SUBJECT: Amendments to the Downtown and Community Renewal Community Improvement Plan and Project Area (PED07074(b)) (Wards 1 and 2)

RECOMMENDATION:

(a) That the Downtown and Community Renewal Community Improvement Project Area be amended by expanding the Downtown Hamilton Community Improvement Project Area, as shown on Sheet 1 of Appendix ‘A’ attached to Report PED07074(b), and that the by-law attached to Report PED07074(b) as Appendix ‘A’ be enacted.

(b) That the Main Street Housing Loan and Grant Program be expanded to apply to the Downtown Hamilton Community Improvement Project Area and that the Downtown and Community Renewal Community Improvement Plan be amended as set out in Report PED07074(b), and that the by-law attached to Report PED07074(b) as Appendix ‘B’ be enacted.

(c) That, upon enactment of the by-laws noted in Recommendations (a) and (b) of Report PED07074(b), Appendix ‘D’ to the Downtown and Community Renewal Community Improvement Plan, being the program description and terms for the Main Street Housing Loan and Grant Program, be deleted and replaced respectively with the program description and terms attached in Appendix ‘C’ to Report PED07074(b).

(d) That the City’s Development Charges exemption policy for the original area of the Downtown Hamilton Community Improvement Project Area not apply to the expansion area but be dealt with by Council on a case-by-case basis until such time that the effect of urban intensification growth requirements is analyzed as part of the new Development Charges By-law (2009).
SUBJECT: Amendments to the Downtown and Community Renewal Community Improvement Plan and Project Area (PED07074(b)) (Wards 1 and 2) - Page 2 of 7

(e) That the Correspondence Item BB on the Economic Development and Planning Committee Outstanding Business List be identified as complete and removed from the list.

Tim McCabe
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

Report PED07074(b) recommends approval of amendments to expand the limits of the Downtown and Community Renewal Community Improvement Plan and Community Improvement Project Area By-law. The expansion of the Downtown Hamilton Community Improvement Project Area implements Council’s direction. The amendment to the Community Improvement Project Area By-law designates the expanded area, as provided in Appendix ‘A’ to Report PED07074(b). Item BB on the list of Outstanding Business is therefore addressed and can be removed from the Economic Development and Planning Committee Agenda.

The amendment to the Community Improvement Plan (CIP), provided in Appendix ‘B’ to Report PED07074(b), expands the Main Street Housing Loan and Grant Program to apply to the Downtown Hamilton Community Improvement Project Area in recognition of the smaller-scale residential development projects that may gain a greater benefit from the Main Street Program versus the Hamilton Downtown Residential Loan Program. The revised program description and terms for the Main Street Housing Loan and Grant Program, as provided in Appendix ‘C’ to Report PED07074(b), are recommended to be approved.

Finally, it is recommended that the City’s Development Charges (DC) exemption policy for the original boundary of the Downtown Hamilton Community Improvement Project Area not be carried forward to the expansion area but be dealt with by Council on a case-by-case basis. In this manner, Council would monitor the effect that a DC exemption has on Downtown development demand with regards to urban area intensification growth. This process would continue until the whole DC exemption issue and the effect of DC exemptions on urban intensification are analyzed as part of the review of the Development Charges By-law scheduled for late 2008/early 2009.

Report PED07074(b) is prepared and presented under the requirements of the Planning Act. The comments received during the Public Meeting of the Economic Development and Planning Committee at which this report is considered, will represent continued and required public input into this process.
BACKGROUND:

City Council, at its meeting held January 30, 2008, approved the Economic Development and Planning Committee Report 08-002, Section (aa) that directed staff to review an expansion of the Hamilton Downtown Community Improvement Project Area to include both sides of the boundary streets, namely Queen, Hunter, Cannon and Victoria. Upon review of the feasibility of an expansion, staff are in full support of expanding the boundaries as it makes sense to capture both sides of the boundary streets.

The expansion of the Downtown Hamilton Community Improvement Project Area requires an amendment to the Downtown and Community Renewal Community Improvement Plan that involves a legislated public process. Staff therefore undertook a review of the financial incentive programs delivered by the Downtown and Community Renewal Division to determine if further amendments of the Plan were required to improve the programs’ effectiveness. The review resulted in the proposed amendment to expand the Main Street Housing Loan and Grant Program to the Downtown Hamilton Community Improvement Project Area.

Currently, DC exemptions exist within the Downtown Hamilton Community Improvement Project Area. With the expansion, a dichotomy will exist of policies and procedures. One option for Council would be to extend the DC exemption to the proposed expansion area. However, this would not go into effect until an amendment is made to the current DC By-law. The amendment would consist of expanding the current exempt CIP area and would be subject to a public meeting and any consequent appeals by the public. This process would take several months.

There is also another issue which needs to be considered. This is the fact that the Provincial policies and population forecasts are dictating that 40% of a municipality’s future growth must occur through intensification, not greenfield development. The City of Hamilton may be spending hundreds of millions for growth infrastructure (i.e., wastewater plan expansion) which would require funding significant debt through DC collections. Therefore any significant exemptions would place an even greater strain on the tax/rate levy to meet debt obligations. The City’s Tax-supported Capital Budget has to date not funded any DC exemptions, which for the entire City total an average of approximately $3 million annually.

ANALYSIS/RATIONALE:

The Main Street Housing Loan and Grant Program provides financial assistance to renovate existing residential units, to convert existing built commercial space into residential units, and to create new residential units. It currently applies to Hamilton’s five (5) community downtowns (i.e. Ancaster, Binbrook, Dundas, Stoney Creek and Waterdown); nine (9) of the City’s twelve (12) Business Improvement Areas (i.e. Barton Village, Concession Street, Dundas, Locke Street, a portion of the Main West Esplanade, Ottawa Street, Stoney Creek, Waterdown and Westdale); and, specific “main street” corridors within the City of Hamilton. The program does not apply to the
Downtown Hamilton Community Improvement Project Area, which contains the Downtown Hamilton, International Village, and King Street West Business Improvement Areas, as well as the portion of the Main West Esplanade BIA east of Queen Street due to the availability of other incentives to that area, including the Hamilton Downtown Residential Loan Program, the Enterprise Zone Municipal Realty Tax Incentive Grant Program, as well as a DC exemption. However, based on staff’s experience in administering the Hamilton Downtown Residential Loan Program to applicants of smaller-scale residential development projects, it is evident that increasing the financial incentive tool-kit in the Downtown Hamilton Community Improvement Project Area for redevelopment purposes that would provide an option of applying for either the Hamilton Downtown Residential Loan Program or the Main Street Housing Loan and Grant Program would be beneficial. While the Main Street Program offers a maximum loan of $10,000 per unit to a maximum of $200,000 per property, it also offers a $5,000 grant per property for professional fees e.g. architects, engineers. While the terms and conditions of the Hamilton Downtown Residential Loan Program dictate that an engineer or architect must confirm all work has been completed prior to the release of any funding, the cost of professional fees is not an eligible expense. This requirement is proving to be a deterrent for applicants of smaller-scale projects within the Downtown Hamilton Community Improvement Project Area to proceed with their residential development as the associated professional fees often off-set the loan approved under the program.

In order to expand the program, amendments to the Community Improvement Plan and Community Improvement Project Area By-law are required.

The amendment to the Community Improvement Project Area By-law designating the expanded area of the Downtown Hamilton Community Improvement Project Area, is identified in Appendix ‘A’ to Report PED07074(b).

The amendment to the Community Improvement Plan, provided in Appendix ‘B’ to Report PED07074(b), enables the expansion of the Main Street Housing Loan and Grant Program to the Downtown Hamilton Community Improvement Project Area, including the expanded area.

Amendments to the Plan relative to the expansion of the Downtown Hamilton Community Improvement Project Area and the Main Street Housing Loan and Grant Program include:

1. The description of the Downtown Hamilton Community Improvement Project Area in Section 4.0 is amended to reflect the expanded boundaries;

2. The description of the Main Street Housing Loan and Grant Program in Section 8.1.4 is modified to add the application of the Program to “Downtown Hamilton”;

3. The Program Description and Terms of the Main Street Housing Loan and Grant Program as attached as Appendix ‘D’ to the Plan are amended to include the application of the Program to “Downtown Hamilton” and limiting the applicant to
either applying for the Main Street Housing Loan and Grant Program or the Hamilton Downtown Residential Loan Program; and,

4. The financial incentive program description and terms for the Main Street Housing Loan and Grant Program are included as Appendix ‘D’ to the Plan. In order to incorporate the above-noted amendments, it is recommended that this appendix be deleted and replaced with the revised version provided in Appendix ‘C’ to Report PED07074(b).

**ALTERNATIVES FOR CONSIDERATION:**

If the amendments are not approved, the Hamilton Downtown Residential Loan Program and the Enterprise Zone Municipal Incentive Realty Tax Incentive Grant Program would not be offered to an expanded area of the Downtown Hamilton Community Improvement Project Area. In addition, the Main Street Housing Loan and Grant Program would not be offered to the Downtown Hamilton Community Improvement Project Area but would continue to operate within community downtowns, eligible BIAs and specific “main street” corridors under the existing program description and terms.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial – The financial implications of expanding the Downtown Hamilton Community Improvement Project Area can be accommodated within the existing Operating Budget of the Downtown and Community Renewal Division Account Number 815010 52901 that funds the interest lost to the City for the Hamilton Downtown Residential Loan Program. The expansion of the Main Street Housing Loan and Grant Program to the Downtown Hamilton Community Improvement Project Area can be accommodated in the Downtown and Community Renewal Division’s Account Number 815025 52901 and 58201 that fund the interest lost and the grant portion of the Main Street Housing Loan and Grant Program. Staff will monitor the financial implications and make adjustments to the Operating Budget during future budgets if necessary.

There is no direct cost to the City for the Enterprise Zone Program since the foregone revenue is not currently being received.

The financial implications of a Development Charge exemption in the expanded area of the Downtown Hamilton Community Improvement Project Area will be reported on as part of the results of the establishment of a new Development Charges By-law scheduled for 2009. In the interim, any exemption for the expanded area is to be dealt with by Council on a case-by-case basis.

Staffing – The expansion of the Downtown Hamilton Community Improvement Project Area and the expansion of the Main Street Housing Loan and Grant Program can be accommodated within the existing staff complement of the Downtown and Community Renewal Division as well as the Corporate Services Department.
Legal – Section 28 of the Planning Act permits a municipality, in accordance with a Community Improvement Plan, to make loans and grants which would otherwise be prohibited under Section 106(2) of the Municipal Act, to registered/assessed owners and tenants of lands and buildings. A Community Improvement Plan can only be adopted and come into effect within a designated Community Improvement Project Area. Changes to a Community Improvement Plan or Community Improvement Project Area require formal amendments as dictated by the Planning Act.

**POLICIES AFFECTING PROPOSAL:**

The current Downtown and Community Renewal Community Improvement Plan (CIP) states that “the introduction of new programs and major policy amendments necessitating changes to existing programs shall be made with City Council approval and processed according to the provisions of the Planning Act.” It further states that “the increase in financial assistance to registered owners, assessed owners, and tenants, and to any person to whom such an owner or tenant has assigned the right to receive a grant or loan, the addition of any new financial incentive programs, or a change to the Community Improvement Project Area will require a formal amendment to this Plan.” The amendments recommended in Report PED07074(b) have been put forward on that basis and in accordance with the legal requirements of the Planning Act.

In addition, the CIP states that “Council shall adopt by resolution detailed implementation measures to allow for the efficient administration of financial incentive programs”, and that the “City may periodically review and adjust the terms and requirements of any of the financial incentive programs contained in the Plan, or discontinue any of the programs contained in the Plan, without amendment to the Plan.” It is therefore recommended that the revised versions of the financial incentive program description and terms, provided in Appendix ‘C’ to Report PED07074(b), be approved by Council.

The Hamilton-Wentworth Official Plan allows Community Improvement Project Areas to be designated anywhere within the Urban Area. As with all of the incentive programs administered by the Downtown and Community Renewal Division, eligible projects must conform with relevant City policy and regulations, such as the Official Plan, Zoning By-law, and urban design guidelines where applicable.

The amendments are consistent with the goals and objectives of the Community Improvement Plan and support residential intensification targets and objectives established by the Province in the Places to Grow Growth Plan and Provincial Policy Statement.

**RELEVANT CONSULTATION:**

City staff hosted a public open house regarding the proposed amendments on May 1, 2008, as advertised in the Hamilton Spectator’s At Your Service page on April 25, 2008.
Staff of Legal Services, Corporate Services, and, the Ministry of Municipal Affairs were consulted during the preparation of this report.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Partnerships are promoted through implementation of the financial incentive programs contained within the Community Improvement Plan.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
The initiatives help to improve the quality of life of residents. The rehabilitation of the building stock and the development of properties in Hamilton make efficient and effective use of City services and protect human health and safety.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Investment in Hamilton is enhanced and supported. Property owners invest in their properties leading to property assessment increases through the rehabilitation of buildings.

Does the option you are recommending create value across all three bottom lines?
☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?
☑ ☐ Yes ☐ No

Hamilton continues to lead initiatives related to renewal. Such initiatives are professionally rewarding and attract high performing public servants with an interest in improving community life.

:HM
Attachments. (3)
CITY OF HAMILTON

BY-LAW No. 08-

To Amend By-law 07-061, as amended

Respecting the Downtown and Community Renewal Community Improvement Project Area

WHEREAS Section 28 of the Planning Act entitled “Community Improvement” provides in sub-section (2):

“Where there is an official plan in effect in a local municipality or in a prescribed upper-tier municipality that contains provisions relating to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improvement project area”;

AND WHEREAS the Planning Act defines a “community improvement project area” as “an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason”;

AND WHEREAS Section 6A of the Hamilton Wentworth Official Plan contains provisions relating to community improvement;

AND WHEREAS By-law 07-061 as amended identifies various areas of the City of Hamilton, including the Downtown Hamilton Community Improvement Project Area, Downtown Dundas Community Improvement Project Area, Downtown Stoney Creek Community Improvement Project Area, Waterdown Community Improvement Project Area, Binbrook Community Improvement Project Area, Ancaster Village Core Community Improvement Project Area, Barton Village Community Improvement Project Area, Concession Street Community Improvement Project Area, Locke Street Community Improvement Project Area, Main West Esplanade Community Improvement Project Area, Ottawa Street Community Improvement Project Area, Westdale Village Community Improvement Project Area and the Main Street Corridors Community Improvement Project Area, and designates collectively said areas as the “Downtown and Community Renewal Community Improvement Project Area”;

AND WHEREAS attached hereto and forming part of this by-law as Appendix ‘A’, is a map identifying an expansion of the Downtown Hamilton Community Improvement Project Area dated April 15, 2008 (Sheet 1);
AND WHEREAS the Council of the City of Hamilton considers it appropriate to designate the expanded Downtown Hamilton Community Improvement Project Area as a “community improvement project area”;

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

1. The geographical portions of the City of Hamilton as shown on Appendix ‘A’ and forming part of this by-law, and defined as the expanded Downtown Hamilton Community Improvement Project Area, Sheet 1, is hereby designated as part of the Downtown and Community Renewal Community Improvement Project Area”.

2. By-law 07-061 as amended is hereby amended by adding Sheet 1 of Appendix ‘A’ hereto to Schedule ‘A’ thereof.

PASSED and ENACTED this ______ day of ________, 2008

________________________________________  __________________________________
Fred Eisenberger             Kevin C. Christenson
Mayor                        City Clerk
Sheet 1 to Appendix ‘A’ to Report PED07074(b)

This is Appendix "A" to By-Law No. 08-
Passed the ........... day of .................., 2008

Schedule "A" Sheet 1
Map Forming Part of
By-Law No. 08-____
to Amend By-law No.07-061

Subject Property
- Downtown Hamilton Community Improvement Project Area Boundary
- Downtown Hamilton Community Improvement Project Area Expansion Area

Scale: N.T.S.
File Name/Number: Hamilton Planner/Technician: HM/NB
Date: April 15, 2008

NOTE: "This map is schematic. The Expanded Downtown Hamilton Community Improvement Project Area encompasses all properties that abut the boundary streets namely: Hunter, Cannon, Victoria and Queen Street. To determine eligibility for programs please refer to the Downtown and Community Renewal Community Improvement Plan and Project Area."
CITY OF HAMILTON

BY-LAW NO. 08-___

To Adopt:

Amendment No. 2 to the Downtown and Community Renewal Community Improvement Plan

WHEREAS By-law 07-061, as amended, passed on the 28th day of February 2007, as amended by By-law 08-____, 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 28th 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 June 17, 2008 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. 2 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________day of ________, 2008

___________________________    _______________________
Fred Eisenberger                Kevin C. Christenson
Mayor                           City Clerk
The following text constitutes Amendment No. 2 to the Downtown and Community Renewal Community Improvement Plan.

**Purpose**

- To expand the area to which the Main Street Housing Loan and Grant Program applies.
- Clerical and administrative changes to the Plan.

**Location**

The lands affected by the amendment are contained within the Downtown and Community Renewal Community Improvement Project Area, designated by By-law 07-61, as amended, and now amended by By-law 08-__.

**Basis**

- The expansion of the Main Street Housing Loan and Grant Program is consistent with the goals and objectives of the Community Improvement Plan, including improving housing stock and increasing population in the expanded area.
- 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 Downtown Hamilton Community Improvement Project Area – This area is bounded by Queen Street, Cannon Street, Victoria Avenue and Hunter Street." are deleted and replaced with "The Downtown Hamilton Community Improvement Project Area – This area is bounded by properties that abut Queen Street, Cannon Street, Victoria Avenue and Hunter Street.", (adjacent to the Downtown Hamilton Community Improvement Project Area portions of the streets only).

2. Section 8.0 is amended as follows:

a) In Section 8.1.4. Main Street Housing Loan and Grant Program, the words "The Main Street Housing program is designed to stimulate residential development within Hamilton’s Community Downtowns, eligible Business Improvement Areas (BIAs) and other “main street” corridors as identified in the Downtown and Community Renewal Community Improvement Project Area. However, Downtown Hamilton properties within the Downtown Hamilton Community Improvement Project Area, including the Downtown Hamilton BIA, International Village BIA, King Street West BIA, and a portion of the Main West Esplanade BIA east of Queen Street, are not eligible due to the availability of the Hamilton Downtown Residential Loan Program, the Enterprise Zone – Municipal Realty Tax Incentive Grant Program as well as the Development Charge Exemption" are deleted and replaced with "The Main Street Housing program is designed to stimulate residential development within Downtown Hamilton, Hamilton’s Community Downtowns, eligible Business Improvement Areas (BIAs) and other “main street” corridors as identified in the Downtown and Community Renewal Community Improvement Project Area."

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. 08-___ passed on the ____ day of __________, 2008.
MAIN STREET HOUSING LOAN AND GRANT PROGRAM

PROGRAM DESCRIPTION

The Main Street Housing Loan and Grant 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 (attached) must be completed and forwarded to the Downtown and Community Renewal Division prior to scheduling a meeting with staff to review your 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 renovations that bring such units into compliance with the property standards by-law and fire and building codes, and 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 discretion of the City.

6. The Loan interest rate will be at 0% interest for the first five (5) 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, such interest to be calculated and payable monthly, not in advance.

7. The Loan will be registered as a second mortgage upon first advance of funds.

8. The maximum Loan term is five (5) years and six (6) months (subject to prior termination on default) from the date of the first advance. No extension or renewal shall be granted.

9. Principal is repayable in annual amounts of ten percent (10%), in 12 equal monthly payments, of the original loan amount. Payments will commence one year following the final advance, exclusive of any required holdbacks. The balance outstanding will be paid by a balloon payment at the end of the five (5) year and six (6) month term.

10. 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 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.

11. Upon proof satisfactory to the City that the proposed development is 60% complete 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.

12. 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 25% equity in the project shall be maintained throughout the term of the City loan. 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.

13. The City will request joint and several guarantees, and/or such other security which may be appropriate or available in the circumstances.

14. An administration fee of $250 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 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.

15. Realty taxes must be paid current and in good standing throughout the development process, and during the term of the City loan.

16. Advances are made by the City, upon proof satisfactory to the City confirming the value of the work completed.

17. All costs associated with the conversion or renovations are to be borne by the applicant including construction, design, administration fee, 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.
18. Upon sale of the property the loan is due and payable upon closing. Upon refinancing of the first mortgage the loan is due in full or part if refinancing takes place in an amount higher than the existing first mortgage.

19. Upon sale of individual condominium units, the City will be repaid $12,500 per unit, until the loan is paid in full.

20. 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.

21. 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.

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

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

24. The City will periodically review the terms and the duration of the program and make appropriate revisions as per the direction of City Council.

25. The Main Street loan may be received by an owner in conjunction with any other available City programs (excluding the Downtown Hamilton Residential Loan Program) in support of the redevelopment/development of the property.