



## **City of Stratford Heritage Conservation District Façade Improvement Loan Program Guidelines**

---

### **Purpose:**

The Façade Improvement Loan Program is intended to encourage Heritage Conservation District (HCD) property owners and merchants (through a private agreement with a landowner) to undertake structural and façade improvement to commercial buildings. This program allows the City to offer financial assistance to allow the completion of façade improvements in accordance with certain municipal standards.

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

- a) Improve and maintain existing buildings in the HCD.
- b) Preserve heritage features within the HCD and encourage improvement consistent with the *“City of Stratford Heritage Conservation District Standards”*.
- c) Encourage improvements to rear facades in accordance with the *“City of Stratford Heritage Conservation District Standards”*.
- d) Provide opportunity for investment in HCD buildings that improves the economic climate of the area and increases its importance as a destination for residents and visitors.

### **Area of Application:**

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

### **General Provisions:**

The HCD Façade Improvement Loan Program will provide long-term, interest-free loans for HCD façade improvements that conform with the *“City of Stratford Heritage Conservation District Standards”*.

### Funding

The HCD Façade Improvement 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 to facades in the HCD that conform to the “*City of Stratford Heritage Conservation District Standards*”.

Exterior renovations that may qualify for assistance include:

- Restoration of the original façade;
- Repointing of Masonry;
- Window repair and restoration;
- Installation of appropriate signage if in conjunction with other improvements
- Professional fees from architects, designers, engineers, and solicitors along with studies also eligible expenses.

### 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 \$25,000 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 \$25,000 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 Downtown Renovation 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 Downtown Renovation loan. The applicant(s) for a HCD Façade Improvement 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, an 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 individual building on each property is eligible for HCD Façade Improvement loans up to 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 Façade Improvement 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.

Then 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:**

### *i) Loan Application Accompanied by Building Permit Application and/or Heritage Permit Application*

The applicant is required to submit a HCD Façade Improvement 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 and/or Heritage 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) Conformity to “City of Stratford Heritage Conservation District Standards”*

In order to be eligible under the HCD Façade Improvement Loan program, all proposed works must conform to the “*City of Stratford Heritage Conservation District Standards*”.

### *iii) Description of Eligible Works and Substantiated Costs*

The HCD Façade Improvement Loan application will include complete drawings (as required) 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 and/or Heritage Permit application.

### *iv) Relationship of Works to Façade Improvements*

The application will include a description of how the proposed works relate to exterior façade improvements. The onus is on the applicant to show how the proposed works relate to façade improvements. 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 Façade Improvement Loan program.

### *v) Council Makes Final Determination*

The final determination as to how much of the proposed work is eligible under the HCD Façade Improvement Loan program will be made by City Council. The Director 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.

*vi) 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.

*vii) Approval by Council expires after one year*

Once all eligibility criteria and conditions are met, and provided that funds are available, Council can approve the HCD Façade Improvement 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.

*viii) 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 (iii) 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.

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 Façade Improvement 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 Building Code Upgrade Loan Program or the HCD Rehabilitation Grant Program does not preclude the property owner from being eligible for a HCD Façade Improvement Loan.

**Not Retroactive:**

The HCD Façade Improvement Loan Program will not be retroactive to apply to works started before the commencement of the program.