



Dowen Street

Downtown Community Improvement Plan

» RESIDENTIAL LOAN PROGRAM



PLANNING & DEVELOPMENT /
BUSINESS DEVELOPMENT
4310 Queen Street, P.O. Box 1023
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DOWNTOWN

RESIDENTIAL LOAN APPLICATION PACKAGE

- ◆ Downtown CIP Programs - General Program Requirements
- ◆ Required Documents
- ◆ Residential Loan Program Guide
- ◆ Residential Loan Program Application Form

December 2009

This incentive program is also on the City's Website at www.niagarafalls.ca under Business Community Improvement Plans.

DOWNTOWN CIP PROGRAMS GENERAL PROGRAM REQUIREMENTS



(Last Revised: December 2009)

All of the financial incentive programs contained in the Downtown CIP are subject to the following general program requirements specified under each program. The general and program specific requirements contained in the Downtown CIP are not necessarily exhaustive and the City reserves the right to include other requirements and conditions as deemed necessary on a property specific basis:

- a) An application for any financial incentive program contained in the CIP must be submitted to the City prior to the commencement of any works to which the financial incentive program will apply and prior to application for building permit;
- b) If the applicant is not the owner of the property, the applicant must provide written consent from the owner of the property to make the application;
- c) An application for any financial incentive program contained in the CIP must include plans, estimates, contracts, reports and other details as required by the City to satisfy the City with respect to costs of the project and conformity of the project with the CIP;
- d) Review and evaluation of an application and supporting materials against program eligibility requirements will be done by City staff, who will then make a recommendation to City Council or Council's designate. The application is subject to approval by City Council or Council's designate. As a condition of application approval, the applicant must enter into an agreement with the City. This Agreement will specify the terms, duration and default provisions of the grant/loan. This Agreement is also subject to approval by City Council or Council's designate.
- e) Where other sources of government and/or non-profit organization funding (Federal, Provincial, Municipal, CMHC, Federation of Canadian Municipalities, etc...) that can be applied against the eligible costs are anticipated or have been secured, these must be declared as part of the Application. Accordingly, the loan/grant may be reduced on a pro-rated basis;
- f) The City reserves the right to audit the cost of any and all works that have been approved under any of the financial incentive programs, at the expense of the applicant;
- g) The City is not responsible for any costs incurred by an applicant in relation to any of the programs, including without limitation, costs incurred in anticipation of a grant and/or loan;
- h) If the applicant is in default of any of the general or program specific requirements, or any other requirements of the City, the City may delay, reduce or cancel the approved grant and/or loan, and require repayment of the approved grant and/or loan;

- i) The City may discontinue any of the programs at any time, but applicants with approved grants and/or loans will still receive said grant and/or loan, subject to meeting the general and program specific requirements, and applicants with approved loans will still be required to repay their loans in full;
- j) All proposed works approved under the financial incentive programs and associated improvements to buildings and/or land shall conform to all municipal by-laws, policies, procedures, standards and guidelines;
- k) All works completed must comply with the description of the works as provided in the application form and contained in the program agreement, with any amendments as approved by the City;
- l) Existing and proposed land uses must be in conformity with applicable Official Plan(s), Zoning By-law and other planning requirements and approvals at both the local and regional level;
- m) All improvements made to buildings and/or land shall be made pursuant to a Building Permit, and/or other required permits, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- n) The size and placement of existing signage, including rooftop signs and billboards, will be taken into consideration on a case-by-case basis by the City when determining eligibility to apply for and receive any of the financial incentive programs contained in the Plan. The City may require conformity to the Sign By-law and/or removal of existing signage as a condition of approval of any of the financial programs contained in the Plan;
- o) Approval of an application for any of the financial incentive programs contained in the Plan will be based on compatibility of the proposed use with the Urban Design Guidelines, and any other guidelines applicable to the Downtown Community Improvement Project Area;
- p) When required by the City, outstanding work orders, and/or orders or requests to comply, and/or other charges from the City must be satisfactorily addressed prior to grant and/or loan approval/payment;
- q) Property taxes must be in good standing at the time of program application and throughout the entire length of the grant/loan commitment;
- r) City staff, officials, and/or agents of the City may inspect any property that is the subject of an application for any of the financial incentive programs offered by the City; and
- s) The incentive programs contained in the Downtown CIP can be used individually or together by an applicant, but the total of all grants and loans provided in respect of the particular lands and buildings of an applicant under the programs contained in the CIP and any other CIPs, shall not exceed the cost of rehabilitating said land and buildings.

**DOWNTOWN CIP PROGRAMS
REQUIRED DOCUMENTS**



(Last Revised: December 2009)

	Residential Loan Program	Revitalization Grant Program	Commercial Building and Facade Improvement Grant Program
Check application type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal			
• Net worth statement	<input type="checkbox"/>		
Corporate			
• Incorporation documents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Last two years financial statements	<input type="checkbox"/>		
Financial			
• Current bank(s) and financial institutions	<input type="checkbox"/>		
• Current registered mortgages	<input type="checkbox"/>		
• Details of primary construction lending	<input type="checkbox"/>	<input type="checkbox"/>	
• Details of any secondary financing	<input type="checkbox"/>	<input type="checkbox"/>	
• Details of any secondary sources of government funding, e.g. federal, provincial, municipal, municipal heritage committee, CMHC, etc...	<input type="checkbox"/>	<input type="checkbox"/>	
• List of all other current liabilities and amounts	<input type="checkbox"/>		
• Appraisal of current value	<input type="checkbox"/>		
• Two detailed estimates of project construction costs prepared by bona fide contractors*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Appraisal upon completion	<input type="checkbox"/>		
• Sources and uses of funds statement	<input type="checkbox"/>		
• Evidence of financial capabilities consistent with sources and uses of funds statements	<input type="checkbox"/>		
• Letters of interest from lenders	<input type="checkbox"/>		
• Project rental rates and/or sale prices per unit and per sq. ft.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Any leases currently in place	<input type="checkbox"/>		<input type="checkbox"/>
• Letter(s) of Intent to Lease	<input type="checkbox"/>		<input type="checkbox"/>
• Projected expenses or actual if available	<input type="checkbox"/>		<input type="checkbox"/>
• Estimated assessed value upon completion		<input type="checkbox"/>	

***DOWNTOWN CIP PROGRAMS
REQUIRED DOCUMENTS***



**Residential
Loan Program**

**Revitalization
Grant Program**

**Commercial Building and Facade
Improvement Grant Program**

Property/Proposal

• Proof of Ownership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Site Plan or survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Architectural drawings/design plans showing building, proposed building, facade and property improvements and/or interior layout drawings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Breakdown of other uses, e.g., commercial, institutional, etc...	<input type="checkbox"/>	<input type="checkbox"/>	
• Contracts in place	<input type="checkbox"/>	<input type="checkbox"/>	
• Written authorization from property owner to apply for grant			<input type="checkbox"/>
• Picture of existing facade and areas of building (interior and exterior) to be restored/improved			<input type="checkbox"/>

* Only one (1) estimate from bona fide contractors required for the Revitalization Grant Program.

DOWNTOWN RESIDENTIAL LOAN PROGRAM GUIDE



(Last Revised: December 2009)

1) Program Description

The intent of the Residential Loan Program (RLP) is to stimulate the creation of residential units Downtown. The program will provide a financial incentive in the form of a 0% interest loan to promote the:

- a) conversion of non-residential buildings to residential use;
- b) upgrading of existing residential buildings to meet the Building Code, Fire Code and Property Standards By-law;
- c) construction of residential units on vacant properties, e.g., vacant lots and parking lots.

All alterations/improvements made to buildings and properties shall be made pursuant to a building permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals.

2) Who can apply?

Owners of properties within the Downtown Community Improvement Project Area may apply. The City retains the right and absolute discretion to reject an application received from a person or corporation which, in the opinion of the City or its professional advisers, does not possess the experience, financial, technical, personnel or other resources that may be required to carry out the obligations that the applicant proposes to assume under the terms of its application and loan agreement.

3) How does the Program work?

The City provides a loan of \$20 per square foot of habitable space created up to a maximum of \$20,000 per unit. The loan is interest free for a 5-year term and must be repaid in equal consecutive monthly installments equal to 15% of the loan amount each year, starting one (1) year after completion of the project, with a balloon payment at the end of 5 years.

4) What conditions must be met to be eligible for a loan?

- Applications must be made in writing (see attached for Application Form);
- The property owner will be required to submit at least two cost estimates from bona fide contractors for the value of construction to be completed;
- The property owner may be required to submit professional architectural/design drawings which shall be in conformity with any City issued urban design guidelines, heritage design guidelines, and facade design guidelines;
- The property owner may be required to submit other supporting documents as specified by the City;
- The property owner will be required to demonstrate at least 25% equity based on the appraised value of the property offered as security, including the cost of improvements being financed. The 25% equity in the project shall be maintained throughout the term of the City loan. An accredited member of the Appraisal Institute shall complete the property appraisal prior to funding with a timeframe acceptable to the City;

- All property owners who are approved for a loan must enter into a Loan Agreement with the City;
- All Loan Applications and Agreements must be approved by City Council;
- All improvements completed must comply with the description of the improvements as provided in the Application Form and contained in the Loan Agreement;
- Property taxes must be in good standing at the time of application and throughout the term of the City loan;
- If during the term of the loan, the building receiving a loan is demolished or any of the heritage features are altered in any way that would compromise the reasons for designation, all loan payments shall cease, and payments already made will be repayable to the City;
- Existing and proposed land uses and structures must be in conformity with applicable Official Plan(s), Zoning By-law and other planning requirements at both the local and regional level;
- All alterations/improvements made to buildings and properties shall be made pursuant to a building permit, and constructed in accordance with the Ontario Building Code and all applicable zoning requirements and planning approvals;
- Outstanding work orders and/or orders or requests to comply from the City must be satisfactorily addressed prior to loan approval;
- Where other sources of government and/or non-profit organization funding that apply directly to the conversion/intensification of residential units (ownership or rental) (Federal, Provincial, Municipal, Municipal Heritage Committee, CMHC, etc...) are anticipated or have been secured, these must be declared as part of the application. Accordingly, the loan amount may be reduced on a pro-rated basis.

5) **Is there a fee to apply?**

No.

6) **When will the loan funds be advanced?**

The loan is advanced in three stages, upon completion of 60%, 80% and final completion (100%) of the project. The initial 60% of the loan will not be advanced until:

- a loan agreement has been signed, executed and registered on title;
- a second mortgage for the full loan amount has been registered on title
- construction is 60% complete;
- the owner provides proof of at least 25% equity in the property; and,
- the building has been inspected by municipal staff.

Additional loan payments will be advanced when the project is 80% complete and 100% complete, in conjunction with financing advances and/or after proof of equity injections. Verification of project completion will be by way of an Architect/Engineer Certificate.

7) **How long is the term of the loan, what is the interest rate, and what is the loan repayment schedule?**

The term of the loan is 5 years. The loan is interest free (0%). The loan must be repaid in equal consecutive monthly installments equal to 15% of the loan amount each year, with said payments starting one (1) year after completion of construction, and a balloon payment at the end of 5 years.

If a unit is sold, the loan for that unit must be repaid to the City immediately upon closing at a rate of \$25 per sq. ft. The City will provide a partial discharge of the loan based on \$25 per sq. ft. The borrower shall provide to the City satisfactory evidence of the square footage of each unit. If the entire development is sold, the entire loan must be repaid to the City immediately upon closing. The loan may be repaid in full at any time without penalty.

8) **Will security for the loan be required?**

Yes. The municipality will require that a loan agreement and a second mortgage for the loan amount be registered on title to the property. This mortgage will be discharged and the loan agreement released once the loan is repaid.

9) **Can the loan and the loan agreement be assigned to a new property owner if the property is sold?**

No.

10) **What are the default provisions?**

The default provisions are contained in the Loan Agreement. The loan may be called by the City if:

- taxes are more than 3 months in arrears;
- the building is demolished or any of the heritage features are altered in any way that would compromise the reason for designation;
- the owner declares bankruptcy;
- the owner uses the loan for improvement works that are not eligible;
- the owner fails to maintain the improvements as required in the Loan Agreement; and,
- the owner is in default of any of the provisions of the Loan Agreement.

11) **How do I apply for a loan?**

- a) Arrange a pre-application meeting with staff in order to determine program eligibility, proposed scope of work, project timing, etc...
- b) If authorized to apply for a loan, complete an application form and ensure that your application includes all of the documents checked off in the required documents list.

12) **What happens next?**

- Applications and supporting documentation are reviewed by staff.
- Staff may request clarification or additional supporting documentation.
- Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- A recommendation on the loan application is made by staff and forwarded to City Council, along with a Loan Agreement signed by the owner.
- If your application is approved, the Loan Agreement is then executed and registered on title by the City. A copy of the agreement is also returned to you.
- Construction of the approved works may now commence, subject to issuance of a building permit(s).
- Once the City has been provided with satisfactory proof that the approved works are 60% complete and that equity and/or financing required to that stage of completion has been injected into the development, loan funds will be made available and advanced, 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. At this point in time, a second mortgage for the full loan amount will be registered by the City on title to the property. Further loan advances will be made when the project is 80% complete and 100% complete, in conjunction with financing advances and/or after proof of equity injections.

- If a unit is sold, the loan amount for that unit is due upon closing.
- If the entire development is sold, the entire loan amount is due upon closing.
- Once all loans have been repaid to the City, the mortgage will be discharged and the agreement on title will be released.

For further information on this program, please contact the City's Manager of Community Improvement and Planning Projects by phone at (905) 356-7521 x4298.

***DOWNTOWN
RESIDENTIAL LOAN PROGRAM
APPLICATION FORM***



(Last Revised: December 2009)

A. General Information and Instructions

1. Before filling out this application form, please **read the attached Program Guide and arrange for a pre-application meeting with the Community Improvement Plan Coordinator.** The Program Guide describes the purpose and basic terms and conditions of the **Residential Loan Program.**
2. If an agent is acting for the property owner, please ensure that the required authorization is completed and signed by the owner as provided in Section F below.
3. If you find insufficient space on this form to respond to questions, please provide additional information on a separate page and attach to your completed application form.
4. Please attach to this application the required supporting documents as indicated in the Required Documents list. **An application will not be considered complete until all required documents have been submitted.**
5. Please ensure that the application form is complete and that all required signatures have been supplied.
6. Please print (black or blue ink only) or type the information requested on the application form.
7. You may deliver your application in person or send it by mail to:

City of Niagara Falls
Planning & Development
4310 Queen Street
P.O. Box 1023
Niagara Falls, ON L2E 6X5

If you have any questions about this program, please contact the City's Manager of Community Improvement and Planning Projects, by phone at **905-356-7521, ext. 4298.**

**DOWNTOWN RESIDENTIAL LOAN PROGRAM
APPLICATION FORM**

--PLEASE PRINT--

Application No. _____
(Office Use Only)

B. Applicant Information

Date: _____

Name of Registered Property Owner _____

Mailing Address of Property Owner _____

Telephone Number _____

Fax Number _____

E-mail _____

**Name of Applicant if different from
Registered Property Owner** _____

**Mailing Address of Applicant if different
from Registered Property Owner** _____

Telephone Number _____

Fax Number _____

E-mail _____

Agent Information (if any)

Name of Agent _____

Mailing Address of Agent _____

Telephone Number _____

Fax Number _____

Email _____

**DOWNTOWN RESIDENTIAL LOAN PROGRAM
APPLICATION FORM**

Solicitor's Information

Name of Solicitor _____

Mailing Address of Solicitor _____

Telephone Number _____

Fax Number _____

Email _____

C. Property Information

Municipal Address of Property for which this application is being submitted

Assessment Roll Number _____

Legal Description of Property (Lot and Plan Numbers)

Existing Property Use

Is property designated under Part IV the Ontario Heritage Act? Yes ____ No ____

Are there any outstanding work orders on this property? Yes ____ No ____

Size of Property _____ acres

**DOWNTOWN RESIDENTIAL LOAN PROGRAM
APPLICATION FORM**

iii) **Amount of Loan Being Applied For:**
(\$20 per sq. ft. of habitable space to a maximum of \$20,000 per unit) \$ _____

iv) **Construction Schedule**

Approximate Start Date of Construction _____
(Building permits must be obtained within 6 months of loan approval)

Approximate End Date of Construction _____

v) **Project Rental Rates and Sale Prices per unit or per square foot**

Rental Rate \$ _____ per unit/ \$ _____ per square foot
Sale Price \$ _____ per unit/ \$ _____ per square foot

E. Property Indebtedness

i) **Mortgages and Taxes**

Type	Holder	Amount	Maturity Date	Annual Payment	Amount in Arrears
1 st Mortgage					
2 nd Mortgage					
Other (list all)					

ii) **Property Taxes and BIA Levies**

Type	Annual Amount Levied	Amount in Arrears
Property Taxes		
BIA Levies		

iii) **Other Encumbrances (e.g., liens, covenants, judgements)**

**DOWNTOWN RESIDENTIAL LOAN PROGRAM
APPLICATION FORM**

iii) **Credit Check**

The City of Niagara Falls reserves the right to conduct credit checks as it deems necessary. Please provide the following information:

Full Name of Registered Property Owner _____

Current Home Address of Owner _____

F. Authorization

I, _____, am the owner of the land that is subject of this application, and I hereby authorize my agent/solicitor _____ to make this application and to act on my behalf in regard to this application.

Dated at the _____, this _____ of _____, _____
(City/Town of) Day Month Year

Name of Owner

Signature of Owner

If an agent is authorized in Section F above, all correspondence will be sent to the authorized agent. If no agent is authorized in Section F above, all correspondence will be sent to the Applicant.

**DOWNTOWN RESIDENTIAL LOAN PROGRAM
APPLICATION FORM**

G. Sworn Declaration

I/WE HEREBY APPLY for a grant under this program.

I/WE HEREBY AGREE to abide by the terms and conditions of the grant program.

I/WE HEREBY AGREE to enter into a grant agreement with the City that specifies the terms and conditions of the grant.

I/WE HEREBY CERTIFY that the information contained in this application is true, correct and complete in every respect and may be verified by the City by such inquiry as it deems appropriate, including inspection of the property for which this application is being made.

I/WE HEREBY AGREE that if any statements or information in this application or submitted in support of this application are untrue, misleading or there is a material omission, the application may be rejected or not approved, or the grant may be delayed, reduced or cancelled.

I/WE HEREBY GRANT permission to the City, or its agents, to inspect my/our property that is subject of this application.

I/WE HEREBY AGREE that the grant may be delayed, reduced or cancelled if the work is not completed, not completed as approved, or if the contractors are not paid.

I/WE HEREBY AGREE the program for which application has been made herein is subject to cancellation and/or change at any time by the City in its sole discretion, subject to the terms and conditions specified in the Program. Participants in the program whose application has been approved and who have entered into a grant agreement with the City will continue to receive their grant, subject to their grant agreement.

I/WE HEREBY AGREE all grants will be calculated and awarded in the sole discretion of the City. Notwithstanding any representation by or on behalf of the City, or any statement contained in the program, no right to any grant arises until it has been duly authorized, subject to the applicant meeting the terms and conditions of the program and the grant agreement. The City is not responsible for any costs incurred by the Owner/Applicant in any way relating to the program, including, without limitation, costs incurred in anticipation of a grant.

Dated at the _____, this _____ of _____, _____
(City/Town of...) Day Month Year

Name of Owner or Authorized Agent

Signature of Owner or Authorized Agent