

Bill No. 444  
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 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

Catharine Saunders  
City Clerk

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 Façade 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 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 31<sup>st</sup>;
- 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.

## **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**

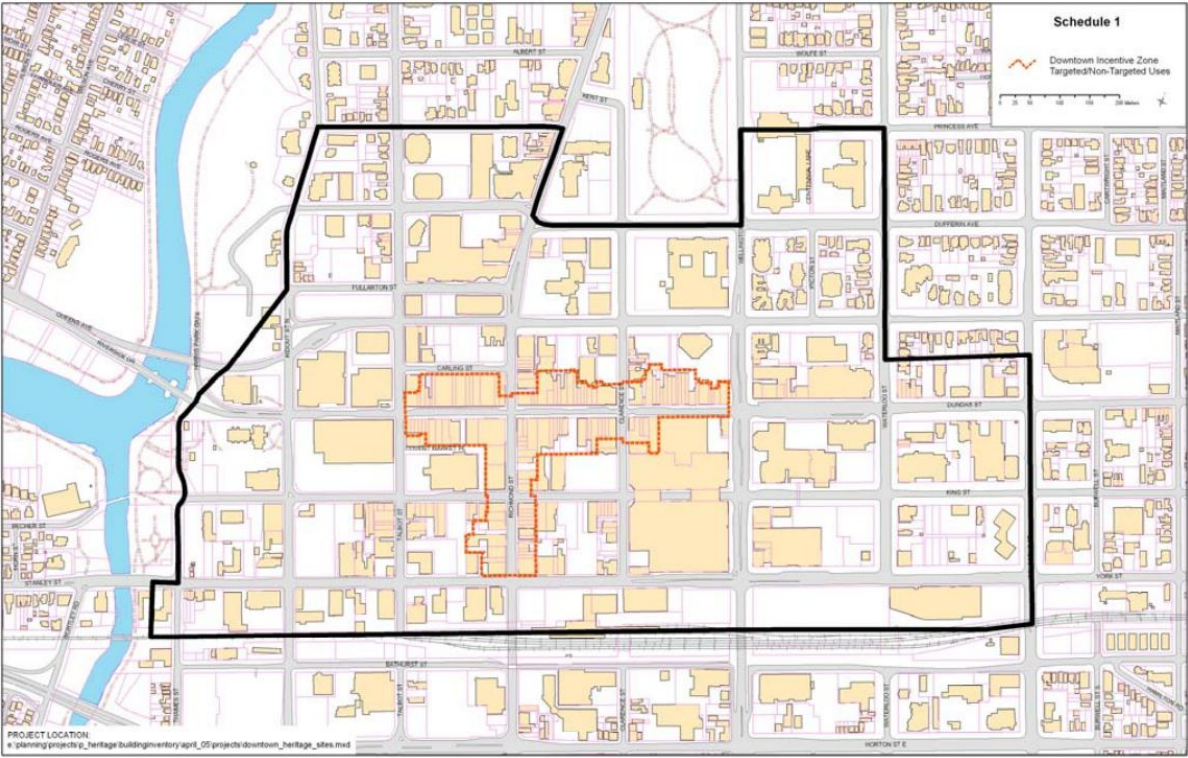
The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

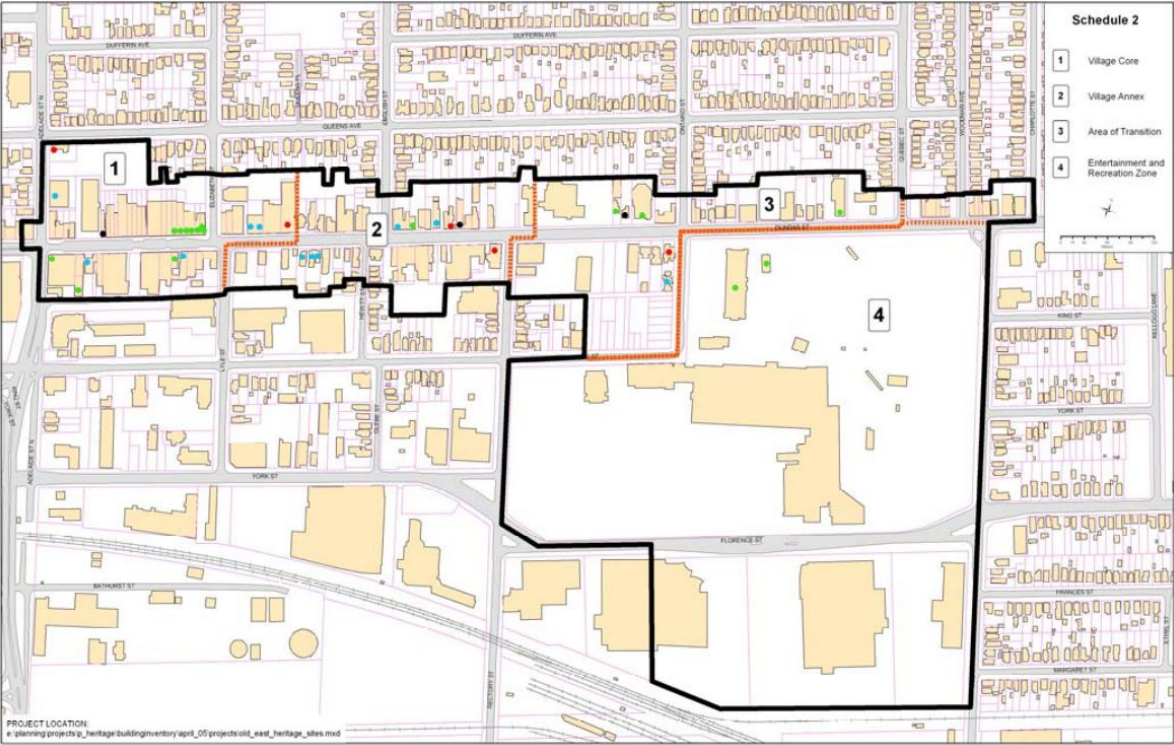
#### **11) Applicable Schedules:**



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





### 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

## 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

**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)

#### **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 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:

- $\text{Yearly Loan Repayments} \times .50 = \text{Maximum Yearly Grant Value};$
- $\text{Maximum Yearly Grant Value} \times \text{Pro-rated Yearly Grant Percentage} = \text{Final Yearly Grant Value}.$

#### **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.***

### **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.

***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.

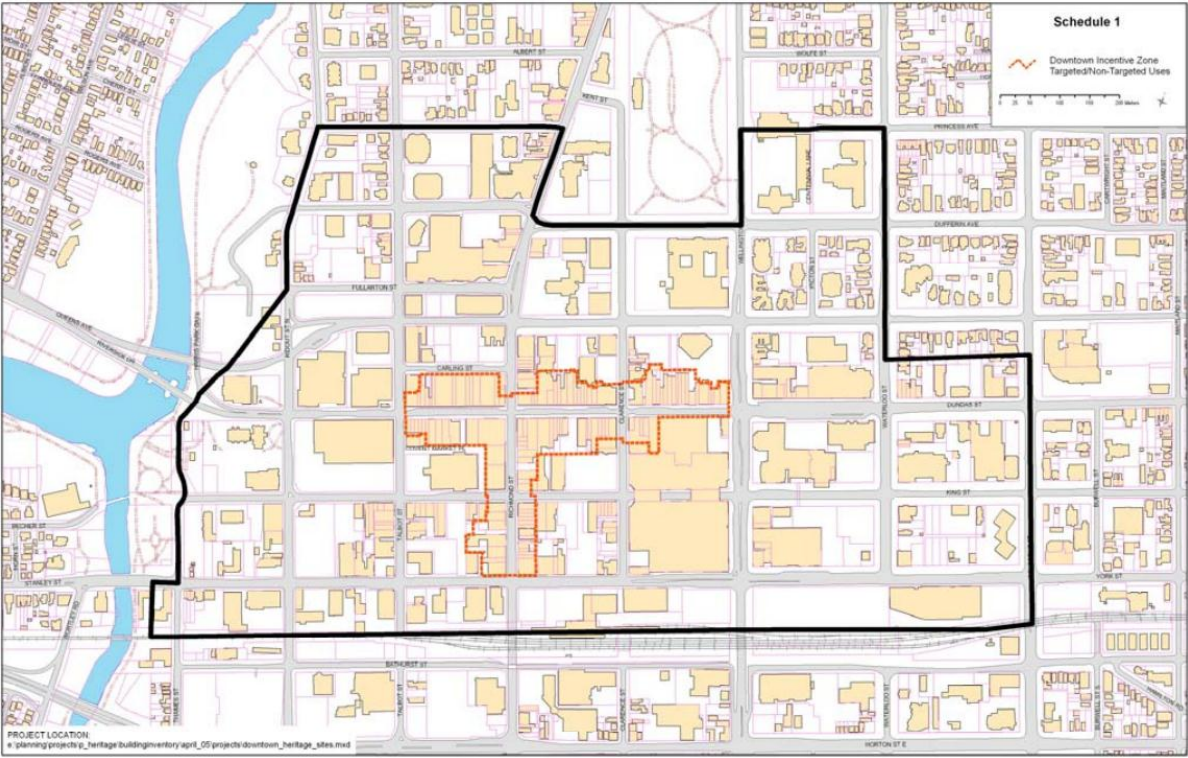
**11) Program Funding Limit**

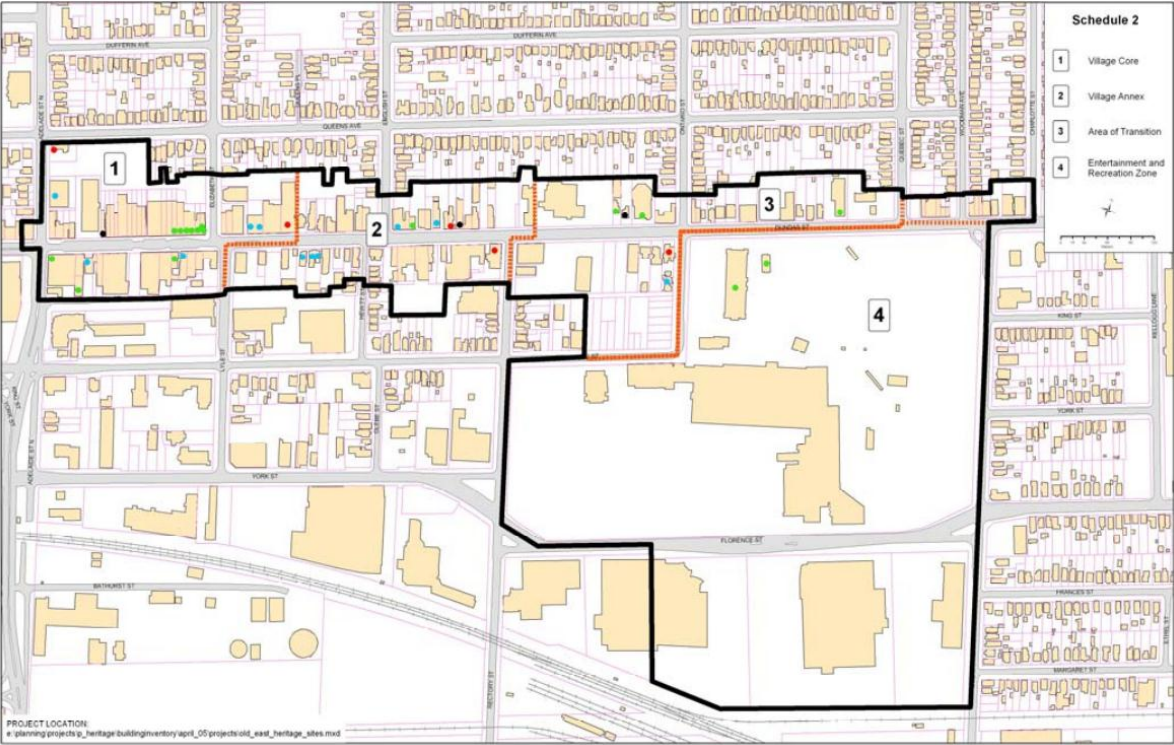
The Forgivable Façade Improvement and Forgivable Upgrade to Building Code Loan Programs will be limited to no more than a combined \$ 1.1 million in commitment and subsequent funding for 2013 and 2014.

**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.





### 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



# **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

**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 TOBUILDING 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	