

1) Program Description

To provide a financial incentive in the form of a no interest loan to promote the maintenance and physical improvement of existing commercial, institutional and mixed use¹ buildings and properties within the Downtown Fonthill and Downtown Fenwick Community Improvement Project (CIP) Areas.

2) Who can apply?

Owners of properties located within the Downtown Fonthill or Downtown Fenwick Community Improvement Project (CIP) Areas Project Areas that meet the program eligibility requirements may apply.

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

3) How does the program work?

Loans are provided by the Town to an applicant for 70% of the cost of eligible interior and exterior building maintenance and improvement works from a minimum per property/project of \$5,000 to a maximum per property/project of \$20,000.

The loan is interest free for a 5-year term and must be repaid in equal consecutive monthly installments equal to 15% of the loan amount each year, starting six (6) months after loan advancement, with a balloon payment at the end of 5 years.

4) What types of work are eligible for a loan?

The following types of building maintenance and improvement works on commercial, institutional and mixed use buildings are considered eligible for a loan under this program:

- a) Entrance modifications to provide barrier-free accessibility
- b) Installation/upgrading of fire protection systems;
- c) Repair/replacement of roof;
- d) Structural repairs to walls, ceilings, floors and foundations;
- e) Water/flood/weatherproofing;
- f) Repair/replacement of windows and doors;
- g) Extension/upgrading of plumbing and electrical services for the creation of retail, office or residential space;
- h) Installation/alteration of required window openings to residential spaces;

¹ Mixed use includes commercial/residential, commercial/institutional and other mixed uses containing commercial use.

- i) Required improvements to heating and ventilation systems;
- j) Individual servicing upgrades required as the result of a major servicing upgrade program, e.g., upgrading of individual electrical service or water service as a result of these services being upgraded along the street; and,
- k) Other similar repairs/improvements related to health and safety issues, as may be approved.

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

In addition to the General Program Requirements, the following program specific requirements must also be met:

- a) Eligible works must conform to the Municipality's urban design guidelines, as amended from time to time and appropriate reference material as determined by Town Staff.
- b) For buildings designated under the *Ontario Heritage Act*, the building restoration and improvement works should be supported by documentation in the form of historic photographs or drawings clearly showing the feature(s) to be restored or reconstructed.
- c) The applicant will be required to submit at least two cost estimates from bona fide licensed contractors, including a breakdown of costs.
- d) Construction of all proposed improvements is to be completed within two (2) years of the date of approval of the loan. If the work is not completed within two (2) years, the loan approval will cease and the loan will not be paid.

6) Is there a fee to apply?

No.

7) When will the loan funds be advanced?

The loan will be advanced in full when:

- A Loan Agreement has been signed, executed and registered on title;
- An encumbrance for the full loan amount has been registered on title;
- Construction is complete;
- The building has been inspected by municipal staff; and,
- The applicant provides proof that all contractors have been paid.

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

The term of the loan is 5 years and is interest free. The loan must be repaid in equal consecutive monthly installments equal to 15% of the loan amount each year, with said payments starting six (6) months after loan advancement, and a balloon payment at the end of 5 years. The loan may be repaid in full at any time without penalty.

9) Will security for the loan be required?

Yes. The municipality will require that a Loan Agreement and an encumbrance in the full amount of the loan be registered on title of the property at the time of loan advancement. This encumbrance will be reduced as the loan is repaid. The encumbrance will be removed and the loan agreement released once the loan is repaid.

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

Yes, subject to approval by the Town.

11) What are the default provisions?

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

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

12) How do I apply for a loan?

- Arrange a pre-application meeting with Staff in order to determine program eligibility, proposed scope of work, project timing, etc., and,
- If authorized to apply for a loan, complete and submit an application form and ensure that your application includes all of the information requested in the application form and the required documents checklist.

13) What happens next?

- Applications and supporting documentation are reviewed by Staff to ensure that they meet all of the eligibility requirements. If your application does not meet the eligibility requirements, you will be notified of this in writing.
- Staff may request clarification or additional supporting documentation.
- Staff will perform an initial site visit(s) and inspection(s) of the property (if necessary).
- Staff makes recommendation regarding the loan application and then the Loan Agreement signed by the applicant is forwarded to Town Council.

- If your application is approved by Council, the Loan Agreement is then executed and registered on Title by the Town. A copy of the agreement(s) is also returned to you. Construction of the approved works may now commence, subject to issuance of a building permit(s).
- Contact Town Staff toward work completion.
- Upon completion of the works, Staff will conduct a final site visit(s) and inspection(s) to ensure compliance with the Loan Agreement and any permits pursuant to the *Ontario Heritage Act*.
- Submit to the Town, copies of paid invoices and “after” picture(s) of the completed works.
- Upon review and approval of all submitted documentation, the Town will issue a loan cheque to the applicant for the full amount of the approved funding. If the Town is providing a loan, it is at this point that an encumbrance for the full loan amount is registered on Title to the property by the Town.
- Once all loans have been repaid to the Municipality, the encumbrance will be discharged and the agreement on title will be released.

For further information on this program, please contact:

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