

**Authority:** Item 10, Economic Development and  
Planning Committee  
Report: 09-006 (PED07074(c))  
CM: March 11, 2009

**Bill No. 050**

**CITY OF HAMILTON**

**BY-LAW NO. 09-050**

To Adopt:

Amendment No. 3 to the Downtown and Community Renewal  
Community Improvement Plan

**WHEREAS** By-law 07-061, as amended, passed on the 28<sup>th</sup> day of February 2007, as amended by By-law 09-049, designated the Downtown and Community Renewal Community Improvement Project Area;

**AND WHEREAS** Section 28 of the *Planning Act* entitled Community Improvement states where a by-law has been passed to designate a community improvement project area, the Council may provide for the preparation of a plan suitable for adoption as a community improvement plan for the community improvement project area;

**AND WHEREAS** By-law 07-062, as amended, passed on the 28<sup>th</sup> day of February 2007 adopted and approved the Downtown and Community Renewal Community Improvement Plan;

**AND WHEREAS** Council, by its Economic Development and Planning Committee, held a public meeting on March 3, 2009 to discuss and receive public input regarding an amendment to the Downtown and Community Renewal Community Improvement Plan, and has taken other steps required to amend the Plan, prior to the enactment of this by-law, as required by the *Planning Act*.

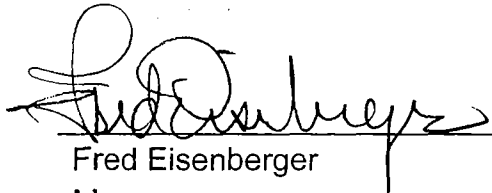
**AND WHEREAS** the City has prepared an amendment to the Downtown and Community Renewal Community Improvement Plan, attached hereto as Schedule 1 and forming part of this By-law.

**NOW THEREFORE** the Council of the City of Hamilton enacts as follows:

1. Amendment No. 3 to the Downtown and Community Renewal Community Improvement Plan, consisting of Schedule 1 hereto annexed and forming part of this by-law, is hereby adopted and approved.

2. Schedule 'A' to By-law 07-062, as amended, is further amended as set out in Schedule 1 to this By-law.

**PASSED AND ENACTED** this 11<sup>th</sup> day of March, 2009



---

Fred Eisenberger  
Mayor



---

Kevin C. Christenson  
City Clerk

## **Schedule 1 to By-law 09-050**

Amendment No. 3

to the

### **Downtown and Community Renewal Community Improvement Plan**

The following text constitutes Amendment No. 3 to the Downtown and Community Renewal Community Improvement Plan.

#### Purpose

- To amend the description of the Ancaster Village Community Improvement Project Area.
- To expand the area to which the Commercial Property Improvement Grant Program applies.
- To rename the Hamilton Downtown Residential Loan Program to the Hamilton Downtown Property Investment Program and amend the terms of the Program.
- To rename the Enterprise Zone Municipal Tax Incentive Grant Program to the Enterprise Zone Grant Program and make minor amendments to the terms of the Program.

#### Location

The lands affected by the amendment are contained within the Downtown and Community Renewal Community Improvement Project Area, designated by By-law 07-061, as amended, and now amended by By-law 09-049.

#### Basis

- The expansion of the Commercial Property Improvement Grant Program is consistent with the goals and objectives of the Community Improvement Plan, including encouraging and assisting private property owners to rehabilitate buildings to ensure their long-term economic viability and stimulating property reinvestment activity.
- The amendment to the terms of the Hamilton Downtown Property Investment Program is consistent with the goals and objectives of the

Community Improvement Plan, including increasing population and housing stock.

- The changes are consistent with the Provincial Policy Statement, and conform to the Greenbelt Plan and the Places to Grow Growth Plan for the Greater Golden Horseshoe.
- The changes are consistent with the general intent of the Official Plans for the former Regional Municipality of Hamilton-Wentworth and the City of Hamilton.

### Actual Changes

1. Section 4.0 is amended as follows:

- a) In Section 4.0 Community Improvement Project Area the words “The Ancaster Village Core Community Improvement Project Area” be replaced with “The Ancaster Village Community Improvement Project Area”.

The words “...and also includes the area defined by the limits of the Ancaster BIA” be inserted at the end of the last sentence describing the boundaries of the Ancaster Village Community Improvement Project Area.

2. Section 8.0 is amended as follows:

- a) In Section 8.1.1. the title “Hamilton Downtown Residential Loan Program”, be replaced with “Hamilton Downtown Property Investment Program”.

The words “The Hamilton Downtown Residential Loan Program was developed as a catalyst for stimulating residential development within Downtown Hamilton as defined by the Downtown Hamilton Community Improvement Project Area. The program is intended to provide financial assistance for converting existing commercial space into residential units or renovations to existing residential units. The program is also intended to provide assistance for the costs of creating new residential units on vacant land.

The loan interest rate is 0% for the first five years and for the last six (6) months of the loan, interest shall be payable on the principal outstanding at the then prevailing rate established by Council for interest on tax arrears. The maximum loan term is five years and six months. The maximum loan amount is calculated on the basis of up to

\$20 per square foot of habitable floor space. The City reserves the right to decide what is considered habitable floor space under the terms of the Program” are deleted and replaced with “The Hamilton Downtown Property Investment Program was developed as a catalyst for stimulating residential development within Downtown Hamilton as defined by the Downtown Hamilton Community Improvement Project Area. The Program is intended to provide financial assistance for projects that result in predominantly residential developments including converting existing commercial space into residential units; renovations to existing residential units; the creation of new residential units on vacant land; together with uses accessory to the residential development.

The maximum Loan term is five years and six months from the date of the final advance exclusive of holdback. The Loan interest rate will be 0% for the first five years. For the last six months of the Loan interest shall be payable on the principle outstanding at the then prevailing rate established by Council for interest on tax arrears. The maximum loan is based on 25% of the Cost to Construct Budget. Approval of the loan application is at the absolute discretion of the City and subject to the availability of funds.

Transition - Applications received under the former Hamilton Downtown Residential Loan Program terms that have received a loan commitment from City Council will be processed under the former terms of the Program unless the City receives a formal cancellation of the application.”

- b) Section 8.1.2 the title “Enterprise Zone – Municipal Realty Tax Incentive Grant Program” be replaced with “Enterprise Zone Grant Program”.

The words “The intent of the Enterprise Zone Municipal Realty Tax Incentive Grant program is to provide an economic catalyst for developing, redeveloping or renovating residential/commercial lands and buildings located within the Downtown Hamilton Community Improvement Project Area.

The program authorizes a five year grant for each approved grant application, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of land and/or building. The grant which may be approved by Council shall be an amount which does not exceed 100% of the municipal realty tax

increase during the first year, 80% in year 2, 60% in year 3, 40% in year 4, and 20% in year 5. For purposes of

determining the eligible amount of the increase in municipal realty taxes, special charges including B.I.A. levies shall be excluded from the calculation. The grant would reduce the effect of an increase in municipal (City portion only) realty taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

The approved grant is not assignable to anyone, except for purchasers of new condominium units. For an existing building to qualify it is required to have at least a 50% annualized vacancy rate” are deleted and replaced with “The intent of the Enterprise Zone Grant Program is to provide an economic catalyst for developing, redeveloping or renovating residential/commercial lands and buildings located within the Enterprise Zone. The Enterprise Zone is defined as the Downtown Hamilton Community Improvement Project Area.

The Program authorizes for each approved grant application, a five year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of the land and/or building. The grant shall be an amount which does not exceed 100% of the municipal realty tax increase during the first year, 80% in year 2, 60% in year 3, 40% in year 4, and 20% in year 5. For purposes of determining the eligible amount of the increase in municipal realty taxes, special charges including B.I.A. levies shall be excluded from the calculation. The grant would reduce the effect of an increase in municipal (City portion only) realty taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

A limited assignment of the grant under the terms of the Program may be made from a registered or assessed owner of the property to the initial purchaser of each new condominium unit. For an existing building to qualify it is required to have at least a 50% annualized vacancy rate.”

- c) In Section 8.1.3 Commercial Property Improvement Grant Program, the words “...within each of the 12 Business Improvement Areas” be replaced with “...within existing Business Improvement Areas”.

Appendix "A" to the Downtown Hamilton, Community Downtowns & Business Improvement Areas Community Improvement Plan



Hamilton

Planning and Economic Development Department  
Downtown and Community Renewal Division  
77 James Street North, Suite 250  
Hamilton, Ontario L8R 2K3  
Phone: (905) 546-2721  
Fax: (905) 546-2693

## **HAMILTON DOWNTOWN PROPERTY INVESTMENT PROGRAM**

### **PROGRAM DESCRIPTION**

The Hamilton Downtown Property Investment Program (the "Program") was developed as a catalyst for stimulating residential development within Downtown Hamilton as defined by the Downtown Hamilton Community Improvement Project Area. The Program is intended to provide financial assistance for projects that result in predominantly residential development including converting existing commercial space into residential units; renovations to existing residential units; the creation of new residential units on vacant land; together with uses accessory to the residential development.

Acting as a lender, the City provides financial support for the Program and ensures that development arising from the Program within the Downtown is consistent with the policies, principles and design themes contained within the Downtown Hamilton Secondary Plan, relevant Urban Design Guidelines, the Zoning By-law as well as any other City Council approved policy/regulation.

### **TERMS OF THE PROGRAM**

1. The maximum Loan term is five (5) years and six (6) months (subject to prior termination on default) from the date of the final advance exclusive of holdback. No extension or renewal shall be granted.
2. The Loan interest rate will be at 0 % interest for the first five (5) years. For the last six (6) months of the Loan, interest shall be payable on the principal outstanding at the then prevailing rate established by Council for interest on tax arrears, such interest to be calculated and payable monthly, not in advance.
3. The Loan will be secured by a second mortgage upon the lands to be developed (the "Property") upon first advance of funds.

4. Interest on arrears will be 15% per annum or such tax arrears interest rate as may be established by Council from time to time.
5. Principle is repayable in annual amounts of ten percent (10%), in 12 equal monthly payments, of the original loan amount. Monthly principle payments will continue during the last six (6) months of the repayment term with interest calculated and payable monthly, not in advance. Payments will commence one year following the final advance, exclusive of any required holdback. The balance outstanding will be paid by a balloon payment at the end of the five (5) year and six (6) month term. Monthly principle payments will continue during the last six (6) months of the repayment term with interest calculated and payable monthly, not in advance, if not paid earlier.
6. The loan will mature at the end of the five (5) year and six (6) month term at which time the principle balance outstanding will be paid in full plus any outstanding interest.
7. The loan may be prepaid at any time without notice, bonus or penalty.
8. The maximum loan amount is 25% of the Cost to Construct Budget prepared by an architect/engineer and addressed to the City of Hamilton and dated within 6 months of the date of application. For loans \$1 million or above, a letter addressed to the City from a third-party quantity surveyor approving the Cost to Construct Budget must accompany the application. For loans under \$1 million the appraisal submitted at time of application to be addressed to the City of Hamilton and include replacement cost. All of the aforementioned documents are at the expense of the applicant.
9. Approval of the loan application is at the absolute discretion of the City and subject to the availability of funds.
10. The City will periodically review the terms and the duration of the Program and make appropriate revisions as per the direction of City Council.
11. The City may request such security as may be required to secure a commercial loan, including the following: title insurance in lieu of a survey if appropriate; loan agreement; and/or promissory note; and/or personal property security; and/or personal guarantee's; and/or lien on the property to be improved; and/or collateral mortgage charge registered on the property to be improved; and/or letter of credit in lieu of a second mortgage charge on the property (subject to City's minimum equity requirements); and/or such other security which may be appropriate or available in the circumstance. In the instance where a personal guarantee is required a personal net-worth statement may also be required.



12. Upon proof satisfactory to the City that the proposed development is 60% complete based upon the cost of construction and that equity and/or financing required to that stage of completion has been injected into the development then the approved City funds will be made available and released proportionately based upon the approved source of funds (equity/financing/City funds). The calculation of the proportion to be advanced will reflect that the first 60% of funding is from non-City sources. Advances will be made in conjunction with first mortgage financing advances or after proof of equity injections.
13. Owner applicants shall have no less than 25% equity based upon the appraised value of the property upon completion. The appraisal must be addressed to the City of Hamilton, dated within 6 months of the date of the application, include replacement cost, be prepared by an accredited member of the Appraisal Institute of Canada (ACI) and, must accompany the application. The cost of the appraisal is at the total expense of the owner.
14. An application fee of \$250.00 must accompany the application. An administration fee of \$500.00 per unit for developments under 50 units; \$400.00 per unit for developments between 50 and 100 units and \$300.00 per unit for projects over 100 units is charged to the borrower and is eligible to be paid out of the loan proceeds. The administration fees will be paid out of the first loan advance that flows from the City of Hamilton. All fees will be authorized through a user-fee by-law passed by City Council. The rate of the fees may be changed from time to time as approved by City Council.
15. All taxes as billed must be paid current and in good standing throughout the development process.
16. Eligible existing buildings/vacant properties must be located in the Downtown Hamilton Community Improvement Project Area. Vacant lands include properties developed as parking lots.
17. Site Concept Plan drawings in a form acceptable to the City must accompany the application.
18. Advances are made by the City, upon proof by a third-party quantity surveyor for loans \$1 million or above confirming the value of the work completed. Loans under \$1 million require an architect/engineer to confirm the value of the work completed.
19. All costs associated with the conversion or renovations are to be borne by the applicant including construction, design, application and administration fees, appraisals, professional services, inspections, legal and registration fees. The City retains the right to assess the reasonableness of costs and which costs are eligible under the terms of the Program.

20. In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the Property then at the option of the City all monies secured by the mortgage to the City shall forthwith become due and payable. The City shall have absolute discretion in requiring repayment of the loan secured by the mortgage.

21. Change of Corporate Control

Where the Owner is a corporation the Owner covenants and agrees that in the event that:

- a) the Owner fails to supply the City, in a form satisfactory to the City such information relating to the ownership of its shares as the City may from time to time require: or
- b) without the written consent of the City first had and obtained:
  - i) the Owner issues or redeems any of its shares or transfers any of its shares;
  - ii) there is a sale or sales of the shares of the Owner which result in the transfer of the legal or beneficial interest of any of the shares of the Owner; or
  - iii) the Owner amalgamates, merges or consolidates with any other corporation

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Owner, then all monies secured by the mortgage together with accrued interest thereon shall forthwith become due and payable at the option of the City and the City's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

22. Upon sale of individual condominium units, the City will be repaid 25% of the value of the sale price of the unit upon closing until the total loan amount has been paid in full.

23. The proposed development must conform to the City of Hamilton Official Plan, the Downtown Hamilton Secondary Plan, relevant Urban Design Guidelines and the Zoning By-law, as well as any other City Council approved policy/regulation.

24. The City of Hamilton will require specific insurance terms to be met to protect the City's interest.

25. Deadlines for the submission and approval of building permits and construction start dates are established following a report to Council for approved applications.

## DOCUMENTS REQUIRED WITH APPLICATION

### Personal

- Completed Application

### Corporate

- Incorporation Documents (Officers/Directors/Shareholders)

### Liabilities

- Current Institutional Bank or Banks
- Lawyers' Name and Address

### The Property

- Site Concept Plan
- Cost to Construct Budget dated within 6 months of the date of application
- Contracts in Place (*if any*)
- Original Purchase Price
- Current Registered Mortgages
- Copy of land transfer/deed
- Details of all Construction Financing
- Appraisal Based Upon Value of Completed Project (performed by A.A.C.I ), to include replacement cost; dated within 6 months of the date of application and addressed to the City of Hamilton
- Breakdown of other uses i.e. commercial component, square footage, value

### Marketing

- Projected Rental Rates per unit or per sq foot or project sale prices

*The personal information on this form is collected under the legal authority of the Planning Act, Section 28. The personal information will be used for determining your eligibility for a grant. If you have any questions about the collection, please contact the Downtown and Community Renewal Division at (905) 546-2721.*

Appendix "B" to the Downtown Hamilton, Community Downtowns & Business Improvement Areas Community Improvement Plan



Hamilton

Planning and Economic Development Department  
Downtown and Community Renewal Division  
77 James Street North, Suite 250  
Hamilton, Ontario L8R 2K3  
Phone: (905) 546-2721  
Fax: (905) 546-2693

## ENTERPRISE ZONE GRANT PROGRAM

### PROGRAM DESCRIPTION

The intent of the Enterprise Zone Grant Program (the "Program") is to provide an economic catalyst for developing, redeveloping or renovating residential/commercial lands and buildings located within the Enterprise Zone. The Enterprise Zone is defined as the Downtown Hamilton Community Improvement Project Area (as such boundaries are presently defined).

This Program authorizes for each approved grant application, a five year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/redevelopment of the land and/or building. The grant shall be an amount which does not exceed 100% of the municipal realty tax increase during the first year, 80% in year 2, 60% in year 3, 40% in year 4, and 20% in year 5. For purposes of determining the eligible amount of the increase in municipal realty taxes, special charges including B.I.A. levies shall be excluded from the calculation. The grant would reduce the effect of an increase in municipal (City portion only) realty taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

Before any grant is provided to the applicant for a property for which a satisfactory grant application has been received and approved, realty taxes are required to have been paid as billed each year and, the property shall be in compliance with the program's requirements and conditions.

The grants may be received by an owner in conjunction with any other available municipal program (excluding the City of Hamilton's Tax Incentive Program for designated commercial /industrial buildings) in support of redevelopment/development, including the municipality's loan and heritage programs. The approved grants are not assignable by the owner to anyone, except for the initial purchaser of each condominium unit. The total of each property's five years of approved grants shall not exceed the costs of the property's development/redevelopment.

In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the Property the City shall have absolute discretion in ceasing any further grant payments.

Change of Corporate Control:

Where the Owner is a corporation the Owner covenants and agrees that in the event that:

- a) the Owner fails to supply the City, in a form satisfactory to the City such information relating to the ownership of its shares as the City may from time to time require: or
- b) without the written consent of the City first had and obtained:
  - i) the Owner issues or redeems any of its shares or transfers any of its shares;
  - ii) there is a sale or sales of the shares of the Owner which result in the transfer of the legal or beneficial interest of any of the shares of the Owner; or
  - iii) the Owner amalgamates, merges or consolidates with any other corporation

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Owner, then future grant payments under the Program shall cease at the absolute discretion of the City.

## **GRANT CRITERIA**

Projects that include developing, redeveloping or renovating residential/commercial lands and buildings within the Enterprise Zone are eligible under the Program. Council's approval of the eligible project is required at time of application. (Note: upon completion of the project and reassessment by MPAC, the amount of the annual grant is subject to final Council approval). Such application shall be submitted and only received if it is prior to the owner's commencement of improvements/rehabilitation to their property and shall include plans, estimates, contracts and other details as may be required to satisfy the City as to the cost of the project and as to the conformity of the project with the objectives of the Downtown and Community Renewal Community Improvement Plan.

Such project is also required to be in compliance with the City's other by-laws and policies, including zoning, site plan approval, design guidelines, heritage matters including preservation of historical buildings. The compliance of each

application with the criteria of this Program and the amount of the Property's grants (within the permitted terms of this Program) is at the discretion of and subject to Council approval.

For an existing building to qualify, it is also required to have at least a 50% annualized vacancy rate. In this regard the application shall, at a minimum, by affidavit confirm the annualized vacancy rate, provide a copy of the supporting letter from the B.I.A.s' Board of Management confirming the vacancy rate (if the property is located within a B.I.A.), or provide other satisfactory documentation confirming that the property, one year previous to the date of application had at least a 50% vacancy rate.

The purpose of this Program is to stimulate new development and the redevelopment of vacant or under-utilized commercial lands and buildings, including for example, the following properties:

All parking lots and vacant sites are eligible (provided said vacant sites were existing as of July 1, 2001). Notwithstanding the foregoing, properties upon which commercial, residential or industrial buildings are cleared and demolished after July 1, 2001, may be declared by Council as eligible to apply where:

- 1) The commercial, residential or industrial building(s) intended to be demolished or cleared after July 1, 2001, are not designated heritage building(s);
- 2) Prior to the clearance and demolition, the owner of the property informs Council of:
  - their plans for the demolition and clearance; and,
  - their plans for the redevelopment of the property through the application for a grant under this Program;
- 3) The proposed redevelopment of the cleared and demolished property shall be for residential and/or commercial uses expressly permitted by the Zoning By-law applicable to such property;
- 4) Council declares, after reviewing the property owner's submissions, the City's Official Plan, the City's Hamilton Downtown Secondary Plan, the City's Design Guidelines, and site plan considerations – that the proposed clearance or demolition of the building(s) and the proposed redevelopment of the property would be in conformity with the Downtown and Community Renewal Community Improvement Plan, including its goals and objectives; and,
- 5) The demolition or clearance of the building(s) is not commenced until after Council's declaration is made and communicated to the property owner.

**Note:** *All hotels and motels that have an annualized occupancy of less than 50% would qualify under the eligibility requirements of the Program. Vacancy is subject to confirmation by affidavit and other supporting documentation by the hotel management.*

This Program shall not apply to existing or to proposed Second Level Lodging Houses or to Short or Long Term Care Facilities.

A limited assignment of the grant under the terms of the Program may be made from a registered or assessed owner of the property to the initial purchaser of each new condominium unit. The assignment of the grant shall not apply to any subsequent re-sale of any such unit. The assigned grant shall be restricted to the balance of the five (5) year term running from the re-assessment date following the date of the registration of the condominium. The first-year grant is payable during the calendar year in which 75% of the condominium units within the project are fully assessed, and is calculated on a rateable per unit basis. In addition to the one time \$647 application fee, a one time administration fee of \$331 per unit shall be deducted from the initial grant payment. Fees will be authorized through a by-law passed by City Council. The rate of the fees may be changed from time to time as approved by City Council.

The applicant will be required to enter into an Agreement with the City of Hamilton that sets out the conditions of the annual grant.

Appendix "C" to the Downtown Hamilton, Community Downtowns & Business Improvement Areas Community Improvement Plan



Hamilton

Planning and Economic Development Department  
Downtown and Community Renewal Division  
77 James Street North, Suite 250  
Hamilton, Ontario L8R 2K3  
Phone: (905) 546-2721  
Fax: (905) 546-2693

**COMMERCIAL PROPERTY IMPROVEMENT GRANT PROGRAM**

**PROCEDURE TO SUBMIT AN APPLICATION**

To submit an application please make arrangements to meet with Downtown and Community Renewal Division Staff, **PRIOR TO March 5, 2009**, APPLICATIONS WILL ONLY BE ACCEPTED WITH TWO (2) COST ESTIMATES. APPLICATION FEE OF \$300.00 (or any such fee as approved by City Council) MUST ACCOMPANY APPLICATION.

**PROGRAM DESCRIPTION**

The Business Improvement Area Commercial Property Improvement Grant Program (the "Program") is intended to provide financial assistance for commercial property owners/authorized tenants within the existing City-wide Business Improvement Areas as identified within the Downtown and Community Renewal Community Improvement Plan.

The Program provides financial assistance for property owners/authorized tenants within each of the existing Business Improvement Areas across the entire City of Hamilton. The Program aims to improve upon the appearance of numerous commercial properties throughout the City. It is understood that smaller scale commercial activities contribute greatly to the economic vitality and health of the commercial sector within the City of Hamilton. This Program seeks to build upon these successes, to result in long lasting physical improvements to the assets of commercial property owners/authorized tenants, and to bring about aesthetic improvements to the commercial areas as defined by the Business Improvement Areas, and to broadly improve commerce within the entire City.

**ARTS COMPONENT**

The arts component is introduced as a pilot project for properties that front on King William Street between James Street North and Ferguson Avenue North. The arts component of the Program will provide financial assistance for artfully designed façade improvements or art pieces placed on private property that can



be viewed by the public. The Program intends to complement public art placed along the King William Urban Art Walk.

## **PROGRAM TERMS**

---

- Commercial property owners/authorized tenants are eligible to apply for a grant under the Program during an advertised application period held twice a year.
- Commercial properties are to be identified by municipal address to identify multiple and separate commercial units with ground floor street frontages.
- Commercial uses must be in conformity with relevant policy documents of the City and the provisions of the Zoning By-law.
- Performance measures are to be applied to the payment of grants.
- Eligibility requirements for the Program relating to the work to be funded will be specifically identified. Two (2) separate cost estimates of the work to be provided by a licensed contractor other than the owner. Owner may present an estimate but is required to have at least two prepared by contractors. The grant will be calculated based upon lowest cost estimate, and is not to address cost increases or over runs.
- Before and after pictures are required as part of the application and processing of the grant disbursement.
- The grant will be paid on a matching basis of \$400 per linear foot of street frontage up to a maximum of \$20,000 for eligible work under the Program.
- As a further incentive for corner properties, the City will increase the maximum grant amount to \$25,000 on a similar matching basis for eligible work under the Program to recognize the importance of flankage facades in BIAs.
- Commercial properties designated under the Ontario Heritage Act are not eligible under this grant program.
- Grants are to be awarded on a bi-annual cycle following a request for applications with a deadline established.
- A City Building Inspector will perform initial inspection relative to the façade which is intended to be improved, and subsequent final inspection to assure compliance with the Ontario Building Code.
- Available grants will be equally accessible to each of the existing BIA's.
- Proposed improvements to be completed within one calendar year to be eligible for payment. A one year extension can be authorized by the Director of Downtown and Community Renewal.
- Work completed must be consistent with estimates, and work proposed and identified within the application unless previously discussed and approved by the Downtown and Community Renewal Division.
- An application fee of \$300 is payable upon submission of application. The fee will be authorized through a by-law passed by City Council. The rate of the fee may be changed from time to time as approved by City Council.

## **ELIGIBILITY REQUIREMENTS**

---

- Property owners and authorized tenants are eligible.
- All taxes as billed must be paid current.
- The proposed work cannot commence prior to application approval, and pre-inspection by the City Building Inspector.
- Commercial properties must be located within one of the City's Business Improvement Areas and be within the corresponding Community Improvement Project Area.
- Existing use must be in conformity with the applicable Zoning By-law regulations, and other relevant planning controls.

## **ELIGIBLE IMPROVEMENTS**

---

- Replacement or repairing of storefronts and rear entrances (at the discretion of the City) if used as an access to the business.
- Improvements and or upgrades to doors, cornices and parapets.
- Addition of new lighting and upgrading of existing fixtures, on exterior of the façade and within the storefront area normally associated with the display area.
- Awning replacements and/or additions.
- Brick repairs and/or pointing.
- Painting and façade treatments.
- Installation or improvement of signage.
- Architectural or design fees may be eligible up to \$750 as part of the total grant awarded for completed construction.
- Interior improvements related to display windows and entrance areas are eligible to an amount of \$2,500 of the total allotment. Eligible areas will be determined by City staff.

## **ARTS COMPONENT – ADDITIONAL TERMS**

- Commercial property owners/authorized tenants of properties that front on King William Street between James Street North and Ferguson Avenue North are eligible to apply for a grant under the arts component of the Program during the advertised application period held twice a year.
- The applicant will provide an adequate brief and rendering of the proposed art piece.
- A jury will be established and may comprise a selection of the following: Downtown and Community Renewal Division representative, urban designer, Business Improvement Area member; the Manager of Culture or their representative.
- The selection jury will review, evaluate and approve all proposed art projects.
- The jury will reserve the right to deem what is eligible for funding under the arts component.
- The grant will be on a matching basis to a maximum of \$10,000 per property.

Appendix "D" to the Downtown Hamilton, Community Downtowns & Business Improvement Areas Community Improvement Plan



Hamilton

Planning and Economic Development Department  
Downtown and Community Renewal Division  
77 James Street North, Suite 250  
Hamilton, Ontario L8R 2K3  
Phone: (905) 546- 2721  
Fax: (905) 546-2693

## MAIN STREET HOUSING LOAN AND GRANT PROGRAM

### PROGRAM DESCRIPTION

---

The Main Street Housing Loan and Grant Program (the "Program") is designed to stimulate residential development within Downtown Hamilton, Hamilton's Community Downtowns, Business Improvement Areas and "main street" corridors, as identified in the Downtown and Community Renewal Community Improvement Project Area By-law.

The Program is intended to provide financial assistance for converting existing built commercial space into residential units, renovations to existing residential units or construction of new units via building additions. The Program is also intended to provide assistance for the costs of creating new residential units on vacant land.

Acting as a lender, the City provides financial support for the Program and ensures that development arising from the Program is consistent with the principles and design themes contained within the Downtown and Community Renewal Community Improvement Plan, the applicable Official Plan and Zoning By-law, and the provisions of relevant Urban Design Plans.

### PROGRAM TERMS

---

**Note: A Pre-Application Form must be completed and forwarded to the Downtown and Community Renewal Division prior to scheduling a meeting with staff to completing a final application form. The Pre-Application Form is required in order that staff can review property details and determine appropriate next steps.**

1. Subject to meeting all other Program terms, the Main Street Housing Program is available to property owners within:
  - a) the Downtown Hamilton Community Improvement Project Area;
  - b) the City of Hamilton's Community Downtowns;
  - c) the Business Improvement Areas ;

- d) the "main street" corridors as identified in the Downtown and Community Renewal Community Improvement Project Area By-law.
2. The maximum loan amount is \$10,000 per dwelling unit. A dwelling unit is a room or suite of rooms used or intended to be used by one or more persons living together as one household, in which cooking and sanitary facilities are provided for the exclusive use of the household, and to which an independent entrance is provided from outside the building or from a common interior hallway, vestibule or stairway.
3. The program is not intended to fund ground floor dwelling units, except for legally established ground floor dwelling units contained in a duplex or multiple dwelling. It is not intended to fund renovations or construction of single-detached, semi-detached, or individual street townhouse dwelling units, except for the construction of a street townhouse dwelling fronting on a main street.
4. Maximum loan amount of \$200,000 per property.
5. The Program has a grant portion of \$5,000 per application. The grant portion is allocated to professional fees *only* upon presentation of paid receipts to the City's satisfaction. Professional fees will include: architects; lawyers; engineers; surveyors' fees, title insurance, etc. Eligible fees will be at the absolute discretion of the City.
6. Approval of the loan application is at the absolute discretion of the City and subject to the availability of funds.
7. The maximum Loan term is five (5) years and six (6) months (subject to prior termination on default) from the date of the final advance exclusive of holdback. No extension or renewal shall be granted.
8. The Loan interest rate will be at 0 % interest for the first five (5) years. For the last six (6) months of the Loan, interest shall be payable on the principle outstanding at the then prevailing rate established by Council for interest on tax arrears, such interest to be calculated and payable monthly, not in advance.
9. The Loan will be registered as a second mortgage upon the lands to be developed (the "Property") upon first advance of funds.
10. Interest on arrears will be 15% per annum or such tax arrears interest rate as may be established by Council from time to time.
11. Principle is repayable in annual amounts of ten percent (10%), in 12 equal monthly payments, of the original loan amount. Monthly principle payments will continue during the last six (6) months of the repayment term with interest calculated and payable monthly, not in advance.

Payments will commence one year following the final advance, exclusive of any required holdback. The balance outstanding will be paid by a balloon payment at the end of the five (5) year and six (6) month term. Monthly principle payments will continue during the last six (6) months of the repayment term with interest calculated and payable monthly, not in advance, if not paid earlier.

12. The loan will mature at the end of the five (5) year and six (6) month term at which time the principle balance outstanding will be paid in full plus any outstanding interest.
13. The loan may be prepaid at any time without notice, bonus or penalty.
14. The City may request such security as may be required to secure a commercial loan, including the following: loan agreement; and/or promissory note; and/or personal property security; and/or personal guarantees; and/or lien on the property to be improved; and/or collateral mortgage charge registered on the property to be improved; and/or letter of credit in lieu of a second mortgage charge on the property (subject to City's minimum equity requirements); and/or such other security which may be appropriate or available in the circumstance. The City may request net worth statements or variations thereof as the City may determine.
15. Upon proof satisfactory to the City that the proposed development is 60% complete based upon the value of the construction and that equity and/or financing required to that stage of completion has been injected into the development, then the approved City funds will be made available and released proportionately based upon the approved source of funds (equity/financing/City funds). The calculation of the proportion to be advanced will reflect that the first 60% of funding is from non-City sources. Advances will be made in conjunction with financing advances or after proof of equity injections.
16. Owner applicants shall have no less than 25% equity based upon the appraised value of the property offered as security, including cost of improvements being financed. The City at its discretion will determine whether an appraisal is required or whether it will accept a drive-by appraisal, tax assessment or other proof of value, depending on the amount of the Loan and the extent of construction or renovation.
17. The City will request joint and several guarantees, and/or such other security which may be appropriate or available in the circumstances.
18. An administration fee of \$260 per unit is charged to the borrower and is eligible to be paid out of the loan proceeds which will also be considered in the grant portion of professional expenses. The administration fees will be paid out of the first advancement of funds that flow from the City of

Hamilton. The rate of fees may be changed from time to time as approved by City Council.

19. Realty taxes must be paid as billed throughout the development process.
20. Advances are made by the City, upon proof satisfactory to the City confirming the value of the work completed.
21. All costs associated with the conversion or renovations are to be borne by the applicant including construction, design, administration fees, appraisals, inspections, legal and registration fees. The City retains the right to assess the reasonableness of costs and which costs are eligible under the terms of the Program.
22. In the event of the sale, conveyance, transfer or entering into of any agreement of sale or transfer of the title of the Property then at the option of the City all monies secured by the mortgage to the City shall forthwith become due and payable. The City shall have absolute discretion in requiring repayment of the loan secured by the mortgage.

23. Change of Corporate Control:

Where the Owner is a corporation the Owner covenants and agrees that in the event that:

- a) the Owner fails to supply the City, in a form satisfactory to the City such information relating to the ownership of its shares as may from time to time require: or
- b) without the written consent of the City first had and obtained:
  - i) the Owner issues or redeems any of its shares or transfers any of its shares;
  - ii) there is a sale or sales of the shares of the Owner which result in the transfer of the legal or beneficial interest of the shares of the Owner; or
  - iii) the Owner amalgamates, merges or consolidates with any other corporation

and the result of any of the foregoing is a change in the effective control of the majority of the voting shares of the Owner, then all monies secured by the mortgage together with accrued interest thereon shall forthwith become due and payable at the option of the City and the City's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

24. Upon sale of individual condominium units, the City will be repaid \$12,500 per unit, until the loan is paid in full.
25. The proposed development must conform to the relevant Official Plan and Zoning By-law and such other approved municipal policies as are applicable, e.g. urban design guidelines/built form guidelines.
26. The proposed development must conform to an Urban Design Plan where same is in effect. The applicant must demonstrate to staff that the Urban Design Plan is being implemented.
27. The City of Hamilton will require specific insurance terms to be met to protect the City's interest.
28. Deadlines for the submission and approval of building permits and construction start dates are established following a report to Council for approved applications.
29. The City will periodically review the terms and the duration of the Program and make appropriate revisions as per the direction of City Council.
30. The Main Street loan may be received by an owner in conjunction with any other available City programs (excluding the Downtown Hamilton Property Investment Program) in support of the redevelopment/development of the property.

### Implementation

The provisions of Section 6A of the former Hamilton-Wentworth Official Plan and Section 28 of the Planning Act give effect to this amendment.

This amendment constitutes Schedule 1 to By-law No. 09-050 passed on the 11<sup>th</sup> day of March, 2009.