



City of Annapolis

Finance Office

160 Duke of Gloucester Street
Annapolis, MD 21401-2517

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Sprinkler Cost Assistance Program

The City of Annapolis' Sprinkler Cost Assistance Program guidelines are outlined below under City Code Section 17.20.100.

Purpose

The Director of Finance shall establish and maintain a Sprinkler Assistance Revolving Fund and necessary procedures for the purpose of encouraging the installation of sprinklers in older buildings throughout the City so as to increase the safety of residents and to minimize damage resulting from fire and to allow greater utilization of currently vacant or underutilized space. The program will operate by making low cost loans to developers or property owners of older buildings that do not currently have sprinkler systems installed at the time of application.

Financing of revolving fund

Through the normal City budgeting and amendment process, funds are authorized to be allocated to the Sprinkler Assistance Revolving Fund from the General Fund. Funds may be made available for this purpose during any budget year. As loans are repaid back into the fund, those amounts become available for new loans. At no time may the total outstanding balance of all loans exceed the total amounts made available in the budget process.

Interest rate

The interest rate to be charged to the borrower is to be one percent per annum unless otherwise established by resolution of the City Council.

Eligibility

Loans may only be made to developers or owners for the rehabilitation of existing commercial or residential buildings. Further, loans may only be made where such loans are part of a funding package that will result in the affected building being fully sprinkled consistent with Code Section 17.20. Loans may not be made for new buildings. Eligible costs that may be funded with the loan proceeds are limited to the installation of sprinklers, including labor and materials, and hook-up to the City water supply to a maximum of \$40,000.

Loan approval

Applications that are complete and meet all appropriate requirements may be approved by the Director of Finance on a first come, first served basis. If the loans requested in complete applications in hand exceed the amount available for new loans, the applications shall be ranked by age of building, location of building, historical significance, and other relevant factors as determined by the Director of Finance. A loan may be recalled by the Director of Finance if the Chief of the Fire Department and/or the Director of Neighborhood and Environmental Programs find that any element of the rehabilitation of the building for which a sprinkler loan is requested is not in compliance with applicable provisions of the City Code.

Loan disbursement

Upon issuance of the building permit by the Department of Neighborhood and Environmental Programs, the Director of Finance may disburse the funds for the approved loan to the borrower. The borrower must request disbursement of the loan within one year of notification of loan approval unless the Chief of the Fire Department and/or the Director of Neighborhood and Environmental Programs find that the delay in the borrower's request for disbursement is not due to factors under the borrower's control.

Repayment

Repayment of the loan by the borrower will be made on a monthly basis according to terms and procedures established by the Director of Finance. A loan period may not exceed five years from the date the funds are disbursed to the borrower. However, if the property for which the loan is made is sold within the loan period, then the outstanding balance of the loan on the date of sale must be repaid within thirty days. The amount of the outstanding balance of the loan shall be secured by a lien placed upon the property and shall be collected and enforced in the same manner as real property taxes.



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Sprinkler Cost Assistance Application

The Sprinkler Cost Assistance Program requires the following information:

- Description of the work to be done.
- Bid estimate for the installation of a fire suppression system that meets City code requirements.
- Written consent from the property owner if the applicant is a tenant.
- Signed Consent Form (following application).

Name of applicant _____

Property address _____

Contact person _____

Contact address _____

Phones Day _____ Fax _____

Email address _____

Property Tax I.D. _____ Amount requested _____

Status of property ownership (check one)

Sole Ownership

Corporation, Partnership or Trust

Lessee



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Sprinkler Cost Assistance Program Consent Form

Name of applicant _____

Property address _____

Property Tax I.D. _____

I would like to participate in the City of Annapolis' Sprinkler Cost Assistance Program and agree to adhere to the programs guidelines as outlined below under City Code Section 17.20.100.

17.20.100 Sprinkler Assistance Revolving Fund.

- A. Purpose. The Director of Finance shall establish and maintain a Sprinkler Assistance Revolving Fund and necessary procedures for the purpose of encouraging the installation of sprinklers in older buildings throughout the City so as to increase the safety of residents and to minimize damage resulting from fire and to allow greater utilization of currently vacant or underutilized space. The program will operate by making low cost loans to developers or property owners of older buildings that do not have currently have sprinkler systems installed at the time of application.
- B. Financing of Revolving Fund. Through the normal City budgeting and amendment process, funds are authorized to be allocated to the Sprinkler Assistance Revolving Fund from the General Fund. Funds may be made available for this purpose during any budget year. As loans are repaid back into the fund, those amounts become available for new loans. At no time may the total outstanding balance of all loans exceed the total amounts made available in the budget process.
- C. Interest Rate. The interest rate to be charged to the borrower is to be one percent per annum unless otherwise established by resolution of the City Council.
- D. Eligibility. Loans may only be made to developers or owners for the rehabilitation of existing commercial or residential buildings. Further, loans may only be made where such loans are part of a funding package that will result in the affected building being fully sprinkled consistent with Code Section 17.20. Loans may not be made for new buildings. Eligible costs that may be funded with the loan proceeds are limited to the installation of sprinklers, including labor and materials, and hook-up to the City water supply.
- E. Loan Approval. Applications that are complete and meet all appropriate requirements may be approved by the Director of Finance on a first come, first served basis. If the loans requested in complete applications in hand exceed the amount available for new loans, the applications shall be ranked by age of building, location of building, historical significance, and other relevant factors as determined by the Director of Finance. A loan may be recalled by the Director of Finance if the Chief of the Fire Department and/or the Director of Neighborhood and Environmental Programs find that any element of the rehabilitation of the building for which a sprinkler loan is requested is not in compliance with applicable provisions of the City Code.
- F. Loan Disbursement. Upon issuance of the building permit by the Department of Neighborhood and Environmental Programs, the Director of Finance may disburse the funds for the approved loan to the borrower. The borrower must request disbursement of the loan within one year of notification of loan approval unless the Chief of the Fire Department

and/or the Director of Neighborhood and Environmental Programs find that the delay in the borrower's request for disbursement is not due to factors under the borrower's control.

G. Repayment. Repayment of the loan by the borrower will be made on a monthly basis according to terms and procedures established by the Director of Finance. A loan period may not exceed five years from the date the funds are disbursed to the borrower. However, if the property for which the loan is made is sold within the loan period, then the outstanding balance of the loan on the date of sale must be repaid within thirty days. The amount of the outstanding balance of the loan shall be secured by a lien placed upon the property and shall be collected and enforced in the same manner as real property taxes.

I understand that the proceeds issued under this program are to be used only at the above referenced property.

I certify that the information presented in this application and in all attachments are true and complete to the best of my knowledge.

Signature _____ Date _____