SUBJECT: Amendments to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and Project Area (PED07074(a)) (Wards 1, 2, 3, 4, 7, 8)

RECOMMENDATION:

(a) That the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Project Area be amended by adding the Main Street Corridors Community Improvement Project Area, as shown on Sheets 1 – 5 attached hereto in Appendix ‘A’, and that the by-law attached to Report PED07074(a) as Appendix ‘A’ be enacted.

(b) That the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan be amended as set out in Report PED07074(a), and that the by-law attached to Report PED07074(a) as Appendix ‘B’ be enacted.

(c) That, upon enactment of the by-laws noted in Recommendations (a) and (b) of Report PED07074(a), the Appendices to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan, being the program description and terms for the Hamilton Downtown Residential Loan Program (Appendix A), the Enterprise Zone – Municipal Realty Tax Incentive Grant Program (Appendix B), the Commercial Property Improvement Grant Program (Appendix C), and the Main Street Housing Loan and Grant Program (Appendix D), be deleted and replaced respectively with the program description and terms attached in Appendix ‘C’ to Report PED07074(a).
(d) That Item S from the Economic Development and Planning Committee Outstanding Business List be removed.

Tim McCabe
General Manager
Planning and Economic Development Department

**EXECUTIVE SUMMARY:**

Report PED07074(a) recommends approval of amendments to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and Community Improvement Project Area By-law. These amendments implement Council's direction to add an arts component to the Commercial Property Improvement Grant Program, and to expand the areas in which the Main Street Housing Loan and Grant Program applies. The amendment to the Community Improvement Project Area By-law designates the expansion areas, as provided in Appendix A to Report PED07074(a). Item S 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 07074(a), also includes other changes, including the renaming of the CIP as the Downtown and Community Renewal Community Improvement Plan to reflect the expanded geographic focus. It will increase the Main Street Housing Loan and Grant Program's current maximum loan amount of $100,000 per property to $200,000 per property, in recognition of some of the eligible multiple dwellings that may contain up to 20 units. The limit of $10,000 per dwelling unit is maintained. The amendment will also adjust the loan term and interest rate for both the Main Street Housing Loan and Grant Program and the Hamilton Downtown Residential Loan Program. Instead of a five (5) year term at 0%, a term of five (5) years and six (6) months is recommended, at an interest rate of 0% 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. This change is made in accordance with legal advice to provide a transition between the 0% interest period and the end of the loan term when the balance outstanding will be paid by a balloon payment.

Finally, it is recommended that the revised program description and terms for the financial incentive programs (i.e. the Hamilton Downtown Residential Loan Program, Enterprise Zone Municipal Realty Tax Incentive Grant Program, Commercial Property Improvement Grant Program, and Main Street Housing Loan and Grant Program), as provided in Appendix C to Report PED07074(a), be approved to incorporate the amendments.
BACKGROUND:

On August 8, 2007, Council approved Report PED07123(b)/FCS07068 directing staff of the Downtown and Community Renewal Division to add an arts component (i.e. the Urban Artwalk) to the Commercial Property Improvement Grant Program, and to expand the Main Street Housing Loan and Grant Program. Council also approved Report PED07123(c) which identified the areas to be considered in an expanded Community Improvement Project Area for the Main Street Housing Loan and Grant Program, and to be presented as part of the consultation required to process the necessary amendments to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan and Project Area.

ANALYSIS/RATIONALE:

Urban Artwalk

The Urban Artwalk is intended to promote cultural arts by transforming commercial façades and public spaces into visual art works and special event performance venues. It has been proposed as a pilot project along King William Street between James Street and Ferguson Avenue in the Downtown Hamilton and International Village Business Improvement Areas. The City’s Culture Section will administer projects in the public realm, while projects upon private property will be administered by the Downtown and Community Renewal Division as an arts component of the existing Commercial Property Improvement Grant (CPIG) Program. The CPIG Program currently provides grants for eligible façade improvements to commercial properties within all of the City’s Business Improvement Areas. The CPIG arts component will offer a matching grant, to a maximum of $10,000 per property, for eligible art works along the Urban Artwalk. Applications will be accepted twice a year as per the CPIG Program terms and will be evaluated through a juried review process prior to Council approval.

The amendment to the Community Improvement Plan, provided in Appendix B to Report PED07074(a), adds the arts component to the Commercial Property Improvement Grant Program. It includes the following changes relative to the CPIG arts component:

1. A new section (Section 8.1.3.1) is inserted into the Community Improvement Plan that describes the intent and administration of the Urban Artwalk upon private property; and,

2. A new reference to the Urban Artwalk initiative is added to Section 8.5 of the Community Improvement Plan, which addresses initiatives and implementation strategies relating to Public Art.

Main Street Housing Loan and Grant Program Expansion

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), and nine (9) of the City’s twelve (12) Business Improvement Areas (i.e. Barton Village, Concession Street, Dundas, Locke Street, Main West Esplanade (west of Queen Street), Ottawa Street, Stoney Creek, Waterdown and Westdale). 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 development charge exemption.

In order to expand the program, amendments to both the Community Improvement Plan and the Community Improvement Project Area By-law are required. The amendments will result in an expanded scope of the Community Improvement Plan and its companion Project Area beyond the City’s downtowns and BIAs.

The amendment to the Community Improvement Project Area By-law designates certain properties as the Main Street Corridors Community Improvement Project Area, identified in Appendix A to Report PED07074(a). The rationale for selecting these areas is outlined in Report PED07123(c). To summarize, the areas exhibit “main street” characteristics although they are not located within a designated downtown or organized in a BIA. They generally have a mix of land uses predominated by ground-floor commercial uses, in buildings situated close to the street upon relatively small properties, served by public transit. The residential component typically includes upper-floor dwelling units, duplexes and multiple dwellings. The expansion is proposed primarily in the lower, inner City where the population has been declining, and in areas close to McMaster University and Mohawk College so as to provide potential student housing alternatives outside of established residential neighbourhoods.

The amendment to the Community Improvement Plan, provided in Appendix B to Report PED07074(a), enables the expansion of the Main Street Housing Loan and Grant Program to the new Main Street Corridors Community Improvement Project Area. It includes the following changes relative to the expansion of the program:

1. A new section (Section 2.3) is inserted to identify the opportunity for community improvement initiatives along Main Street Corridors;

2. A description of the Main Street Corridors Community Improvement Project Area is added to the list of Community Improvement Project Areas in Section 4.0; and,

3. Reference to “main street” corridors is added where appropriate, to reflect the expanded scope of the Community Improvement Plan beyond that of downtowns and BIAs.
Other Changes to the Community Improvement Plan

In addition to the changes relating to the Urban Artwalk and the expansion of the Main Street Housing Loan and Grant Program, it is recommended that the following changes also be incorporated into the Community Improvement Plan amendment:

1. The Main Street Housing Loan and Grant Program’s current maximum loan amount of $100,000 per property is increased to $200,000 per property. The limit of $10,000 per dwelling unit is maintained. The change is proposed in recognition of some of the multiple dwellings in the City in need of renovation, such as various two (2) to three (3) storey walk up apartment buildings along portions of King, Main and Barton Street that may contain up to 20 dwelling units.

2. The loan term and interest rate are adjusted for both the Main Street Housing Loan and Grant Program and the Hamilton Downtown Residential Loan Program. Instead of a five (5) year term at 0%, a term of five (5) years and six (6) months is established, at an interest rate of 0% 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. This change is made in accordance with legal advice to provide a transition between the 0% interest period and the end of the loan term when the balance outstanding will be paid by a balloon payment.

3. The amendment renames the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan as the Downtown and Community Renewal Community Improvement Plan. This name change reflects the expanded geographic focus of the Community Improvement Plan and its companion Project Area, as well as the new name of the Downtown and Community Renewal Division which administers it (formerly the Downtown Renewal Division).

Financial Incentive Program Description and Terms

The financial incentive program description and terms for the Hamilton Downtown Residential Loan Program, the Enterprise Zone – Municipal Realty Tax Incentive Grant Program, the Commercial Property Improvement Grant Program, and the Main Street Housing Loan and Grant Program, are included as Appendices A – D respectively to the Community Improvement Plan. In order to incorporate the above noted amendments, it is recommended that these appendices be deleted and replaced with the revised versions provided in Appendix ‘C’ to Report PED07074(a).

**ALTERNATIVES FOR CONSIDERATION:**

If the amendments are not approved, the City would be unable to provide the financial incentive that encourages Urban Artwalk projects to locate on private property. In addition, the Main Street Housing Loan and Grant Program would not be expanded to
new areas but would continue to operate within community downtowns and eligible BIAs under the existing program description and terms.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial – The financial implications of adding an arts component to the Commercial Property Improvement Grant (CPIG) Program and expanding the Main Street Housing Loan and Grant Program were addressed in Report PED07123(b)/FCS07068, which was approved by Council on August 8, 2007.

The Urban Artwalk pilot project administered through the CPIG program will be funded in the amount of $100,000 from the Main Street Program Reserve 102048.

The expanded Main Street Housing Loan and Grant Program will be funded through the Downtown and Community Renewal Division’s operating budget. The total operating cost for the present and expanded Program will be phased in over a three (3) year period as per Report PED07123(b)/FCS07068. The annual interest cost required in 2008 and 2009 is anticipated at $125,000 with the cost for the grant portion of the Program anticipated at $50,000. In 2010 the annual interest will increase to $250,000 with the grant portion increasing to $100,000. The Downtown and Community Renewal Division has included the cost of the Program in its 2008 operating budget identified as Dept. ID# 815025 Account Numbers 52901 and 58201. It is not anticipated that the proposed increase in the maximum loan amount of $100,000 per property to $200,000 per property will affect the annual interest cost estimate, due to the limited number of potential projects that would be eligible for loans in excess of $100,000 over the three year period.

Staffing – The addition of the arts component to the Commercial Property Improvement Grant Program 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 who administer the existing programs.

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. Therefore, Council must approve the amendment to the Community Improvement Project Area By-law in order to approve the amendment to the Community Improvement Plan as it relates to the expansion of the Main Street Housing Loan and Grant Program.

**POLICIES AFFECTING PROPOSAL:**

The current Downtown Hamilton, Community Downtowns and Business Improvement Areas 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 this report (PED07074(a)) 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 this report (PED07074(a)), 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. For example, the CPIG arts component enhances the attraction of Downtown Hamilton, promotes Downtown's role as the creative and cultural centre of the City, and stimulates private property maintenance and reinvestment activity. The expansion of the Main Street Housing Loan and Grant Program extends the benefits of the existing program to additional areas, including more efficient use of existing but vacant or underutilized buildings and infrastructure, and reinvestment that promotes long-term stability and viability. It also supports 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 October 11, 2007, as advertised in the Hamilton Spectator’s At Your Service page on September 28 and October 5.

Staff of the Strategic Services/Special Projects Division (formerly the Long Range Planning Division), Cultural Services and Legal Services, as well as the Ministry of Municipal Affairs and Housing 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.

AW
Attach. (3)
CITY OF HAMILTON

BY-LAW NO. 07-___

To Amend By-law 07-061:

Respecting the Downtown Hamilton, Community Downtowns and Business Improvement Areas 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 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, and Westdale Village Community Improvement Project Area, and designates collectively said areas as the “Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Project Area”;

Authority: Item ___, Economic Development and Planning Committee
Report: CM:
Bill No.
AND WHEREAS attached hereto and forming part of this by-law as Appendix ‘A’, are five (5) maps of selected areas of the City of Hamilton dated October 9, 2007 and titled Main Street Corridors Community Improvement Project Area (Sheets 1 – 5);

AND WHEREAS the Council of the City of Hamilton considers it appropriate to designate the Main Street Corridors Community Improvement Project Area as an additional “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 Main Street Corridors Community Improvement Project Area, Sheets 1 – 5, are hereby designated as part of the “Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Project Area”.

2. By-law 06-071 is hereby amended by adding Sheets 1 – 5 of Appendix ‘A’ hereto to Schedule ‘A’ thereof.

3. Section 1 of By-law 07-061 is hereby amended by deleting the term “Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Project Area” and substituting therefor “Downtown and Community Renewal Community Improvement Project Area”.

PASSED and ENACTED this ____ day of ________, 2007

Fred Eisenberger  
Mayor

Kevin C. Christenson  
City Clerk
CITY OF HAMILTON

BY-LAW NO. 07-___

To Adopt:

Amendment No. 1 to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan

WHEREAS By-law 07-061, passed on the 28th day of February, 2007, as amended by By-law 07-___, designated the Downtown and Community Renewal Community Improvement Project Area;

AND WHEREAS Section 28 of the Planning Act entitled Community Improvement states that 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 passed on the 28th day of February, 2007 adopted and approved the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan;

AND WHEREAS Council, by its Economic Development and Planning Committee, held a public meeting on December 4, 2007 to discuss and receive public input regarding an amendment to the Downtown Hamilton, Community Downtowns and Business Improvement Areas 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 Hamilton, Community Downtowns and Business Improvement Areas 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. 1 to the Downtown Hamilton, Community Downtowns and Business Improvement Areas 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 is hereby amended as set out in Schedule 1 to this By-law.

PASSED and ENACTED this ____ day of ________, 2007

________________________________________  __________________________________________
Fred Eisenberger                          Kevin C. Christenson
Mayor                                    City Clerk
Amendment No. 1

to the

Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan

The following text constitutes Amendment No. 1 to the Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan.

Purpose

• To expand the areas in which the Main Street Housing Loan and Grant Program applies.

• To add an arts component to the Commercial Property Improvement Grant Program.

• To rename the Community Improvement Plan, among other clerical and administrative changes to the Plan.

Location

The lands affected by the amendment are contained with the Downtown Hamilton Community Downtowns and Business Improvement Areas Community Improvement Project Area, designated by By-law 07-061 as amended by By-law 07-____.

Basis

• The expansion of the Main Street Housing Loan and Grant Program is consistent with the the goals and objectives of the Community Improvement Plan, including improving the housing stock and increasing population in the expansion areas.

• The addition of the Urban Artwalk as an arts component of the Commercial Property Improvement Grant Program is consistent with the goals and objectives of the Community Improvement Plan, and implements initiatives relating to Public Art. The introduction of the Urban Artwalk as component of the Commercial Property Improvement Grant facilitates the administration of the program.

• The new name of the Community Improvement Plan more accurately reflects the areas to which the Plan applies.
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. The Title of the Community Improvement Plan is amended as follows:
   a) The “Downtown Hamilton, Community Downtowns and Business Improvement Areas Community Improvement Plan” is renamed the “Downtown and Community Renewal Community Improvement Plan”.

2. Section 1.0 is amended as follows:
   a) In Section 1.0(i), the words “Downtown Hamilton, the City’s Community Downtowns and the City’s Business Improvement Areas (BIAs) as identified within the Community Improvement Project Areas;” are deleted and replaced with “Downtown Hamilton, the Community Downtowns in Ancaster, Binbrook, Dundas, Stoney Creek and Waterdown, Business Improvement Areas, and “main street” corridors, as identified in the Downtown and Community Renewal Community Improvement Project Area;”
   b) In Section 1.0(iv), the words “for Downtown Hamilton, Community Downtowns and BIAs.” are deleted and replaced with “within the Downtown and Community Renewal Community Improvement Project Area.”
   c) In the third paragraph of Section 1.0, the words “Downtown Hamilton, the City’s Community Downtowns as well as the City’s BIAs.” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area.”
   d) In the last paragraph of Section 1.0, the words “Downtowns and BIAs.” are deleted and replaced with “Downtowns, BIAs, nodes and corridors.”
3. **Section 2.0** is amended as follows:

   a) In the first paragraph of Section 2.0, the words “This new Downtown Hamilton, Community Downtowns and BIAs” are deleted and replaced with “The Downtown and Community Renewal”.

   b) After the first paragraph of Section 2.2, a new section is added as follows:

   "Section 2.3 Main Street Corridors

   In addition to the Downtowns and BIAs, “main street” corridors have also been identified as a Downtown and Community Renewal Community Improvement Project Area. Although they are not located within a designated downtown area or organized in a BIA, these corridors exhibit similar characteristics and face similar challenges. They generally have a mix of land uses predominated by ground-floor commercial uses, in buildings situated close to the street upon relatively small properties. The identified areas are primarily located within the lower, inner City where the population has been declining and buildings are underutilized, and in areas close to McMaster University and Mohawk College where there is a need to provide student housing alternatives along the corridors outside of interior, established residential neighbourhoods. There is opportunity for community improvement initiatives to address these issues, and make use of existing infrastructure and transit routes along the corridors."

   c) A new heading “Section 2.4 Amendments” is inserted between the new Section 2.3 and the two paragraphs preceding Section 3.0.

4. **Section 3.0** is amended as follows:

   a) In Section 3.2, the words “Official Plan” are added to the end of the second sentence in the second paragraph.

   b) In the fourth paragraph of Section 3.2, the words “Downtowns and BIAs” are deleted and replaced with “Downtowns, BIAs and “main street” corridors”

   c) In the first paragraph of Section 3.4, the words “each of the Community Downtowns and Business Improvement Areas are” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area is”
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Schedule 1 to By-law 07-___

d) In the fourth paragraph of Section 3.4, the words “Downtown Hamilton, Community Downtowns and BIAs” are deleted and replaced with “Downtown and Community Renewal”

5. **Section 4.0** is amended as follows:

a) In Section 4.0, the following text is inserted as the thirteenth bullet point in the list of Community Improvement Project Areas:

- “The Main Street Corridors Community Improvement Project Area – This area includes various corridors that exhibit “main street” characteristics, including a mix of land uses predominated by ground-floor commercial uses, in buildings situated close to the street upon relatively small properties, and are located outside of a designated downtown or BIA. The corridors are identified more precisely in the Downtown and Community Renewal Community Improvement Project Area By-law, and are generally described as residential and commercial properties along the following streets:

  i. Barton Street East, between James Street and the Barton Village BIA, including abutting properties designated ‘Prime Retail’ on Schedule M-2 of the Setting Sail Secondary Plan for West Harbour, and between Sherman Avenue and Walter Avenue;
  
  ii. Cannon Street, on the north side between Railway Street and Hughson Street, where properties are designated ‘Prime Retail’ or ‘Local Commercial’ on Schedule M-2 of the Setting Sail Secondary Plan for West Harbour;
  
  iii. James Street North, between Strachan Street and Burlington Street;
  
  iv. Kenilworth Avenue, between Main Street and Barton Street;
  
  v. King Street East, between Main Street at the Delta and Victoria Avenue;
  
  vi. King Street West, between Queen Street and Breadalbane Street, and between Highway 403 and the Westdale BIA;
  
  vii. Main Street East, between Victoria Avenue and Rosewood Road;
  
  viii. Main Street West, between Highway 403 and Osler Drive, including abutting properties designated ‘Mixed Use’ on Schedule 1 of the Ainslie Wood Westdale Secondary Plan;
  
  ix. Parkdale Avenue, between Queenston Road and Barton Street;
  
  x. Queenston Road, between the Main Street traffic circle and Reid Avenue;
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Schedule 1 to By-law 07-___

xi. Upper James Street, between Queensdale Avenue and Fennell Avenue; and,

xii. York Boulevard, on the south side between Queen Street and Dundurn Street, and on the north side between Queen Street and Inchbury Street, including abutting properties designated ‘Mixed Use’ on Schedule M-2 of the Setting Sail Secondary Plan for West Harbour.

Properties abutting those listed above may be included in the Main Street Corridors Community Improvement Project Area provided that they are situated between the “main street” and a parallel, public alleyway.”

b) In the fifth paragraph of Section 4.0, the words “Downtown Hamilton, Community Downtowns and Business Improvement Areas” are deleted and replaced with “Downtown and Community Renewal”

c) In the sixth paragraph of Section 4.0, the words “Downtown Hamilton, Community Downtowns and BIAs” are deleted and replaced with “Downtown and Community Renewal”

d) In the sixth paragraph of Section 4.0, the words “Downtown Hamilton, the Community Downtowns and the BIAs” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area”

6. **Section 6.0** is amended as follows:

   a) In the heading “6.0 Goals of the Downtown Hamilton, Community Downtowns & Business Improvement Areas Community Improvement Plan”, the words “Downtown Hamilton, Community Downtowns & Business Improvement Areas” are deleted.

   b) In the first sentence of Section 6.0, the words “Downtown Hamilton, Community Downtowns and BIAs” are deleted.

   c) In Section 6.0e), the words “Downtown Hamilton, Community Downtowns and Business Improvement Areas;” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area;”

7. **Section 7.0** is amended as follows:

   a) In the heading “7.0 Objectives of the Downtown Hamilton, Community Downtowns & Business Improvement Areas
Community Improvement Plan”, the words “Downtown Hamilton, Community Downtowns & Business Improvement Areas” are deleted.

b) In the first sentence of Section 7.0, the words “Downtown Hamilton, Community Downtowns and BIAs” are deleted.

c) In Section 7.0a), the words “Downtowns and BIAs” are deleted and replaced with “Downtowns, BIAs and “main street” corridors;”

d) In Section 7.0d), the word “designated” is inserted before the words “heritage buildings;”

8. **Section 8.0** is amended as follows:

a) In the first paragraph of Section 8.0, following the words “Secondary Plans,”, the word “and” is deleted and replaced with “including”; the words “for the Downtown Hamilton Community Improvement Project Area” are deleted; and, the words “Downtown Hamilton, the Community Downtowns and the City’s Business Improvement Areas.” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area.”

b) In the first sentence of the second paragraph of Section 8.1.1, the words “for a maximum loan term of 5 years.” are deleted and replaced with “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.”

c) After the last paragraph of Section 8.1.3, a new section is added as follows:

“8.1.3.1 Urban Artwalk

The Urban Artwalk is intended to promote cultural arts by transforming commercial façades and public spaces into visual art works and special event performance venues. It is a collaborative effort among the City, BIAs, and private property owners, funded through a variety of ways, including the City of Hamilton Public Art Program administered by the Culture Section, and public/private partnerships.

Public/private partnerships for Urban Artwalk projects upon private property will be administered as an arts component of the Commercial Property Improvement Grant (CPIG) Program, for the
placement of visual art works on private property that are accessible to public view. The grant will be paid on a matching basis up to a maximum of $10,000 per property for eligible art works. Artwalk applications will be evaluated and recommended through a juried review process prior to Council approval, as per the terms of the CPIG Program and the Artwalk Project Charter. As a pilot project, eligible properties will include those properties fronting the north and south sides of King William Street between James Street and Ferguson Avenue, in the Downtown Hamilton and International Village Business Improvement Areas. In the future, the Urban Artwalk may be expanded to other properties within Business Improvement Areas in the Downtown and Community Renewal Community Improvement Project Area, following Council’s approval of an amendment to the CPIG Program description and terms (Appendix C).

d) In the first paragraph, first sentence of Section 8.1.4, the words “Downtowns and Business Improvement Areas.” are deleted and replaced with “Downtowns, BIAs, and other “main street” corridors as identified in the Downtown and Community Renewal Community Improvement Project Area.”

e) In the first paragraph, second sentence of Section 8.1.4, the words “including the Downtown Hamilton BIA, International Village BIA, King Street West BIA, and the portion of the Main West Esplanade BIA east of Queen Street,” are added following the words “Community Improvement Project Area,”

f) The words “on vacant land” are deleted from the second sentence in the second paragraph of Section 8.1.4.

g) The words “and “main street” corridors.” are added at the end of the second sentence in the second paragraph of Section 8.1.4.

h) In the first sentence in the third paragraph of Section 8.1.4, the number “100,000” is deleted and replaced with the number “200,000”

i) The words “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” are added at the end of the third sentence in the third paragraph of Section 8.1.4.

j) The words “and six months” are added at the end of the fourth sentence in the third paragraph of Section 8.1.4.
k) In the first paragraph of Section 8.3, the words “Downtown Hamilton, Community Downtowns and BIAs.” are deleted and replaced with “the Downtown and Community Renewal Community Improvement Project Area.”

l) The following sentence is added at the end of Section 8.5 Public Art:

“In addition, community improvement initiatives such as the Urban Artwalk will promote partnerships with the private sector for the purpose of implementing exterior art works in strategic locations accessible to the public.”

9. **Section 9.0** is amended as follows:

a) In Section 9.0, the words “Downtown Hamilton, the City’s Community Downtowns and the City’s Business Improvement Areas.” are deleted and replaced with “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. 07-____ passed on the ___ day of ______________, 2007.
Hamilton Downtown Residential Loan Program

PROGRAM DESCRIPTION

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.

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, regulations contained within the Zoning By-law as well as any other City Council approved policy/regulation.

TERMS OF THE PROGRAM

1. 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.

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

3. Interest on arrears of 15% per annum or such tax arrears interest rate as may be established by Council from time to time.

4. 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.
5. 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 holdback. The balance outstanding will be paid by a balloon payment at the end of the five (5) year and six (6) month term.

6. The maximum loan amount is calculated on the basis of $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 program.

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

8. 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 guarantee’s; 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.

9. 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.

10. 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. An accredited member of the Appraisal Institute shall complete the property appraisal prior to funding within a time frame acceptable to the City.

11. 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 fees will be paid out of the first loan advancement that flows from the City of Hamilton. 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.
12. Realty taxes must be paid current and in good standing throughout the development process, and during the term of the City loan.

13. Eligible existing buildings/vacant properties must be located in the Downtown Hamilton Community Improvement Project Area. Only commercial buildings with a pre-existing annual vacancy of not less than 20% are eligible. Vacant lands include properties developed as parking lots.

14. Site Concept Plan drawings in a form acceptable to the City must accompany the application form. Architectural renderings of the proposed completed development must also be submitted and must meet the objectives of the Downtown Hamilton Secondary Plan as determined by City staff.

15. Advances are made by the City, upon proof by a quantity surveyor or architect/engineer confirming the value of the work completed.

16. 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.

17. 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.

18. Upon sale of individual condominium units, the City will be repaid $25.00 per square foot upon closing.

19. 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.

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

21. 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

Personal

- Net Worth Statement
- Completed Application
- Two Years Income Tax Returns

Corporate

- Two Years Financial Statements
- Incorporation Documents

Liabilities

- Current Institutional Bank or Banks
- Lawyers Name and Address

The Property

- Site Concept Plan or Survey
- Proposed Building Architectural Drawings
- Breakdown of Construction Cost
- Contracts in Place
- Original Purchase Price
- Current Registered Mortgages
- Details of Primary Construction Lending
- Details of Any Secondary Financing
- Appraisal (performed by A.A.C.I ) Today's Value
- Appraisal Upon Completion
- Phase 1 Environmental Report
- Breakdown of other uses i.e. (commercial component)

Marketing

- Projected Rental Rates per unit or per sq foot
- Any Leases currently in place
- Letters of Intent to Lease
- Projected Expenses or Actual if Available
- List any Advantages of Leasing for the Property

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) 546-2424 ext. 2721.
ENTERPRISE ZONE
MUNICIPAL REALTY TAX INCENTIVE GRANT PROGRAM

PROGRAM DESCRIPTION

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 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 reality 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 reality 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 reality 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) reality taxes attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

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 purchasers of new condominium units. The total of each property’s five years of approved grants shall not exceed the costs of the property’s development/redevelopment.

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

Developing, redeveloping or renovating residential/commercial lands and buildings within the Enterprise Zone, are eligible for grant approval following the owner’s grant application for Council approval. Such application shall be submitted and only received if it is prior to the owners 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 and the property’s grants (within the permitted terms of this program) is in 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 tax 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 it 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 tax 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 $625 application fee, a one time administration fee of $315 per unit, shall be charged to the registered or assessed owner of the property in order to qualify for the right of assignment, which fee 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.
COMMERCIAL PROPERTY IMPROVEMENT GRANT PROGRAM

PROCEDURE TO SUBMIT AN APPLICATION

To submit an application please make arrangements to meet with Downtown Renewal Division Staff, PRIOR TO (insert date), APPLICATIONS WILL ONLY BE ACCEPTED WITH TWO (2) COST ESTIMATES. APPLICATION FEE OF $285.00 (or any such fee as approved by City Council) MUST ACCOMPANY APPLICATION.

PROGRAM DESCRIPTION

The Business Improvement Area Commercial Property Improvement Grant 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 12 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 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 12 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 Renewal.
- Work completed must be consistent with estimates, and work proposed and identified within the application unless previously discussed and approved by the Downtown Renewal Division.
- An application fee of $285 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.
- Property taxes 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 Review Committee) 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 the review committee.

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 representative will be on the jury.
- 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.
MAIN STREET HOUSING LOAN AND GRANT PROGRAM

PROGRAM DESCRIPTION

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

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 City of Hamilton’s Community Downtowns;
   b) the Business Improvement Areas (excluding the Downtown Hamilton BIA, International Village BIA, King Street West BIA, and the portion of the Main West Esplanade BIA to the east of Queen Street);
   c) 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.