



City of Stratford Heritage Conservation District Building Code Upgrade Loan Program Guidelines

Purpose:

The HCD Building Code Upgrade Loan Program is intended to assist property owners with the financing of building improvements in the Heritage Conservation District (HCD) that are often necessary to ensure older buildings comply with today's Ontario Building Code requirements. The costs associated with these improvements frequently pose a major issue for building owners wanting to upgrade their properties. This issue is amplified in the HCD where much of the building stock is older and needs major improvements to meet present-day Building Code standards.

This program is consistent with several goals for HCD revitalization. It is anticipated that the program will:

- a) Support maintenance, improvement, beautification and viability of the historic building stock in Stratford's HCD. This stock is an integral feature of the core and offers a unique built environment that cannot be replicated outside of the HCD.
- b) Encourage the use of upper stories in older HCD buildings through conversion and adaptive re-use. Building Code issues are often at the forefront of projects, which convert vacant or under-utilized space to residential or commercial space.
- c) Support the development of distinctive, interesting and attractive commercial spaces in existing HCD buildings.
- d) Help to ensure that HCD buildings are safe for residents and patrons alike.
- e) Help to strengthen the HCD's property assessment base.

Area of Application:

This program applies to all properties within the HCD as defined in Municipal By-law 173-97.

General Provisions:

HCD Building Code Upgrade Loan Program

The HCD Building Code Upgrade Loan Program will provide long-term, interest-free loans for HCD building improvements that address health and safety issues and are deemed necessary to meet Building Code standards.

Funding

The Building Code Downtown Renovation Loan Program will be funded by an interest-bearing revolving fund, which will receive loan repayments and accumulate interest. The cost of the lien registrations and discharges as well as loan defaults and necessary promotion costs for this program will be charged to this fund.

Loan commitments will be given based on the availability of funding. Should there not be adequate funding to meet demand for the loan program, applications will be held and processed in chronological order of their application date as funding becomes available.

Eligible Works

Eligible works that will be financed through this program include improvements that are demonstrated to be necessary to meet Building Code requirements and address one or more health and safety issues. Examples of works that may be eligible under the HCD Building Code Upgrade Loan Program include:

- Installation or alteration of fire protection systems such as:
 - sprinklers
 - stand pipes
 - fire alarms
 - emergency power and lighting
 - exit signs
- Installation or alteration of fire separations;
- Installation or alteration of fire doors, fire shutters and other fire protection devices;
- Relocation of fire escapes and installation of new exit facilities
- Extension and/or upgrading of plumbing and electrical services
- Construction or alteration of stairs, guards, hand rails, etc.
- Reinforcement of floors, walls or ceilings;
- Installation or alteration of required window openings to residential spaces;
- Required improvements to ventilation systems;
- Improvements for barrier-free accessibility;
- Professional fees for the preparation of drawings required for eligible works

- Other improvements related to health and safety issues at the discretion of the Chief Building Official.

General Terms of the Loan

The loan will be interest free and will be amortized over a 10 year period. Loans issued through this program will be secured through a lien placed on title of the property.

Loan Amount

Loans will be issued to cover the lesser of:

1. 50% of the cost of the eligible works per building
2. A maximum of \$50,000 per building

While more than one building on a single property may be eligible for a loan, loans will not exceed 50% of the cost of the eligible works that relate to each individual building.

More than one loan may be issued for each building on each property, but the sum of these loans must not exceed the maximum loan amount of \$50,000 per building.

Loan Security

Loans will be secured through the registration of a lien on title for the total loan amount. Liens will be noted on the tax roll and will be registered and discharged by the City.

The Director of Corporate Services may postpone the lien, which is given as security for the HCD Building Code Upgrade Loan in circumstances where any of the registered mortgages in place at the time that the lien was registered are being consolidated or renewed and the total value of those mortgages is not being increased. Postponement may also be granted where additional mortgage monies are involved, provided that the assessed value of the property indicates that there is sufficient equity to protect the value of the lien.

Eligibility for Loan

Those who have previously defaulted under any City loan program will not be eligible for a HCD Building Code Upgrade Loan. The applicant(s) for a HCD Building Code Upgrade Loan must be the registered owner(s) of the property. Loan assistance is available for any individual building in the HCD. Within a contiguous group of buildings, a individual building will be interpreted as any structure, which is separated from other structures by a solid party wall. The

entirety of a multi-unit building, which contains separate units with condominium status, will be considered one individual building for the purposes of this program.

Each discrete building on each property is eligible for a HCD Building Code Upgrade Loans up the specified maximum loan amount. Separate applications must be submitted for each individual building on a single property.

All mortgages and loans applicable to a property, including the HCD Building Code Upgrade Loan, must not exceed 90% of the assessed value of the property. Based on the property's assessed value, property owners that do not have sufficient equity in their property will not be eligible for a loan under this program. The City will be responsible for preparing a title search to determine all outstanding mortgages and liens charged against the property.

The applicant must sign a loan agreement, which will identify the terms and conditions of the loan. All property taxes must be paid in full before funds are advanced under the program and for the lifetime of the loan.

Procedures:

ii) Loan Application Accompanied by Building Permit Application

The applicant is required to submit a HCD Building Code Upgrade Loan application to the Director of Building and Planning or designate. Such application will need to be accompanied by a copy of a Building Permit application with complete drawings for the proposed works. It should be noted that some building proposals will require drawings to be prepared by a qualified architect or engineer (as required for the associated Building Permit)

ii) Description of Eligible Works and Substantiated Costs

The HCD Building Code Upgrade Loan application will include complete drawings for the works to be undertaken. The applicant is required to submit an estimate of the costs of all eligible works to be completed. This cost estimate should be supported by a minimum of two quotations by qualified contractors. In general, the lower of the two estimates will be taken as the cost of the eligible works for the purposes of this program. Cost estimates should be consistent with the estimate noted on the accompanying Building Permit application.

iii) Relationship of Works to Building Code and Health and Safety Issues

The application will include a description of how the proposed works relate to a specific requirement under the Ontario Building Code. The onus is on the applicant to show how the proposed works relate to the Building Code and

addresses one or more health and safety issues. In addition, the applicant should provide a detailed cost estimate of the works such that only those items identified as eligible works are included in the HCD Building Code Upgrade Loan Program.

iv) Council Makes Final Determination

The final determination as to how much of the proposed work is eligible under the HCD Building Code Upgrade Loan Program will be made by City Council. The Director of Building and Planning or designate may require further drawings, cost estimates, or other items of information relating to the proposed works before approval of a loan is issued.

v) City Staff May Inspect Building – City Responsible for Title Search

Following the submission of the loan application and prior to its approval, City staff may need to inspect the building to review its condition and the proposed improvements. The City will make arrangements for a title search of the property and will review tax payment records.

vi) Approval by Council Expires After One Year

Once all eligibility criteria and conditions are met, and provided that funds are available in the HCD Building Code Upgrade Loan Fund, Council can approve the loan.

Approval by means of a letter to the applicant will represent a loan commitment. Loan commitments will be valid for one year and will expire if the work is not completed within that time period. Council may provide a written loan commitment extension of up to one additional year.

vii) Inspection of Completed Work

The loan will be paid to the property owner upon receipt of invoices for all completed work and after City inspection of all completed improvements that have taken place. The City will inspect the work completed to verify that the proposed improvements have been completed as described in the application. The loan amount will relate to the invoices showing the actual costs of completed work and not the estimated costs as described in Section (ii) above.

Prior to the advancement of funds, the loan agreement will be signed only when the work is completed. There will be no progress payments.

Loan Repayment Provisions:

Loan payments will begin six months after the advancement of funds. Repayment of the loan will be on a monthly basis. The amount of these monthly payments will be calculated based on a 10 year amortization period. Full repayment can be made at any time with no penalty.

This program does not impose any specific restrictions on demolition except that any outstanding loan amount must be repaid to the municipality prior to the issuance of a demolition permit.

The loan will be transferable to a new owner providing that the new owner meets with, and agrees to, the terms and conditions of the loan.

Relationship to Other HCD Programs:

It is intended that that the HCD Building Code Upgrade Loan Program will complement other HCD programs offered by the City of Stratford. As long as all eligibility criteria and conditions are met for this program, participation in other City programs such as the HCD Façade Improvement Loan Program or the HCD Rehabilitation Grant Program does not preclude the property owner from being eligible for a HCD Building Code Upgrade Loan.

Not Retroactive:

The HCD Building Code Upgrade Loan Program will not be retroactive to apply to works started before the commencement of the program.