaning and Laundry Depots	X	
Duplicating Shops	X	
Emergency Care Establishments		X
Existing Dwellings		X
Financial Institutions	X	
Grocery Stores	X	
Laboratories		X
Laundromats	X	
Libraries	X	
Medical/Dental Office	X	
Office Apartment Buildings	X	
Group Home Type 2		X
Dwelling units		X
Offices	X	
Personal Service Establishments	X	
Private Clubs		X
Restaurants (without drive-through)	X	
Retail Stores	X	
Service and Repair Establishments	X	
Studios	X	
Video Rental Establishments	X	
Lodging Houses Class 2		X
Cinemas	X	
Brewing on Premises Establishments		X
Food Store	X	
Animal Clinic	X	
Convenience Store		X
Post Office	X	
Convenience Service Establishment		X
Dwelling Units (restricted to rear portion of ground floor)		X
Bed and Breakfast Establishments		X
Antique Store	X	
Police Stations		X
Hotels	X	
Taverns		X
Theatres	X	
Assembly Halls		X
Churches		X
Community Centres		X
Funeral Homes		X
Institutions		X
Schools		X
Fire Halls		X

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Schedule #5 – Program “Bundling” (“X” denotes related programs that may also be applied for)

PROGRAM	1	2	3	4	5	6	7	8	9	10
FAÇADE IMPROVEMENT LOAN (1)					X		X	X	X	
FORGIVABLE FAÇADE IMPROVEMENT LOAN (2)			X	X		X	X	X	X	X
REAR ALLEYWAY FAÇADE IMPROVEMENT LOAN (3)		X		X		X	X	X	X	X
AWNING, SIGNAGE, DECORATIVE LIGHTING GRANT (4)		X	X			X	X	X	X	X
UPGRADE TO BUILDING CODE LOAN(5)	X						X	X	X	
FORGIVABLE UPGRADE TO BUILDING CODE LOAN (6)		X	X	X			X	X	X	X
HERITAGE BUILDING ASSESSMENT GRANT (7)	X	X	X	X	X	X		X	X	X
HERITAGE BUILDING IMPROVEMENT GRANT (8)	X	X	X	X	X	X	X		X	X
DOWNTOWN TAX GRANT (9)	X	X	X	X	X	X	X	X		X
TAX HOLIDAY GRANT (10)		X	X	X		X	X	X	X	

SCHEDULE “B”

Forgivable Upgrade to Building Code Loan Program

1) Purpose:

The Forgivable Upgrade to Building Code Loan Program is intended to assist property owners with the financing of building improvements that are often necessary to ensure older buildings comply with today’s Building Code Requirements. The costs associated with these improvements frequently pose a major issue for building owners wanting to upgrade their properties. This issue is amplified in the Downtown where much of the building stock is older and needs major improvements to meet present-day Building Code Standards.

This program is consistent with several goals for revitalization. It is anticipated that the program will:

- Support the maintenance, improvement, beautification and viability of the historic building stock in Downtown London. This stock is an integral feature of the core and offers a unique built environment that cannot be replicated.
- Encourage the development of residential units in older buildings through conversion and adaptive re-use. Building Code issues are often at the forefront of projects which convert vacant or under-utilized commercial space to residential space.
- Support the development of distinctive, interesting and attractive commercial spaces in existing buildings to assist in the regeneration of Downtown London.
- To help ensure that buildings are safe for residents and patrons alike.
- Help to strengthen the Downtown’s property assessment base.
- Bring participating buildings and properties within the identified community improvement areas into conformity with the City of London Property Standards.

2) Funding:

Loan commitments will be provided subject to funding availability within the supporting reserve fund. Should there not be adequate funding to meet demand for the loan program, applications will be held and processed in chronological order of their application date as funding becomes available.

3a) Eligible Areas:

The Forgivable Upgrade to Building Code Loan Program applies to:

- All properties within the Downtown Community Improvement Project Area Targeted Incentive Zone as defined in the Downtown London Community Improvement Area By-law (see Schedule #1).
- All properties within the Old East Village Community Improvement Project Area (except the Entertainment and Recreation Zone) as defined in the Old East Village Community Improvement Area By-law (see Schedule #2).

3b) Eligible Uses:

To be eligible for a Forgivable Upgrade to Building Code loan, the ground floor of the building must contain:

A targeted ground floor use (see Schedule #3 or Schedule #4)

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4) Eligible Forgivable Upgrade Improvements:

Eligible Forgivable Upgrade to Building Code works that will be financed through this program include improvements that are demonstrated to be necessary to meet Building Code requirements and address one or more health and safety issues. Examples of works that may be eligible under the Forgivable Upgrade to Building Code Loan Program would include:

- The installation or alteration of fire protection systems such as sprinklers, stand pipes, fire alarms, emergency power and lighting, exit signs;
- Installation or alteration of fire separations;
- Installation or alteration of fire doors, fire shutters and other fire protection devices;
- The relocation of fire escapes and the installation of new exit facilities;
- The extension of plumbing and electrical services for the creation of habitable space;
- The construction or alteration of stairs, guards, handrails, etc.;
- The reinforcement of floors, walls or ceilings;
- The installation or alteration of required window openings to residential spaces;
- Required improvements to ventilation systems;
- Improvements for barrier-free accessibility;
- Professional fees for the preparation of drawings required for eligible works;
- Other improvements related to health and safety issues at the discretion of the General Manager of Planning and Development.

5a) Eligibility for Loan (owner):

To be eligible for a Forgivable Upgrade to Building Code Loan, the applicant must meet all conditions detailed in this program description and the associated loan agreement including:

- The applicant must submit a complete Forgivable Upgrade to Building Code Loan Program application;
- the applicant must be the registered owner of the property for which the application is being submitted;
- all mortgages and loans, including the Forgivable Upgrade to Building Code Loan, must not exceed 90% of the post rehabilitation value of the property;
- all City of London realty taxes must be paid in full when the loan is issued and remain so for the lifetime of the loan;
- there must be no other outstanding debts to the City of London;
- the property owner must not have defaulted on any City-sponsored loan or grant program in the past;
- the applicant must sign a loan agreement which will identify the terms and conditions of the loan. and,
- the applicant must submit to the City of London a letter of acknowledgment indicating that the property owner has notified the owner/operator of the Targeted Ground Floor Use of the property owner’s participation in the Forgivable Upgrade to Building Code Loan Program

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and the grant benefits that the property owner will enjoy as a result of participation in the incentive program. This letter will be in a form acceptable to the City Solicitor.

5b) Eligibility for Loan (Structure):

Eligible structures for the Forgivable Upgrade to Building Code Loan Program would include:

- the ground floor of the building must be occupied by a targeted use;
- any discrete building held in one ownership in the identified program area. Within a contiguous group of buildings, a discrete building will be interpreted as any structure which is separated from other structures by a solid party wall. The entirety of a multi-unit building, which contains separate units with condominium status, will be considered one building for the purpose of this program;
- Each discrete building on each property is eligible for multiple loans provided the loans do not exceed the maximum amount allowable under program guidelines. Separate applications must be submitted for each discrete building on a single property;
- There must be no City of London Building Division orders or deficiencies when the loan is issued.

6) General Terms of the Loan:

The loan will be interest free and will be amortized over a 10 year period.

6a) Loan Amount:

Loans will be issued to cover the lesser of:

- 50% of the cost of the eligible works per buildings;
- A maximum of \$50,000 per building as of the date of adoption of the Forgivable Upgrade to Building Code Loan Program.

Loans may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards (FADS).

While more than one building on a single property may be eligible for a loan, loans will not exceed 50% of the cost of the eligible works that related to each discrete building.

More than one loan may be issued for each building on each property, but the sum of these loans must not exceed the maximum loan amount of \$50,000 per building.

6b) Loan Security:

Loans will be secured through the registration of a lien placed on title for the total amount of the loan. Liens will be noted on the tax roll and will be registered and discharged by the City.

The General Manager of Planning and Development or designate may postpone the lien which is given as security for the Upgrade to Building Code Loan in circumstances where any of the registered mortgages are being replaced, consolidated or renewed and the total value of all mortgages and charges, including the City’s lien, against the property does not exceed 90% of the appraised value of the property.

6c) Disbursement:

The loan shall be paid to the property owner upon receipt of invoices for completed work and inspection of the completed improvements by the staff of the City of London Planning Division.

Prior to the advancement of funds, the loan agreement will be signed only when the work is completed. There will be no progress payments.

6d) Loan Repayment Provisions:

Loan payments will begin six months after the advancement of funds. Repayment of the loan will be on a monthly basis and do not include interest. The amount of these monthly payments will be calculated based on a ten year amortization period. Full repayment can be made at any time with no penalty.

6e) Transferable Loans:

At the discretion of the City, loans may be transferable to a new owner providing that the new owner meets with the eligibility criteria and agrees to the terms and conditions of the loan. The new owner must enter into a new loan agreement with the City for the outstanding loan value at the time of purchase. Otherwise, where the ownership is transferred the outstanding balance of the loan shall immediately become due and payable.

6f) Annual Grant Value:

Subject to the eligibility criteria detailed in this program guideline, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. For the purpose of calculating the annual grant, the following definitions shall apply:

- Calendar Year would mean the 12 months of the year commencing January 1st and ending December 31st;
- Yearly Loan Repayments would mean the total value of the loan repayments in the Calendar Year;
- Maximum Yearly Grant Value would equal the Yearly Loan Repayments multiplied by 50%;
- Active Occupancy would mean that the business is open and in operation and is servicing customers;
- Pro-rated Yearly Grant Percentage would mean the percentage of months in the Calendar Year wherein the ground floor is actively occupied by a targeted use; and,
- Final Yearly Grant Value would equal the Maximum Yearly Grant Value multiplied by the Pro-rated Yearly Grant Percentage.

The Final Yearly Grant Value would be calculated as follows:

- Yearly Loan Repayments X .50 = Maximum Yearly Grant Value;
- Maximum Yearly Grant Value X Pro-rated Yearly Grant Percentage = Final Yearly Grant Value.

6g) Grant Disbursement:

The disbursement of the grant requires action by the applicant.

At the end of the calendar year the applicant will be responsible for submitting to the City of London Planning Division a letter of acknowledgement certifying the months in which a targeted use actively occupied the ground floor of the building. Providing misleading information will result in the default of the loan and the grant.

Upon receipt of the letter of acknowledgement, the City of London will determine the Final Yearly Grant Value.

To be eligible to receive the annual grant, the applicant must meet all conditions detailed in the Program Guideline including:

- The loan must be in good standing with no arrears owing;

- All City of London realty taxes must be paid in full;
- There must be no outstanding debts to the City of London;
- The property owner must not have defaulted on any City-sponsored loan or grant program in the past; and,
- There must be no outstanding City of London Building Division orders or deficiencies.

Having confirmed that the applicant has met the conditions of the program guideline, the annual grant would then be disbursed.

6h) Transferable Grants:

If the building is sold, the seller forfeits all rights to future grants for the building. The new owner would be eligible for future grants subject to the terms and conditions detailed in this guideline. In those instances where the building is sold, the annual grant for the seller and buyer would be pro-rated to reflect the date of sale and active occupancy by a targeted use.

7) Additional Rehabilitation and Demolition:

Additional work to the interior of the building can be undertaken without Planning Division approval subject to obtaining a building permit where required. One objective in providing the assistance under this program will be to bring the entire property into conformity with the Property Standards By-law.

The Forgivable Upgrade to Building Code Loan Program does not impose any specific restrictions on demolition except that any outstanding loan amount must be repaid to the municipality prior to the issuance of a demolition permit.

In those instances where the building is demolished, the annual grant will be pro-rated to reflect the date of demolition and active occupancy by a targeted ground floor use.

8) Relationship to other Financial Incentive Programs:

It is intended that the Forgivable Upgrade to Building Code Loan Program will complement other incentive programs offered by the City of London. Property owners may also qualify for financial assistance under those programs specifically detailed on Schedule #5. However, the funding from these programs cannot be used to subsidize the property owner's share of the total cost of the Forgivable Upgrade to Building Code Loan improvements.

9) Procedures:

The following procedures must be completed in entirety prior to the disbursement of funds under the Forgivable Upgrade to Building Code Loan Program.

9a) Loan Application:

The applicant is required to complete a Forgivable Upgrade to Building Code Loan application form and submit the form to the General Manager of Planning and Development or designate.

The Forgivable Upgrade to Building Code Loan Program will not apply retroactively to works completed prior to the approval of the Loan application by the General Manager of Planning and Development or designate.

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9b) A “Complete” Application:

To be eligible for a Forgivable Upgrade to Building Code Loan, the applicant will be required to submit a complete application. A complete application may include:

- Complete drawings of the works to be undertaken;
- A copy of the Building Permit;
- A detailed estimate of the works to be completed including an itemized list of those improvements that are proposed to address the requirements of the Ontario Building Code;
- The cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purpose of the program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit. In no case shall a loan be issued where the value of the loan exceeds the verified construction value noted on the Building Permit; and,
- Any or other information that may be deemed necessary by the General Manager of Planning or designate.

9c) Relationship of the Improvements to the Building Code:

The application will include a description of how the proposed works relate to a specific requirement under the Ontario Building Code. The onus is on the applicant to show how the proposed works relate to the Building Code and addresses one or more health and safety issues. In addition, the applicant should provide a detailed cost estimate of the works such that only those items identified as eligible works are included in the Forgivable Upgrade to Building Code Loan Program application.

9d) Planning Division Inspection

The application will include a description of how the proposed works relate to a specific requirement under the Ontario Building Code. The onus is on the applicant to show how the proposed works relate to the Building Code and addresses one or more health and safety issues. The applicant should provide a cost estimate of the all the works and should specifically identify those items that are, in the opinion of the applicant, eligible improvements under the Forgivable Upgrade to Building Code Loan Program (see Section 4).

9e) Final Determination of Eligible Improvements:

The final determination as to how much of the proposed work is eligible for funding under the Forgivable Upgrade to Building Code Loan Program will be made by the General Manager of Planning and Development or designate. The General Manager of Planning and Development or designate may require further drawings, cost estimates, or other items of information relating to the proposed works before approval of the loan is issued.

9f) Loan Approval – Approval Expires in One Year :

Once all eligibility criteria and conditions are met, and provided that funds are available in the supporting Reserve Fund, the General Manager of Planning and Development or designate will approve the Forgivable Upgrade to Building Code Loan. If an application is refused, the applicant may appeal the decision of the General Manager of Planning and Development to Council through the Planning Committee.

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Approval by means of a letter to the applicant will represent a loan commitment. Loan commitments will be valid for one year and will expire if the work is not completed within that time period. The General Manager of Planning and Development may, at his/her discretion, provide a written loan commitment extension of up to one year. It is important to note that the consideration of such an extension will require a written request from the applicant detailing the reasons the extension is being sought.

9g) Inspection of Completed Works:

The loan will be paid to the property owner upon receipt of invoices for all completed work and after the City inspection of all completed improvements has taken place. The City will inspect the work completed to verify that the proposed improvements have been completed as described in the application. The loan amount will relate to the invoices showing the actual costs of completed work and not the estimated costs as Described in 9b) above.

Prior to the advancement of funds, the loan agreement will be signed only when the work has been completed.

There will be no progress payments.

9h) Annual Grant Payments:

See Section 6f) and 6g) above.

10) Commencement of Program:

The Forgivable Upgrade to Building Code Loan Program will commence in June, 2013 and provide letters of financial commitment until December 31, 2014.

11) Program Funding Limit

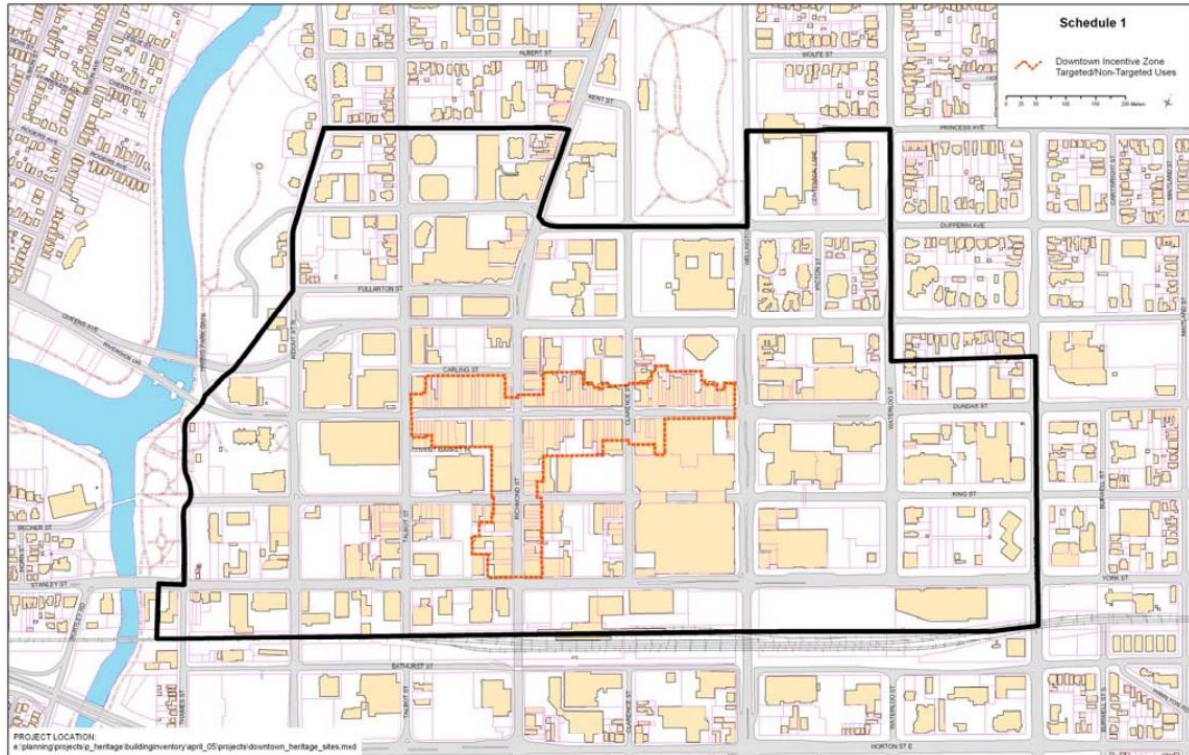
The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

12) Applicable Schedules:

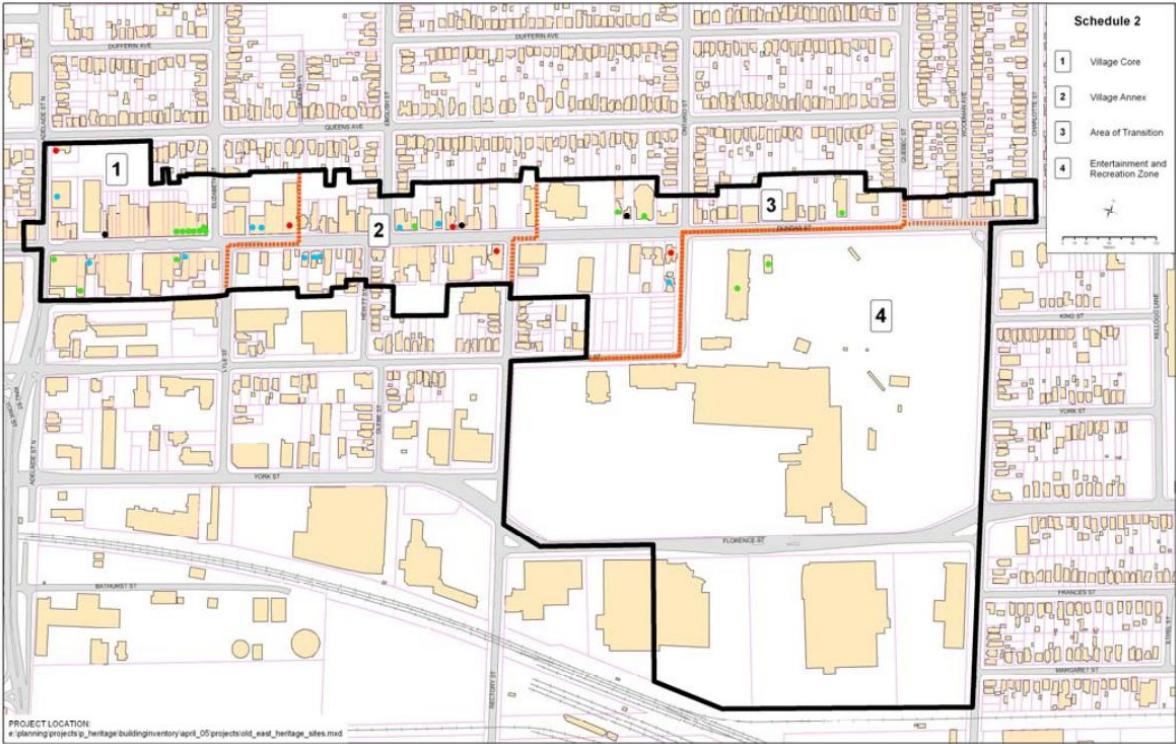
For the purpose of this program, the following schedules shall be utilized:

- Schedule 1 – Downtown Community Improvement Area;
- Schedule 2 – Old East Village Community Improvement Area;
- Schedule 3 – Targeted/Non-Targeted Uses (Downtown);
- Schedule 4 – Targeted/Non-Targeted Uses (Old East Village); and,
- Schedule 5 – Program Bundling.

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Schedule #3 – Targeted and Non-Targeted Uses (Downtown Community Improvement Project Area Targeted Incentive Zone)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Retail stores	x	
Supermarkets	x	
Amusement Games Establishments*		x
Apartment buildings*		x
Apartment Hotels	x	
Art Galleries	x	
Assembly Halls	x	
Bake shops	x	
Churches	x	
Clinics		x
Commercial parking structures		x
Commercial recreation establishments		x
Convenience stores		x
Day care centres	x	
Dry cleaning and laundry depots	x	
Duplicating shops	x	
Dwelling units*		x
Emergency care establishments		x
Film processing depots	x	
Financial institutions	x	
Funeral homes	x	
Group home type 2		x
Hotels	x	
Institutions	x	
Laboratories		x
Libraries	x	
Medical/dental offices	x	
Museums	x	
Service offices	x	
Offices (above first floor)		x
Patient testing laboratories	x	
Personal service establishments	x	
Printing establishments		x
Private clubs		x
Repair and rental establishments	x	
Restaurants	x	
Restaurants, outdoor patio	x	
Schools	x	
Senior citizen apartment building*		x
Service and repair establishments	x	
Service trades		x
Studios	x	
Taverns	x	
Theatres and cinemas	x	
Video rental establishments	x	
Lodging house class 2		x
Place of entertainment		x
Accessory dwelling units*		x
Brewing on premises establishment		x

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Schedule #4 – Targeted and Non-Targeted Uses (Old East Village Community Improvement Project Area)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Animal Hospitals		X
Apartment Buildings		X
Bake Shops	X	
Clinics	X	
Commercial recreation Establishments		X
Commercial Parking Structures and/or lots		X
Converted Dwellings		X
Day Care Centres		X
Dry Cleaning and Laundry Depots	X	
Duplicating Shops	X	
Emergency Care Establishments		X
Existing Dwellings		X
Financial Institutions	X	
Grocery Stores	X	
Laboratories		X
Laundromats	X	
Libraries	X	
Medical/Dental Office	X	
Office Apartment Buildings	X	
Group Home Type 2		X
Dwelling units		X
Offices	X	
Personal Service Establishments	X	
Private Clubs		X
Restaurants (without drive-through)	X	
Retail Stores	X	
Service and Repair Establishments	X	
Studios	X	
Video Rental Establishments	X	
Lodging Houses Class 2		X
Cinemas	X	
Brewing on Premises Establishments		X
Food Store	X	
Animal Clinic	X	
Convenience Store		X
Post Office	X	
Convenience Service Establishment		X
Dwelling Units (restricted to rear portion of ground floor)		X
Bed and Breakfast Establishments		X
Antique Store	X	
Police Stations		X
Hotels	X	
Taverns		X
Theatres	X	
Assembly Halls		X
Churches		X
Community Centres		X
Funeral Homes		X
Institutions		X
Schools		X
Fire Halls		X

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Schedule #5 – Program “Bundling” (“X” denotes related programs that may also be applied for)

PROGRAM	1	2	3	4	5	6	7	8	9	10
FAÇADE IMPROVEMENT LOAN (1)					X		X	X	X	
FORGIVABLE FAÇADE IMPROVEMENT LOAN (2)			X	X		X	X	X	X	X
REAR ALLEYWAY FAÇADE IMPROVEMENT LOAN (3)		X		X		X	X	X	X	X
AWNING, SIGNAGE, DECORATIVE LIGHTING GRANT (4)		X	X			X	X	X	X	X
UPGRADE TO BUILDING CODE LOAN(5)	X						X	X	X	
FORGIVABLE UPGRADE TO BUILDING CODE LOAN (6)		X	X	X			X	X	X	X
HERITAGE BUILDING ASSESSMENT GRANT (7)	X	X	X	X	X	X		X	X	X
HERITAGE BUILDING IMPROVEMENT GRANT (8)	X	X	X	X	X	X	X		X	X
DOWNTOWN TAX GRANT (9)	X	X	X	X	X	X	X	X		X
TAX HOLIDAY GRANT (10)		X	X	X		X	X	X	X	

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APPENDIX “B”

Bill No.
2013

By-law No. C.P.-1468()-_____

A By-law to amend C.P.-1468-176 entitled “A by-law to establish financial incentives for the Old East Village Community Improvement Project Areas”.

WHEREAS by Subsection 28(2) of the Planning Act, the Council of a municipal corporation may, by by-law, designate such an area as a community improvement project area;

AND WHEREAS by Subsection 28(4) of the Planning Act, the Council of a municipal corporation to adopt a community improvement plan for the community improvement project area;

AND WHEREAS Municipal Council adopted By-law C.P.-1468-176 to establish financial incentives for the Old East Community Improvement Project Area;

AND WHEREAS the Official Plan for the City of London contains provision relating to community improvement within the City of London;

Therefore the Municipal Council of The Corporation of the City of London enacts as follows:

1. Delete from Schedule “A” of By-law C.P.-1468-176 entitled “A by-law to establish financial incentives for the Old East Village Community Improvement Project Areas”, pages 7 to 14 and replace with attached Schedule “A” entitled Forgivable Facade Improvement Loan Program, renumbering pages as required.
2. Delete from Schedule “A” of By-law C.P.-1468-176 entitled “A by-law to establish financial incentives for the Old East Village Community Improvement Project Areas”, pages 35 to 43 and replace with attached Schedule “B” entitled Forgivable Upgrade to Building Code Loan Program, renumbering pages as required.
3. “Financial Incentives for the Downtown and Old East Village” will be available for eligible projects, subject to annual budget approval, within the Old East Village Community Improvement Area;
4. This by-law shall come into effect on the day it is passed.

PASSED in Open Council on November 5, 2013.

Joe Fontana
Mayor

Catherine Saunders
City Clerk

First Reading - November 5, 2013
Second Reading - November 5, 2013
Third Reading - November 5, 2013

SCHEDULE “A”

Forgivable Façade Improvement Loan Program

1) Purpose:

The Forgivable Façade Improvement Loan Program is intended to:

- assist property owners in identified community improvement project areas with street front façade improvements; and,
- bring participating buildings and properties within the identified community improvement areas into conformity with the City of London Property Standards By-law.

2) Funding:

Loan commitments will be provided subject to funding availability within the supporting reserve fund. Should there not be adequate funding to meet demand for the loan program, applications will be held and processed in chronological order of their application date as funding becomes available.

3a) Eligible Areas:

The Forgivable Façade Improvement Loan Program applies to:

- all properties within the Downtown Community Improvement Project Area Targeted Incentive Zone as defined in the Downtown London Community Improvement Area By-law (see Schedule #1).
- All properties within the Old East Village Community Improvement Project Area (except the Entertainment and Recreation Zone) as defined in the Old East Village Community Improvement Area By-law (see Schedule #2).

3b) Eligible Uses:

To be eligible for a Forgivable Façade Improvement Loan, the ground floor of the building must contain:

A targeted or non-targeted ground floor use (see Schedule #3 or Schedule #4).

4) Eligible Forgivable Façade Improvements:

Eligible Forgivable Façade Loan improvements would include:

- exterior street front renovations consistent with the Downtown Design Study Guidelines (1991) and the London Downtown Façade Study Guidelines (1986);
- exterior street front renovations consistent with the Centretown Façade Design Guidelines (1990);
- professional fees at the discretion of the General Manager of Planning and Development.

5a) Eligibility for Loan (owner):

To be eligible for a Forgivable Façade Improvement Loan, the applicant must meet all conditions detailed in this program description and the associated loan agreement including:

- The applicant must submit a complete Forgivable Façade Improvement Loan Program application;

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- the applicant must be the registered owner of the property for which the application is being submitted;
- all mortgages and loans, including the Forgivable Façade Improvement Loan, must not exceed 90% of the post rehabilitation value of the property;
- all City of London realty taxes must be paid in full when the loan is issued and remain so for the lifetime of the loan;
- there must be no other outstanding debts to the City of London;
- the property owner must not have defaulted on any City-sponsored loan or grant program in the past;
- the applicant must sign a loan agreement which will identify the terms and conditions of the loan.

5b) Eligibility for Loan (Structure):

Eligible structures for the Forgivable Facade Improvement Loan Program would include:

- the ground floor of the building must be occupied by a targeted or non-targeted use;
- any discrete building held in one ownership in the identified program area. Within a contiguous group of buildings, a discrete building will be interpreted as any structure which is separated from other structures by a solid party wall. The entirety of a multi-unit building, which contains separate units with condominium status, will be considered one building for the purpose of this program;
- Each discrete building on each property is eligible for multiple loans provided the loans do not exceed the maximum amount allowable under program guidelines. Separate applications must be submitted for each discrete building on a single property;
- There must be no City of London Building Division orders or deficiencies when the loan is issued.
- Major alterations to a façade must be completed in accordance with the approved drawings as prepared by a qualified professional and as indicated through any commitment issued by the City of London.”

6) General Terms of the Loan:

The loan will be interest free and will be amortized over a 10 year period.

6a) Loan Amount:

Loans will be issued to cover the lesser of:

- 50% of the cost of the eligible works per buildings;
- A maximum of \$25,000 per building as of the date of adoption of the Forgivable Façade Improvement Loan Program.

Loans may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards (FADS).

Loans may be increased by an additional \$5,000 if the property is designated under Part IV of the Ontario Heritage Act.

While more than one building on a single property may be eligible for a loan, loans will not exceed 50% of the cost of the eligible works that related to each discrete building.

More than one loan may be issued for each building on each property, but the sum of these loans must not exceed the maximum loan amount of \$25,000 per building.

6b) Loan Security:

Loans will be secured through the registration of a lien placed on title for the total amount of the loan. Liens will be noted on the tax roll and will be registered and discharged by the City.

The General Manager of Planning and Development or designate may postpone the lien which is given as security for the Façade Loan in circumstances where any of the registered mortgages are being consolidated or renewed and the total value of all mortgages and charges against the property is not in excess of 90% and the market value of the property indicates that there is sufficient equity to protect the value of the lien.

6c) Loan Disbursements:

The loan shall be paid to the property owner upon receipt of invoices for completed work and inspection of the completed improvements by the staff of the City of London Planning Division.

Prior to the advancement of funds, the loan agreement will be signed only when the work is completed.

There will be no progress payments.

6d) Loan Repayment Provisions:

Loan payments will begin six months after the advancement of funds. Repayment of the loan will be on a monthly basis and do not include interest. The amount of these monthly payments will be calculated based on a ten year amortization period. Full repayment can be made at any time with no penalty.

6e) Transferable Loans:

At the discretion of the City, loans may be transferable to a new owner providing that the new owner meets with the eligibility criteria and agrees to the terms and conditions of the loan. The new owner must enter into a new loan agreement with the City for the outstanding loan value at the time of purchase. Otherwise, where ownership is transferred the outstanding balance of the loan shall immediately become due and payable.

6f) Annual Grant Value:

Subject to the eligibility criteria detailed in this program guideline, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. For the urpose of calculating the annual grant, the following definitions shall apply:

- Calendar Year would mean the 12 months of the year commencing January 1st and ending December 31st;
- Yearly Loan Repayments would mean the total value of the loan repayments in the Calendar Year;
- Maximum Yearly Grant Value would equal the Yearly Loan Repayments multiplied by 50%;
- Active Occupancy would mean that the business is open and in operation and is servicing customers;
- Pro-rated Yearly Grant Percentage would mean the percentage of months in the Calendar Year wherein the ground floor is actively occupied by a targeted or non-targeted use; and,
- Final Yearly Grant Value would equal the Maximum Yearly Grant Value multiplied by the Pro-rated Yearly Grant Percentage.

The Final Yearly Grant Value would be calculated as follows:

- Yearly Loan Repayments X .50 = Maximum Yearly Grant Value;
- Maximum Yearly Grant Value X Pro-rated Yearly Grant Percentage = Final Yearly Grant Value

6g) Grant Disbursement:

The disbursement of the grant requires action by the applicant.

At the end of the calendar year the applicant will be responsible for submitting to the City of London Planning Division a letter of acknowledgement certifying the months in which a targeted or non-targeted use actively occupied the ground floor of the building. Providing misleading information will result in the default of the loan and the forfeiture of the grant. Upon receipt of the letter of acknowledgement, the City of London will determine the Final Yearly Grant Value.

To be eligible to receive the annual grant, the applicant must meet all conditions detailed in the Program Guideline including:

- The loan must be in good standing with no arrears owing;
- All City of London realty taxes must be paid in full;
- There must be no outstanding debts to the City of London;
- The property owner must not have defaulted on any City-sponsored loan or grant program in the past; and,
- There must be no outstanding City of London Building Division orders or deficiencies.

Having confirmed that the applicant has met the conditions of the program guideline, the annual grant would then be disbursed.

6h) Transferable Grants:

If the building is sold, the seller forfeits all rights to future grants for the building. The new owner would be eligible for future grants subject to the terms and conditions detailed in this guideline. In those instances where the building is sold, the annual grant for the seller and buyer would be pro-rated to reflect the date of sale and active occupancy by a targeted or non-targeted use.

7) Additional Rehabilitation and Demolition:

Additional work to the façade may be undertaken only after consultation with the Planning Department to ensure consistency with the provisions of the Design Guidelines detailed in Section 4) above. One objective in providing assistance under this program will be to bring the entire property into conformity with the City of London Property Standards By-law.

Work carried out in the absence of consultation with the Planning Department may result in the forfeiture of any future grants and the City’s consideration of subsequent applications for funding assistance under any of the City-sponsored loan or grant programs.

The Forgivable Façade Improvement Loan Program does not impose any specific restrictions on demolition except that any outstanding loan amount must be repaid to the municipality prior to the issuance of a demolition permit.

In those instances where the building is demolished, the annual grant will be pro-rated to reflect the date of demolition and active occupancy by a targeted or non-targeted ground floor use.

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8) Relationship to other Financial Incentive Programs:

It is intended that the Forgivable Façade Improvement Loan Program will complement other incentive programs offered by the City of London. Property owners may also qualify for financial assistance under those programs specifically detailed on Schedule #5 However, the funding from these programs cannot be used to subsidize the property owner’s share of the total cost of the Forgivable Façade Improvement Loan improvements.

9) Procedures:

The following procedures must be completed in entirety prior to the disbursement of funds under the Forgivable Façade Improvement Loan Program.

9a) Loan Application:

The applicant is required to submit a complete Forgivable Façade Improvement Loan application form and submit the form to the General Manager of Planning and Development or designate.

The Forgivable Façade Improvement Loan Program will not apply retroactively to works completed prior to the approval of the Loan application by the General Manager of Planning and Development or designate.

9b) A “Complete” Application:

To be eligible for a Forgivable Façade Improvement Loan, the applicant will be required to submit a complete application. A complete application may include:

- Complete drawings of the works to be undertaken;
- A copy of the Building Permit (if required);
- Product brochures for the proposed installations;
- Where exterior cleaning is proposed – the cleaning method, type of product to be used, rinsing system, areas of sample cleaning, mortar joint repair procedure, experience of contractor including completed projects;
- A detailed estimate of the works to be completed,
- The cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purpose of the program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit (if required). In no case shall a loan be issued where the portion of the loan attributed to work completed under a Building Permit exceed the verified construction value noted on the Building Permit; and,
- Any or other information required by the General Manager of Planning or designate.

9c) Relationship of the Improvements to Design Guidelines:

The application will include a description of how the proposed works relate to the Downtown, or Centretown, Design Guidelines. The onus is on the applicant to show how the proposed works relate to the relevant Design Guideline.

9d) Planning Division Inspection

Following the submission of the loan and prior to its approval, the Planning Division will inspect the building front to review its condition and the proposed amendments. The Planning Division will make arrangements for a title search of the property and check on tax payment records.

9e) Final Determination of Eligible Improvements:

The final determination as to how much of the proposed work is eligible for funding under the Forgivable Façade Improvement Loan Program will be made by the General Manager of Planning and Development or designate. The General Manager of Planning and Development or designate may require further drawings, cost estimates, or other items of information relating to the proposed works before approval of the loan is issued.

9f) Loan Approval – Approval Expires in One Year :

Once all eligibility criteria and conditions are met, and provided that funds are available in the supporting Reserve Fund, the General Manager of Planning and Development or designate will approve the Forgivable Façade Improvement Loan. If an application is refused, the applicant may appeal the decision of the General Manager of Planning and Development to Council through the Planning Committee.

Approval by means of a letter to the applicant will represent a loan commitment. Loan commitments will be valid for one year and will expire if the work is not completed within that time period. The General Manager of Planning and Development may, at his/her discretion, provide a written loan commitment extension of up to one year. It is important to note that the consideration of such an extension will require a written request from the applicant detailing the reasons the extension is being sought.

9g) Inspection of Completed Works:

The loan will be paid to the property owner upon receipt of invoices for all completed work and after the City inspection of all completed improvements has taken place. The City will inspect the work completed to verify that the proposed improvements have been completed as described in the application. The loan amount will relate to the invoices showing the actual costs of completed work and not the estimated costs as Described in 9b) above.

Prior to the advancement of funds, the loan agreement will be signed only when the work has been completed.

There will be no progress payments.

9h) Annual Grant Payments:

See Section 6f) and 6g) above

10) Commencement of Program:

The Forgivable Façade Improvement Loan Program will commence in June, 2013 and provide letters of financial commitment until December 31, 2014.

11) Program Funding Limit

The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

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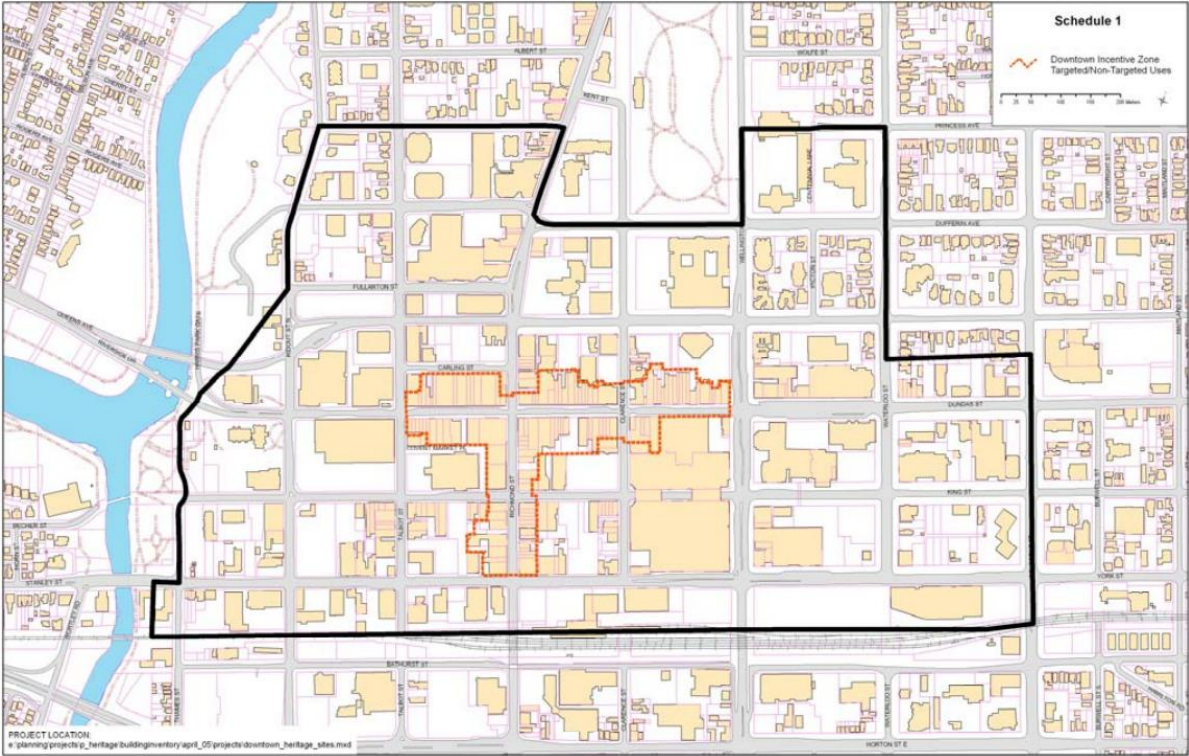
11) Applicable Schedules:

For the purpose of this program, the following schedules shall be utilized:

- Schedule 1 – Downtown Community Improvement Area;
- Schedule 2 – Old East Village Community Improvement Area;
- Schedule 3 – Targeted/Non-Targeted Uses (Downtown)
- Schedule 4 – Targeted/Non-Targeted Uses (Old East Village)
- Schedule 5 – Program Bundling

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Schedule #3 – Targeted and Non-Targeted Uses (Downtown Community Improvement Project Area Targeted Incentive Zone)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Retail stores	x	
Supermarkets	x	
Amusement Games Establishments*		x
Apartment buildings*		x
Apartment Hotels	x	
Art Galleries	x	
Assembly Halls	x	
Bake shops	x	
Churches	x	
Clinics		x
Commercial parking structures		x
Commercial recreation establishments		x
Convenience stores		x
Day care centres	x	
Dry cleaning and laundry depots	x	
Duplicating shops	x	
Dwelling units*		x
Emergency care establishments		x
Film processing depots	x	
Financial institutions	x	
Funeral homes	x	
Group home type 2		x
Hotels	x	
Institutions	x	
Laboratories		x
Libraries	x	
Medical/dental offices	x	
Museums	x	
Service offices	x	
Offices (above first floor)		x
Patient testing laboratories	x	
Personal service establishments	x	
Printing establishments		x
Private clubs		x
Repair and rental establishments	x	
Restaurants	x	
Restaurants, outdoor patio	x	
Schools	x	
Senior citizen apartment building*		x
Service and repair establishments	x	
Service trades		x
Studios	x	
Taverns	x	
Theatres and cinemas	x	
Video rental establishments	x	
Lodging house class 2		x
Place of entertainment		x
Accessory dwelling units*		x
Brewing on premises establishment		x

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Schedule #4 – Targeted and Non-Targeted Uses (Old East Village Community Improvement Project Area)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Animal Hospitals		X
Apartment Buildings		X
Bake Shops	X	
Clinics	X	
Commercial recreation Establishments		X
Commercial Parking Structures and/or lots		X
Converted Dwellings		X
Day Care Centres		X
Dry Cleaning and Laundry Depots	X	
Duplicating Shops	X	
Emergency Care Establishments		X
Existing Dwellings		X
Financial Institutions	X	
Grocery Stores	X	
Laboratories		X
Laundromats	X	
Libraries	X	
Medical/Dental Office	X	
Office Apartment Buildings	X	
Group Home Type 2		X
Dwelling units		X
Offices	X	
Personal Service Establishments	X	
Private Clubs		X
Restaurants (without drive-through)	X	
Retail Stores	X	
Service and Repair Establishments	X	
Studios	X	
Video Rental Establishments	X	
Lodging Houses Class 2		X
Cinemas	X	
Brewing on Premises Establishments		X
Food Store	X	
Animal Clinic	X	
Convenience Store		X
Post Office	X	
Convenience Service Establishment		X
Dwelling Units (restricted to rear portion of ground floor)		X
Bed and Breakfast Establishments		X
Antique Store	X	
Police Stations		X
Hotels	X	
Taverns		X
Theatres	X	
Assembly Halls		X
Churches		X
Community Centres		X
Funeral Homes		X
Institutions		X
Schools		X
Fire Halls		X

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Schedule #5 – Program “Bundling” (“X” denotes related programs that may also be applied for)

PROGRAM	1	2	3	4	5	6	7	8	9	10
FAÇADE IMPROVEMENT LOAN (1)					X		X	X	X	
FORGIVABLE FAÇADE IMPROVEMENT LOAN (2)			X	X		X	X	X	X	X
REAR ALLEYWAY FAÇADE IMPROVEMENT LOAN (3)		X		X		X	X	X	X	X
AWNING, SIGNAGE, DECORATIVE LIGHTING GRANT (4)		X	X			X	X	X	X	X
UPGRADE TO BUILDING CODE LOAN(5)	X						X	X	X	
FORGIVABLE UPGRADE TO BUILDING CODE LOAN (6)		X	X	X			X	X	X	X
HERITAGE BUILDING ASSESSMENT GRANT (7)	X	X	X	X	X	X		X	X	X
HERITAGE BUILDING IMPROVEMENT GRANT (8)	X	X	X	X	X	X	X		X	X
DOWNTOWN TAX GRANT (9)	X	X	X	X	X	X	X	X		X
TAX HOLIDAY GRANT (10)		X	X	X		X	X	X	X	

SCHEDULE “B”

Forgivable Upgrade to Building Code Loan Program

1) Purpose:

The Forgivable Upgrade to Building Code Loan Program is intended to assist property owners with the financing of building improvements that are often necessary to ensure older buildings comply with today’s Building Code Requirements. The costs associated with these improvements frequently pose a major issue for building owners wanting to upgrade their properties. This issue is amplified in the Downtown where much of the building stock is older and needs major improvements to meet present-day Building Code Standards.

This program is consistent with several goals for revitalization. It is anticipated that the program will:

- Support the maintenance, improvement, beautification and viability of the historic building stock in Downtown London. This stock is an integral feature of the core and offers a unique built environment that cannot be replicated.
- Encourage the development of residential units in older buildings through conversion and adaptive re-use. Building Code issues are often at the forefront of projects which convert vacant or under-utilized commercial space to residential space.
- Support the development of distinctive, interesting and attractive commercial spaces in existing buildings to assist in the regeneration of Downtown London.
- To help ensure that buildings are safe for residents and patrons alike.
- Help to strengthen the Downtown’s property assessment base.
- Bring participating buildings and properties within the identified community improvement areas into conformity with the City of London Property Standards.

2) Funding:

Loan commitments will be provided subject to funding availability within the supporting reserve fund. Should there not be adequate funding to meet demand for the loan program, applications will be held and processed in chronological order of their application date as funding becomes available.

3a) Eligible Areas:

The Forgivable Upgrade to Building Code Loan Program applies to:

- All properties within the Downtown Community Improvement Project Area Targeted Incentive Zone as defined in the Downtown London Community Improvement Area By-law (see Schedule #1).
- All properties within the Old East Village Community Improvement Project Area (except the Entertainment and Recreation Zone) as defined in the Old East Village Community Improvement Area By-law (see Schedule #2).

3b) Eligible Uses:

To be eligible for a Forgivable Upgrade to Building Code loan, the ground floor of the building must contain:

A targeted ground floor use (see Schedule #3 or Schedule #4)

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4) Eligible Forgivable Upgrade Improvements:

Eligible Forgivable Upgrade to Building Code works that will be financed through this program include improvements that are demonstrated to be necessary to meet Building Code requirements and address one or more health and safety issues. Examples of works that may be eligible under the Forgivable Upgrade to Building Code Loan Program would include:

- The installation or alteration of fire protection systems such as sprinklers, stand pipes, fire alarms, emergency power and lighting, exit signs;
- Installation or alteration of fire separations;
- Installation or alteration of fire doors, fire shutters and other fire protection devices;
- The relocation of fire escapes and the installation of new exit facilities;
- The extension of plumbing and electrical services for the creation of habitable space;
- The construction or alteration of stairs, guards, handrails, etc.;
- The reinforcement of floors, walls or ceilings;
- The installation or alteration of required window openings to residential spaces;
- Required improvements to ventilation systems;
- Improvements for barrier-free accessibility;
- Professional fees for the preparation of drawings required for eligible works;
- Other improvements related to health and safety issues at the discretion of the General Manager of Planning and Development.

5a) Eligibility for Loan (owner):

To be eligible for a Forgivable Upgrade to Building Code Loan, the applicant must meet all conditions detailed in this program description and the associated loan agreement including:

- The applicant must submit a complete Forgivable Upgrade to Building Code Loan Program application;
- the applicant must be the registered owner of the property for which the application is being submitted;
- all mortgages and loans, including the Forgivable Upgrade to Building Code Loan, must not exceed 90% of the post rehabilitation value of the property;
- all City of London realty taxes must be paid in full when the loan is issued and remain so for the lifetime of the loan;
- there must be no other outstanding debts to the City of London;
- the property owner must not have defaulted on any City-sponsored loan or grant program in the past;
- the applicant must sign a loan agreement which will identify the terms and conditions of the loan. and,
- the applicant must submit to the City of London a letter of acknowledgment indicating that the property owner has notified the owner/operator of the Targeted Ground Floor Use of the property owner’s participation in the Forgivable Upgrade to Building Code Loan Program

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and the grant benefits that the property owner will enjoy as a result of participation in the incentive program. This letter will be in a form acceptable to the City Solicitor.

5b) Eligibility for Loan (Structure):

Eligible structures for the Forgivable Upgrade to Building Code Loan Program would include:

- the ground floor of the building must be occupied by a targeted use;
- any discrete building held in one ownership in the identified program area. Within a contiguous group of buildings, a discrete building will be interpreted as any structure which is separated from other structures by a solid party wall. The entirety of a multi-unit building, which contains separate units with condominium status, will be considered one building for the purpose of this program;
- Each discrete building on each property is eligible for multiple loans provided the loans do not exceed the maximum amount allowable under program guidelines. Separate applications must be submitted for each discrete building on a single property;
- There must be no City of London Building Division orders or deficiencies when the loan is issued.

6) General Terms of the Loan:

The loan will be interest free and will be amortized over a 10 year period.

6a) Loan Amount:

Loans will be issued to cover the lesser of:

- 50% of the cost of the eligible works per buildings;
- A maximum of \$50,000 per building as of the date of adoption of the Forgivable Upgrade to Building Code Loan Program.

Loans may be increased by an additional \$5,000 if the property owner chooses to implement design details consistent with the City’s Facility Accessibility Design Standards (FADS).

While more than one building on a single property may be eligible for a loan, loans will not exceed 50% of the cost of the eligible works that related to each discrete building.

More than one loan may be issued for each building on each property, but the sum of these loans must not exceed the maximum loan amount of \$50,000 per building.

6b) Loan Security:

Loans will be secured through the registration of a lien placed on title for the total amount of the loan. Liens will be noted on the tax roll and will be registered and discharged by the City.

The General Manager of Planning and Development or designate may postpone the lien which is given as security for the Upgrade to Building Code Loan in circumstances where any of the registered mortgages are being replaced, consolidated or renewed and the total value of all mortgages and charges, including the City’s lien, against the property does not exceed 90% of the appraised value of the property.

6c) Disbursement:

The loan shall be paid to the property owner upon receipt of invoices for completed work and inspection of the completed improvements by the staff of the City of London Planning Division.

Prior to the advancement of funds, the loan agreement will be signed only when the work is completed. There will be no progress payments.

6d) Loan Repayment Provisions:

Loan payments will begin six months after the advancement of funds. Repayment of the loan will be on a monthly basis and do not include interest. The amount of these monthly payments will be calculated based on a ten year amortization period. Full repayment can be made at any time with no penalty.

6e) Transferable Loans:

At the discretion of the City, loans may be transferable to a new owner providing that the new owner meets with the eligibility criteria and agrees to the terms and conditions of the loan. The new owner must enter into a new loan agreement with the City for the outstanding loan value at the time of purchase. Otherwise, where the ownership is transferred the outstanding balance of the loan shall immediately become due and payable.

6f) Annual Grant Value:

Subject to the eligibility criteria detailed in this program guideline, a maximum of 50% of the annual loan repayments would be forgivable and granted back to the applicant. For the purpose of calculating the annual grant, the following definitions shall apply:

- Calendar Year would mean the 12 months of the year commencing January 1st and ending December 31st;
- Yearly Loan Repayments would mean the total value of the loan repayments in the Calendar Year;
- Maximum Yearly Grant Value would equal the Yearly Loan Repayments multiplied by 50%;
- Active Occupancy would mean that the business is open and in operation and is servicing customers;
- Pro-rated Yearly Grant Percentage would mean the percentage of months in the Calendar Year wherein the ground floor is actively occupied by a targeted use; and,
- Final Yearly Grant Value would equal the Maximum Yearly Grant Value multiplied by the Pro-rated Yearly Grant Percentage.

The Final Yearly Grant Value would be calculated as follows:

- Yearly Loan Repayments X .50 = Maximum Yearly Grant Value;
- Maximum Yearly Grant Value X Pro-rated Yearly Grant Percentage = Final Yearly Grant Value.

6g) Grant Disbursement:

The disbursement of the grant requires action by the applicant.

At the end of the calendar year the applicant will be responsible for submitting to the City of London Planning Division a letter of acknowledgement certifying the months in which a targeted use actively occupied the ground floor of the building. Providing misleading information will result in the default of the loan and the grant.

Upon receipt of the letter of acknowledgement, the City of London will determine the Final Yearly Grant Value.

To be eligible to receive the annual grant, the applicant must meet all conditions detailed in the Program Guideline including:

- The loan must be in good standing with no arrears owing;

- All City of London realty taxes must be paid in full;
- There must be no outstanding debts to the City of London;
- The property owner must not have defaulted on any City-sponsored loan or grant program in the past; and,
- There must be no outstanding City of London Building Division orders or deficiencies.

Having confirmed that the applicant has met the conditions of the program guideline, the annual grant would then be disbursed.

6h) Transferable Grants:

If the building is sold, the seller forfeits all rights to future grants for the building. The new owner would be eligible for future grants subject to the terms and conditions detailed in this guideline. In those instances where the building is sold, the annual grant for the seller and buyer would be pro-rated to reflect the date of sale and active occupancy by a targeted use.

7) Additional Rehabilitation and Demolition:

Additional work to the interior of the building can be undertaken without Planning Division approval subject to obtaining a building permit where required. One objective in providing the assistance under this program will be to bring the entire property into conformity with the Property Standards By-law.

The Forgivable Upgrade to Building Code Loan Program does not impose any specific restrictions on demolition except that any outstanding loan amount must be repaid to the municipality prior to the issuance of a demolition permit.

In those instances where the building is demolished, the annual grant will be pro-rated to reflect the date of demolition and active occupancy by a targeted ground floor use.

8) Relationship to other Financial Incentive Programs:

It is intended that the Forgivable Upgrade to Building Code Loan Program will complement other incentive programs offered by the City of London. Property owners may also qualify for financial assistance under those programs specifically detailed on Schedule #5. However, the funding from these programs cannot be used to subsidize the property owner's share of the total cost of the Forgivable Upgrade to Building Code Loan improvements.

9) Procedures:

The following procedures must be completed in entirety prior to the disbursement of funds under the Forgivable Upgrade to Building Code Loan Program.

9a) Loan Application:

The applicant is required to complete a Forgivable Upgrade to Building Code Loan application form and submit the form to the General Manager of Planning and Development or designate.

The Forgivable Upgrade to Building Code Loan Program will not apply retroactively to works completed prior to the approval of the Loan application by the General Manager of Planning and Development or designate.

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9b) A “Complete” Application:

To be eligible for a Forgivable Upgrade to Building Code Loan, the applicant will be required to submit a complete application. A complete application may include:

- Complete drawings of the works to be undertaken;
- A copy of the Building Permit;
- A detailed estimate of the works to be completed including an itemized list of those improvements that are proposed to address the requirements of the Ontario Building Code;
- The cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purpose of the program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit. In no case shall a loan be issued where the value of the loan exceeds the verified construction value noted on the Building Permit; and,
- Any or other information that may be deemed necessary by the General Manager of Planning or designate.

9c) Relationship of the Improvements to the Building Code:

The application will include a description of how the proposed works relate to a specific requirement under the Ontario Building Code. The onus is on the applicant to show how the proposed works relate to the Building Code and addresses one or more health and safety issues. In addition, the applicant should provide a detailed cost estimate of the works such that only those items identified as eligible works are included in the Forgivable Upgrade to Building Code Loan Program application.

9d) Planning Division Inspection

The application will include a description of how the proposed works relate to a specific requirement under the Ontario Building Code. The onus is on the applicant to show how the proposed works relate to the Building Code and addresses one or more health and safety issues. The applicant should provide a cost estimate of the all the works and should specifically identify those items that are, in the opinion of the applicant, eligible improvements under the Forgivable Upgrade to Building Code Loan Program (see Section 4).

9e) Final Determination of Eligible Improvements:

The final determination as to how much of the proposed work is eligible for funding under the Forgivable Upgrade to Building Code Loan Program will be made by the General Manager of Planning and Development or designate. The General Manager of Planning and Development or designate may require further drawings, cost estimates, or other items of information relating to the proposed works before approval of the loan is issued.

9f) Loan Approval – Approval Expires in One Year :

Once all eligibility criteria and conditions are met, and provided that funds are available in the supporting Reserve Fund, the General Manager of Planning and Development or designate will approve the Forgivable Upgrade to Building Code Loan. If an application is refused, the applicant may appeal the decision of the General Manager of Planning and Development to Council through the Planning Committee.

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Approval by means of a letter to the applicant will represent a loan commitment. Loan commitments will be valid for one year and will expire if the work is not completed within that time period. The General Manager of Planning and Development may, at his/her discretion, provide a written loan commitment extension of up to one year. It is important to note that the consideration of such an extension will require a written request from the applicant detailing the reasons the extension is being sought.

9g) Inspection of Completed Works:

The loan will be paid to the property owner upon receipt of invoices for all completed work and after the City inspection of all completed improvements has taken place. The City will inspect the work completed to verify that the proposed improvements have been completed as described in the application. The loan amount will relate to the invoices showing the actual costs of completed work and not the estimated costs as Described in 9b) above.

Prior to the advancement of funds, the loan agreement will be signed only when the work has been completed.

There will be no progress payments.

9h) Annual Grant Payments:

See Section 6f) and 6g) above.

10) Commencement of Program:

The Forgivable Upgrade to Building Code Loan Program will commence in June, 2013 and provide letters of financial commitment until December 31, 2014.

11) Program Funding Limit

The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

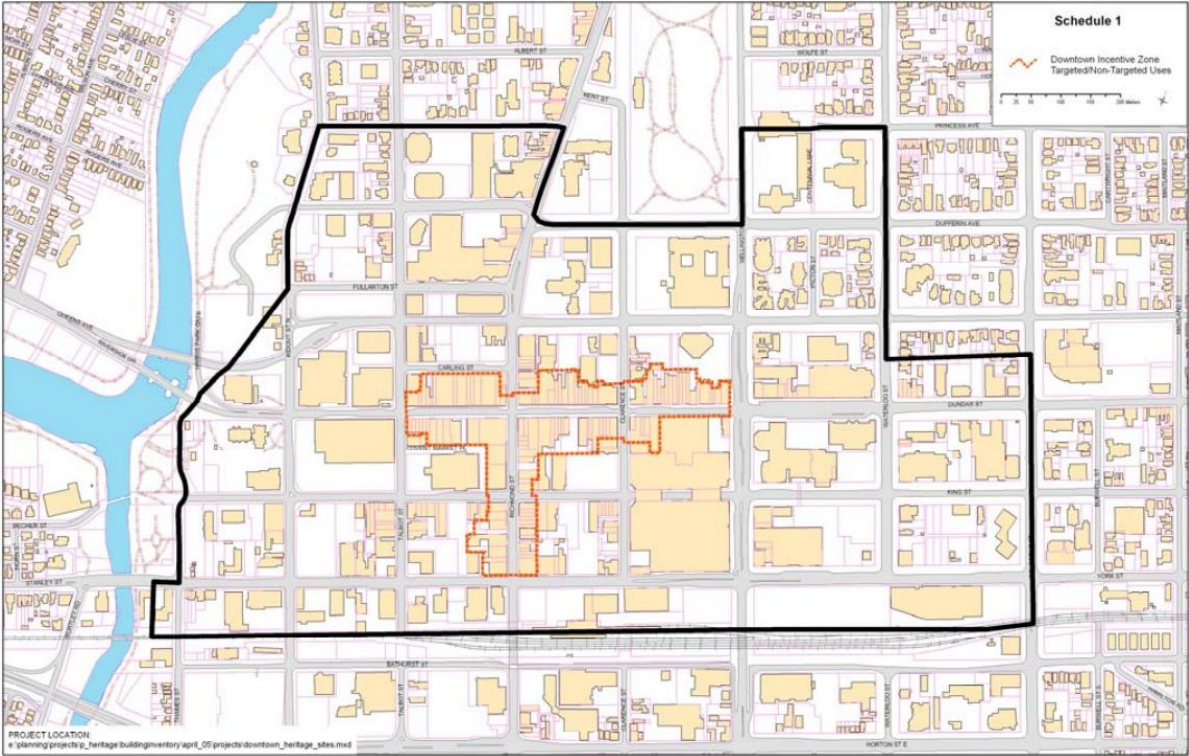
12) Applicable Schedules:

For the purpose of this program, the following schedules shall be utilized:

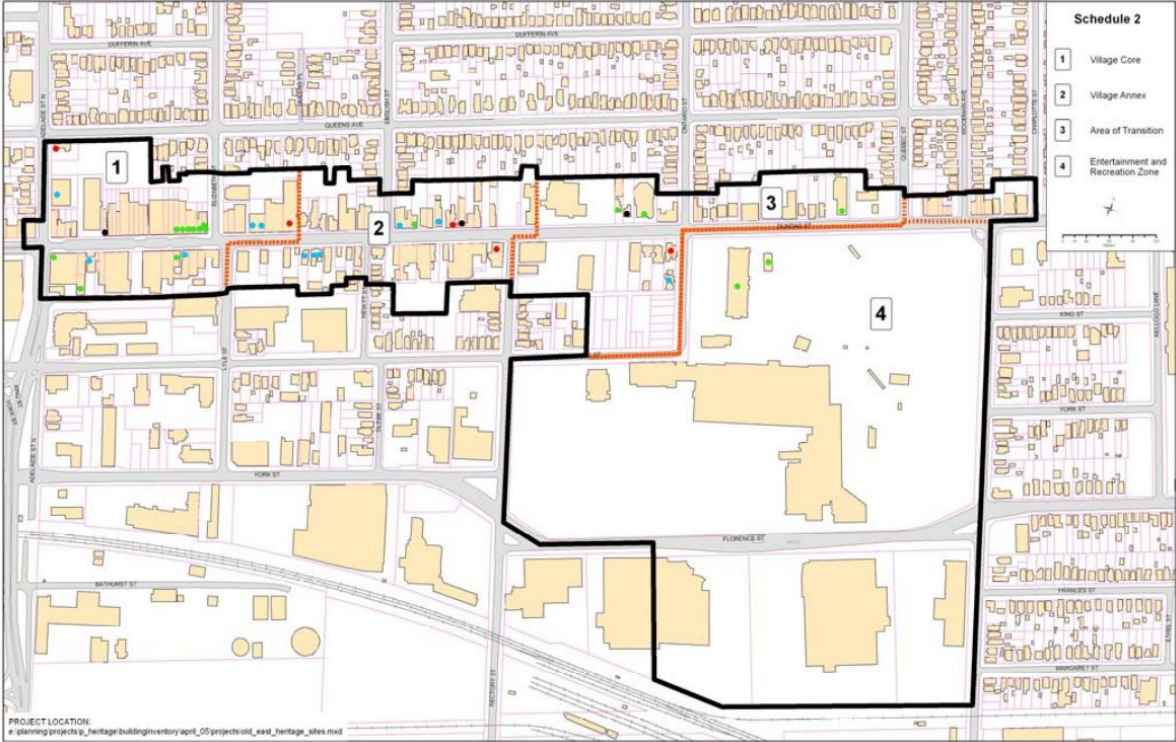
- Schedule 1 – Downtown Community Improvement Area;
- Schedule 2 – Old East Village Community Improvement Area;
- Schedule 3 – Targeted/Non-Targeted Uses (Downtown);
- Schedule 4 – Targeted/Non-Targeted Uses (Old East Village); and,
- Schedule 5 – Program Bundling.

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Schedule #3 – Targeted and Non-Targeted Uses (Downtown Community Improvement Project Area Targeted Incentive Zone)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Retail stores	x	
Supermarkets	x	
Amusement Games Establishments*		x
Apartment buildings*		x
Apartment Hotels	x	
Art Galleries	x	
Assembly Halls	x	
Bake shops	x	
Churches	x	
Clinics		x
Commercial parking structures		x
Commercial recreation establishments		x
Convenience stores		x
Day care centres	x	
Dry cleaning and laundry depots	x	
Duplicating shops	x	
Dwelling units*		x
Emergency care establishments		x
Film processing depots	x	
Financial institutions	x	
Funeral homes	x	
Group home type 2		x
Hotels	x	
Institutions	x	
Laboratories		x
Libraries	x	
Medical/dental offices	x	
Museums	x	
Service offices	x	
Offices (above first floor)		x
Patient testing laboratories	x	
Personal service establishments	x	
Printing establishments		x
Private clubs		x
Repair and rental establishments	x	
Restaurants	x	
Restaurants, outdoor patio	x	
Schools	x	
Senior citizen apartment building*		x
Service and repair establishments	x	
Service trades		x
Studios	x	
Taverns	x	
Theatres and cinemas	x	
Video rental establishments	x	
Lodging house class 2		x
Place of entertainment		x
Accessory dwelling units*		x
Brewing on premises establishment		x

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Schedule #4 – Targeted and Non-Targeted Uses (Old East Village Community Improvement Project Area)

Permitted Uses (Ground Floor)	Targeted Use	Non-targeted Use
Animal Hospitals		X
Apartment Buildings		X
Bake Shops	X	
Clinics	X	
Commercial recreation Establishments		X
Commercial Parking Structures and/or lots		X
Converted Dwellings		X
Day Care Centres		X
Dry Cleaning and Laundry Depots	X	
Duplicating Shops	X	
Emergency Care Establishments		X
Existing Dwellings		X
Financial Institutions	X	
Grocery Stores	X	
Laboratories		X
Laundromats	X	
Libraries	X	
Medical/Dental Office	X	
Office Apartment Buildings	X	
Group Home Type 2		X
Dwelling units		X
Offices	X	
Personal Service Establishments	X	
Private Clubs		X
Restaurants (without drive-through)	X	
Retail Stores	X	
Service and Repair Establishments	X	
Studios	X	
Video Rental Establishments	X	
Lodging Houses Class 2		X
Cinemas	X	
Brewing on Premises Establishments		X
Food Store	X	
Animal Clinic	X	
Convenience Store		X
Post Office	X	
Convenience Service Establishment		X
Dwelling Units (restricted to rear portion of ground floor)		X
Bed and Breakfast Establishments		X
Antique Store	X	
Police Stations		X
Hotels	X	
Taverns		X
Theatres	X	
Assembly Halls		X
Churches		X
Community Centres		X
Funeral Homes		X
Institutions		X
Schools		X
Fire Halls		X

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Schedule #5 – Program “Bundling” (“X” denotes related programs that may also be applied for)

PROGRAM	1	2	3	4	5	6	7	8	9	10
FAÇADE IMPROVEMENT LOAN (1)					X		X	X	X	
FORGIVABLE FAÇADE IMPROVEMENT LOAN (2)			X	X		X	X	X	X	X
REAR ALLEYWAY FAÇADE IMPROVEMENT LOAN (3)		X		X		X	X	X	X	X
AWNING, SIGNAGE, DECORATIVE LIGHTING GRANT (4)		X	X			X	X	X	X	X
UPGRADE TO BUILDING CODE LOAN(5)	X						X	X	X	
FORGIVABLE UPGRADE TO BUILDING CODE LOAN (6)		X	X	X			X	X	X	X
HERITAGE BUILDING ASSESSMENT GRANT (7)	X	X	X	X	X	X		X	X	X
HERITAGE BUILDING IMPROVEMENT GRANT (8)	X	X	X	X	X	X	X		X	X
DOWNTOWN TAX GRANT (9)	X	X	X	X	X	X	X	X		X
TAX HOLIDAY GRANT (10)		X	X	X		X	X	X	X	