

CITY OF ST. CATHARINES

COMMUNITY IMPROVEMENT PLAN (2020CIP)

PROGRAM GUIDELINES

❑ Downtown Forgivable Loan Program (DFLP)

On November 16, 2020 the City adopted a new Community Improvement Plan, herein referenced as the 2020CIP. The 2020CIP offers a one-time grant to help offset project costs to support a greater mix and size of housing types in the City and increase the availability of affordable rental housing accommodation. The incentive is provided after project completion.

The following guideline provides an overview of the **Downtown Forgivable Loan Program (DFLP)**, including eligibility, criteria, process and program timelines, application submission requirements, and requirements to commence payment of the incentive. Prospective applicants are encouraged to read the 2020CIP for more specific program details prior to making an application.

The **Application Form** for the DFLP can be found [here](#).

1. PROGRAM OVERVIEW

The Downtown Forgivable Loan Program (DFLP) provides a one-time interest-free, forgivable loan up to \$100,000 per property (\$50,000 per unit) to help offset project costs for the creation of new residential dwelling units in the Downtown Priority Neighbourhood (Appendix 'B1' of the 2020CIP).

The DFLP targets the conversion of vacant upper-level, rear and/or basement units in existing buildings to add at least one new residential dwelling unit. A vacant unit is defined as unoccupied floor area in an existing mixed-use building or a building that is proposed to be mixed-use as a result of the project.

The DFLP will offer an additional loan amount up to \$50,000 for projects that construct at least one new barrier-free dwelling unit that meets the criteria outlined in Schedule 2 of this Guideline.

2. MINIMUM ELIGIBILITY

- i) Only properties in the Downtown Priority Neighbourhood (Appendix 'B1' of the 2020CIP) are eligible for the DFLP.
- ii) The Project must result in at least one new dwelling unit, as defined in the City's Zoning By-law 2013-283.
- iii) Projects which result in a new barrier-free dwelling unit may be eligible for an additional forgivable loan top-up to cover eligible costs identified in Schedule 2 of this Guideline.
- iv) The Project must be located within a vacant upper-level, rear and/or basement unit in an existing building. The Project must be in an existing mixed-use building or a building that will become mixed-use as a result of the Project. Projects for standalone residential buildings are not eligible.
- v) Property taxes must be paid in full and remain in good standing at the time of application and at all times throughout the duration of the forgivable loan term. Failure to maintain property tax payments in good standing may result in disqualification from the Program, suspension of disbursements, or repayment of any grant or loan amounts already advanced, at the sole discretion of the City.
- vi) Outstanding work orders, orders, or requests to comply from the City must generally be resolved prior to loan approval. However, at the sole discretion of the City, loan approval may be granted where the nature of the order or compliance issue is such that it can reasonably be addressed through the course of the proposed project work. In such cases, the property owner must demonstrate ongoing and satisfactory progress toward compliance at intervals determined by the City. Failure to do so may result in the suspension or cancellation of the loan, and the requirement to repay any disbursed amounts.

3. LOAN DETAILS

- i) At the time of DFLP approval and issuance of Building Permit Occupancy, the applicant may receive an interest-free, forgivable loan from the City for an eligible project, as follows:
- The value of the forgivable loan is up to 70% of eligible project costs, to a maximum of \$50,000 per dwelling unit.
 - If more than one new dwelling unit is proposed, the maximum value of the forgivable loan is up to 70% of eligible project costs, to a maximum of \$100,000 per property.
 - If the project contains a barrier-free dwelling unit, it may be eligible for a loan top-up to cover eligible costs identified in Schedule 1 of this Guideline. The maximum value of the forgivable loan is up to 70% of eligible project costs, to a maximum of \$100,000 per unit or \$150,000 per property if there are more than one new barrier-free dwelling units.
 - The maximum forgivable loan amounts, based on various project scenarios, are as follows:

Eligible Project	Maximum Forgivable Loan
One new dwelling unit (not barrier-free)	70% of eligible project costs, up to \$50,000
One new barrier-free dwelling unit	70% of eligible project costs, up to \$100,000
Two or more new dwelling units (not barrier-free)	70% of eligible project costs, up to \$100,000
Two or more new dwelling units (one barrier-free)	70% of eligible project costs, up to \$150,000
Two or more new dwelling units (all barrier-free)	70% of eligible project costs, up to \$150,000

- ii) The grant operates as a 5-year interest-free, forgivable loan whereby each year 20% of the loan amount is converted to a grant. This is conditional upon the project adhering to all DFLP requirements and all applicable municipal by-laws for the entire duration of the loan period. If the project remains in compliance for the entire 5-year period, 100% of the forgivable loan will become a grant by the end of year 5, as identified in the table below:

Year	Loan Amount	Grant Amount
Building Permit (Occupancy)	\$100,000	\$0
End of Year 1	\$80,000	\$20,000
End of Year 2	\$60,000	\$40,000
End of Year 3	\$40,000	\$60,000
End of Year 4	\$20,000	\$80,000
End of Year 5	\$0	\$100,000

- iii) The forgivable loan will be disbursed in two installments: 50% following the execution of the DFLP Loan Agreement and 50% following the issuance of building permit occupancy.
- iv) The DFLP requires a minimum loan amount of \$25,000.
- v) Additional financial incentives may be secured for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives, including conditional approvals, must be declared to the municipality as a condition of loan disbursement. If the property owner is applying for other financial incentives offered by the City of St. Catharines under the 2020CIP for the same project, the same eligible project costs cannot be claimed under more than one program.

Where the value of all other incentives, combined with the City forgivable loan, is greater than total project costs, the value of the DFLP loan will be decreased accordingly to ensure that all incentives provided for the project do not exceed total project costs.

4. PROJECT EVALUATION

Projects must comply with the City's Zoning By-law, the Ontario Building Code, the Ontario Fire Code, and all other applicable laws, including without limitation any federal, provincial, or municipal statutes, regulations, by-laws, policies, standards, ordinances, guidelines, directives, directions, or orders issued by authorities having jurisdiction.

5. ELIGIBLE PROJECT COSTS

- i) Only eligible project costs that are consistent with, and incurred after the Building Permit for the new dwelling unit(s) has been issued by the Chief Building Official, may be claimed under this Program.
- ii) Eligible costs that may be claimed under this Program include any works required to bring the vacant unit into compliance with the Ontario Building Code and other relevant standards or regulations (e.g., Ontario Fire Code, Property Standards By-law) to facilitate the new dwelling unit(s).
- iii) If owners are converting a vacant unit to create a new barrier-free dwelling unit, additional eligible project costs are identified in Schedule 2 of this Guideline.
- iv) Eligible project costs do not include costs to repair existing residential units.
- v) Ineligible costs include but are not limited to: household appliances; decorative amenities; fees for planning or building permit applications; development charges; parkland dedication fees; financing, consulting fees, and fees to prepare building permit plans.

6. APPLICATION INTAKE & REQUIREMENTS

Applications that do not meet all submission requirements will be deemed incomplete and not processed further or considered for approval. A complete application must be submitted within 30 days of a Building Permit issued by the Chief Building Official for the new dwelling unit(s). Complete applications will be reviewed on a first-come, first-served basis. There is no defined intake date for submission of a complete DFLP application, but the DFLP will expire once all available funds are fully allocated.

The following materials are required to be submitted as part of a complete application:

- i) A copy of the Building Permit plans approved by the Chief Building Official for the construction of the new dwelling unit(s).
- ii) Estimated Project Costs: An itemized estimate of total project costs and eligible project costs.
- iii) Picture documentation of the proposed building area to be converted to residential, taken at the time of application.
- iv) Documentation demonstrating the history of the building area to be converted, including past use and duration of vacancy, which may include utility records, prior tenancy documentation, or other evidence acceptable to the City, as requested
- v) If applying for the additional loan amount to facilitate a barrier-free unit, the following submission materials may be required:
 - a. Picture documentation of the proposed building area to be retrofitted or constructed for the barrier-free dwelling unit, taken at time of application.
 - b. Details of any proposed barrier-free features beyond Ontario Building Code requirements, if applicable.

In addition to submitting a complete application, the following minimum requirements must be met in order to be eligible for the DFLP:

- i) The property must comply with all applicable laws, including without limitation all federal, provincial, and municipal statutes, regulations, by-laws, codes, ordinances, policies, guidelines, and orders, including but not limited to the Ontario Building Code, the City of St. Catharines' Zoning By-law and Garden City Plan, the Ontario Fire Code, the Property Standards By-law, and any applicable directives or requirements issued by regulatory authorities having jurisdiction.

- ii) The property owner shall not be in arrears and shall be in good financial standing with respect to any and all amounts owing to the City, the Regional Municipality of Niagara, the Province of Ontario, or the Federal government of Canada. This includes, without limitation, property taxes, local improvement charges, fees, penalties, interest, fines, levies, debts, or any other charges, amounts, or financial obligations, whether direct or indirect, and whether incurred prior to or during the term of the Program.

7. PROJECT APPROVAL/ TIMELINES

- i) Complete applications will be processed on a first-come, first-served basis.

City Council is the approval authority for DFLP applications, except where authority is delegated to municipal staff. By-law 2025-102 delegated City staff with the authority to approve DFLP applications, implement loan agreements and disburse funds.

The DFLP is funded by the Housing Accelerator Fund (HAF), granted to the City under the federal HAF program. Application approval is strictly contingent upon the availability of program funds, the City's internal budget allocations, and the number and value of previously approved applications. The City reserves the right to decline or defer any application, in whole or in part, where program funding is insufficient or fully committed, and shall not be obligated to approve any application or disburse any funds beyond the limits of available funding.

- ii) CIP Agreement

After the project has been approved and prior to loan disbursement, the property owner is required to enter into a Loan Agreement with the municipality within 60 days of the application approval date.

All works completed must comply with the description of the works as provided in the Application Form and contained in the Loan Agreement.

- iii) Project Completion

The project must be completed to the satisfaction of the municipality within eighteen (18) months from the date of building permit issuance.

The Loan Agreement will be registered, and loan disbursement will occur in two installments: 50% following the execution of the DFLP Loan Agreement and 50% following the issuance of building permit occupancy.

8. NO RETROACTIVE APPROVAL

Prospective applicants should not commence dwelling unit(s) construction prior to formal approval by the municipality.

9. REQUIREMENTS FOR LOAN DISBURSEMENT

Prior to disbursement of the DFLP forgivable loan, the property owner must make a request for payment to the municipality, satisfy all DFLP requirements for a complete application, as well as the following:

- i) All municipal property taxes levied on the property are paid in full.
- ii) All outstanding work orders, orders or requests to comply from the City are satisfactorily addressed.
- iii) Submission of an Eligible Costs Form, setting out in itemized detail all project costs incurred by the property owner, and broken down by project components, including but not limited to detailed invoices, contracts, service/material provider, materials supplied, purchase orders, and include proof of payment.
- iv) Execution of a Loan Agreement between the City and property owner, to be registered on title. The Loan Agreement will be registered, and loan disbursement will occur in two installments: 50% following the execution of the DFLP Loan Agreement and 50% following the issuance of building permit occupancy.
- v) Declaration of any grants or financial incentives that have been secured, or received conditional approval, for the same project from other government agencies, non-profit groups, or other agencies and associations. The amount, duration and provider of the incentives must be set out in the declaration.
- vi) Picture documentation of the new dwelling unit(s) after Occupancy has been granted, in order to receive the remaining 50% of the forgivable loan.
- vii) If applicable, picture documentation once Occupancy has been granted of all completed barrier-free components funded by the DFLP, in order to receive the remaining 50% of the forgivable loan.
- viii) The City shall require annual reporting from successful applicants to monitor compliance with the DFLP criteria and all other applicable laws, by-laws, and requirements (e.g., maintaining good standing with the City, with no outstanding work orders and all property tax and water accounts current).

Applicants shall provide current photographs of the dwelling unit(s) and a written Attestation at the end of each loan year, confirming continued compliance with the terms of the Loan Agreement. In addition, the City reserves the right to conduct site visits or inspections at any reasonable time during the loan term, with or without notice, to verify project status, compliance with applicable requirements, and the accuracy of submitted documentation. The applicant shall cooperate fully with any such inspection or information request, including providing access to relevant invoices, proof of payment, photographs, and other records evidencing compliance or progress.

If the project is in compliance at the end of each loan year, then 20% of the loan amount shall be forgiven and converted to a grant. If the project is not in compliance or fails to demonstrate sufficient progress as determined by the City, any remaining loan amount may, at the City's sole discretion, become immediately repayable. The remaining loan amount would become immediately payable to the City in equal monthly installments. Any missed monthly repayment amount will be added to the property tax account and treated like outstanding taxes.

- x) If the project is not completed within eighteen (18) months of the initial loan disbursement (whichever is earlier), the City may, at its sole discretion, require the applicant to immediately repay all disbursed funds, including any amounts that have been forgiven and converted to grants. Extensions may be granted in exceptional circumstances, but must be approved in writing by the City.
- xi) The applicant shall notify the City in writing of any material changes to the project, ownership structure, or use of the property during the term of the loan. Failure to do so may result in suspension or cancellation of the loan and recovery of funds disbursed.
- xii) Any misrepresentation, omission, or provision of false or misleading information in connection with the application or administration of the loan shall constitute a default under the Loan Agreement and may result in immediate repayment of all funds disbursed, including any amounts converted to grants.

GUIDELINE SCHEDULES

SCHEDULE 1: ELIGIBLE PROJECT COSTS

Only eligible project costs that are paid for by the property owner who enters into the Loan Agreement with the City are eligible for the incentive program.

Only eligible project costs that are consistent with and incurred after the Building Permit for the new dwelling unit(s) has been issued by the Chief Building Official, may be claimed under this Program.

Eligible costs that may be claimed under this Program include any works required to bring the *vacant* unit into compliance with the Ontario Building Code and other relevant standards or regulations (e.g., Ontario Fire Code, Property Standards By-law, Zoning By-law) to facilitate the new dwelling unit(s).

This includes but is not limited to the following works:

- Fire separation and alarms (e.g. fire separation wall insulation, fire and carbon monoxide alarms)
- Ventilation and lighting
- Window and entrance/exit requirements
- Kitchen and bathroom installations
- Sleeping area requirements
- Ceiling height requirements

Eligible project costs do not include costs to repair existing residential units.

Ineligible costs include but are not limited to: household appliances; decorative amenities; fees for planning or building permit applications; development charges; parkland dedication fees; financing, consulting fees, and fees to prepare building permit plans.

If owners are converting a *vacant* unit to create a new *barrier-free dwelling unit*, additional eligible project costs are identified below in Schedule 2.

SCHEDULE 2: ELIGIBLE PROJECT COSTS FOR BARRIER-FREE UNITS

- a) If owners are converting an eligible *vacant* unit to create at least one new *barrier-free dwelling unit*, it must comply with Division B, Section 3.8 of the Ontario Building Code (OBC) to be eligible under the DFLP. This includes but is not limited to:
- a. Entrance requirements (e.g., path of travel, number of required barrier-free pedestrian entrances, ramp, elevator, lift, power door operator control etc.)
 - b. Barrier-free paths of travel requirements (e.g., width and maneuvering space, even surfaces, slip-resistant flooring, illumination etc.)
 - c. Exterior Walk requirements (e.g., slip-resistant surface, obstruction-free, width, ramp if applicable, tactile attention indicator and/or curb ramp if applicable)
 - d. Ramp requirements (e.g., slope and width, handrails etc.)
 - e. Elevator & Lift requirements (e.g., CSA specifications)
 - f. Doorway & door requirements (e.g., clearance requirements, barrier-free path, door opening devices, power door controls, floor surfaces abutting door etc.)
 - g. Control requirements (e.g., power doors, electrical switches, thermostats, intercom switches etc.)
 - h. Doorbells and fire alarms
 - i. Bathroom requirements (e.g., path of travel, water closet, lavatory, bathtub, shower, grab bars and blocking, hand operated washroom accessories, space to permit wheelchair maneuvering etc.)
 - j. Access to Parking Area requirements, if applicable (e.g., barrier-free path of travel, vertical clearance, loading zone, curbing, accessibility signs etc.)
 - k. Signage requirements
- b) In addition to barrier-free requirements identified in Division B, Section 3.8 of the Ontario Building Code (OBC), other barrier-free components that are eligible under the DFLP include:
- a. Paths of travel and/or maneuvering areas exceeding OBC requirements (e.g. minimum clearances for kitchens, maneuvering area for wheelchair or scooter)
 - b. Adjustments to stairways (e.g. adding contrast strips, adjusting step nosing, handrails, removing open risers, connections to ramps etc.)
 - c. Lever door handles
 - d. Single lever sink faucet
 - e. Shower seat and/or tub transfer bench
 - f. Conversion of tub to walk-in/wheel-in shower and/or walk-in tub/tub cutout
 - g. Slip-resistant flooring beyond OBC requirements
 - h. Water closet and/or lavatory adjustments beyond OBC requirements
 - i. Grab bars and/or handrails beyond OBC requirements (e.g., washroom, bedroom, living room, kitchen)
 - j. Adjustments to counters, vanities, cabinets, appliances, storage areas etc. to be an accessible height per CSA specifications

- k. Adjustments to bedroom area (e.g. space to maneuver, placement of electrical switches & outlets, luminance, bed assist rail etc.)
- l. Window adjustments (e.g. easier to open, accessible height)
- m. Adjustments to mailboxes, recycling and/or garbage areas to make them more accessible (e.g. path of travel, height, weight of bin lids, automatic doors etc.)
- n. Hoists and/or ceiling lifts
- o. Adjustments to balconies to improve accessibility (e.g. roll-out balcony with swing door)
- p. Areas of safe refuge
- q. Service animal accommodations

If the project contains any barrier-free components beyond OBC requirements that are being submitted as an eligible cost, a brief rationale is required as part of the application to demonstrate how it meets the intent of the DFLP loan top-up.

- c) Ineligible costs under the DFLP include but are not limited to:
 - a. Any construction that is not required to meet barrier-free OBC, CSA or universal design standards.
 - b. Replacement or maintenance of any deteriorated, substandard, leaking or inefficient items or systems (such as windows, roofs, and HVAC systems) that is not required to meet barrier-free OBC, CSA or universal design standards.
 - c. Appliances, devices, controls or fixtures that are not required to meet barrier-free OBC, CSA or universal design standards.
 - d. Replacement of existing items that could be repurposed by adaptations such as vanities, medicine cabinets, kitchen counters, kitchen fans, bathroom fans, lights, sinks, or faucets.
 - e. Financing, consulting fees and fees to prepare building permit plans or planning application drawings.