

## **City Living: Fact Sheet**

### **Funding**

- Individual schemes will be assessed for risk. Interest rates will be charged accordingly based on the level of perceived risk associated with a project and the level of security offered to the Local Authority, subject to a minimum interest rate of 5.25%.
- In the majority of cases, the Council will seek to secure a first charge on property and ordinarily it is expected that the loan will be of equivalent value to only 60-65% of the end value of the completed scheme.
- Interest rates will be competitive to encourage take-up of the fund but these will be above the state aid thresholds and will be offered on a commercial basis such that they remain state aid compliant.
- Up to 100% of the conversion costs will be eligible for DCC funding. The DCC investment will be paid out against an independently certified expenditure in accordance with an identified schedule of works.
- Loan funding will be repayable upon the disposal or occupation of the completed scheme or on a pro-rata basis against the disposal of individual units. This will be subject to a longstop date for repayment of the loan to be agreed and forming part of any legal agreement entered into between the Council and the applicant.
- It is assumed that in the case of rental occupation, the owner will refinance the property once substantially occupied in order to repay DCC funding.
- In most cases a quick turnaround is expected for the loan fund. A loan could typically be recycled within a 2- 3 year period – when it could be re-invested in a further project.
- It is proposed to review the scheme annually to assess progress towards programme objectives.
- The application and appraisal process is identified on the City Living Initiative and Appraisal Process pages of the Derby Regeneration Fund website.