

COMMERCIAL REHABILITATION LOANS AND INTEREST REDUCTIONS

PROCEDURES FOR APPLICATION APPROVAL

- A. Initiate review of projects.
 1. The interested building owner meets with the staff to discuss the proposed project and obtain application forms. Copies of the program regulations and design guidelines will be provided to the applicant.
 - 2.. The applicant will provide drawings, plans, specifications or statements describing the work for review by the City Building Official, the City Planner and, for properties protected under the Preservation Ordinance, the Heritage Preservation Commission. They will recommend approval or state the conditions they require for approval.

- B. Initiate Loan
 1. The applicant will meet with the lending institution to discuss the project and arrange for the loan.
 2. The lender arranges the loan according to normal procedures for the institution. If the loan is approved, the lender provides a letter to that effect to the HEDRA. The letter should include the address of the property to be rehabilitated, the amount of the loan to be granted, the term of the loan, and the interest rate, fixed or variable.
 3. If an Interest Rate Reduction is considered, staff will calculate the amount the HEDRA would pay to reduce the interest.

- C. Submit application for approval
 1. The applicant will return the completed application to staff for HEDRA approval. A complete application will include:
 - a. Architectural and/or engineering drawings and specifications for the work. If the nature of the work does not require an architect or engineer, a measured drawing and/or detailed description of the work to be done will be submitted.
 - b. Approval by the City Building Official, the City Planner and the Heritage Preservation Commission.
 - c. Lender's letter of loan approval.
 - d. Interest Rate Reduction Form.

- e. Building permit, if required by the work.
2. The HEDRA. will consider the complete application at their earliest convenience. They will consider:
 - a. Whether the application meets the requirements of the City Ordinance and HEDRA Program regulations.
 - b. Whether the proposed work will enhance the appearance of the building and the neighborhood in conformance with the Design Guidelines;
 - c. Whether private mortgage credit is available and affordable to this applicant;
 - d. Whether other governmental programs are available and affordable to this applicant;
 - e. Whether the building is required by any court order, statute or ordinance to be repaired, improved or rehabilitated; and
 - f. Whether the work has been reviewed and approved for conformance with the building, planning and heritage preservation codes and ordinances.
 3. The HEDRA. will approve the interest reduction by Resolution. If the application does not conform with the regulations, codes or ordinances the owner may resubmit the application with changes.
 4. Upon approval, the HEDRA will notify the applicant and the lender, in writing, of their final approval so that the loan can be closed. The loan closing will be handled by the lender.

D. Complete Work

1. Upon completion of the work, and issuance by the City of a Certificate of Occupation if necessary, the staff, will inspect and if the work complies with the application as approved, the interest reduction may be made.
2. Staff will review the owner's proof of payment of invoices and bills, and the work and materials described for compliance with program regulations. Costs not authorized will be subtracted from the loan amount when calculating the amount of interest reduction.

HASTINGS ECONOMIC DEVELOPMENT & REDEVELOPMENT AUTHORITY

Commercial Rehabilitation Loan Program

APPLICANT _____ Phone _____

Project address _____

Mailing address if different _____

Building width _____ length _____ floors _____ apartments _____

Summary of proposed work (a detailed description with plans will also be required)

ESTIMATED PROJECT COSTS

Mechanical, HVAC _____ Plumbing _____

Electrical, lighting _____ Appliances _____

Structural, walls _____ Roof, skylights _____

Windows, doors _____ Carpets, floors _____

Exterior surfaces _____ Architect, Engineer _____

Demolition _____ Permits, fees _____

Total estimated costs _____ Percent of cost residential _____

HEDRA LOAN AMOUNT REQUESTED: \$ _____

Bank loan \$ _____ Owners cash, equity \$ _____

Bank name: _____

Person to contact _____ Phone _____

PROPERTY OWNER(S)

Names _____

Signature _____ date _____

(BANK LETTERHEAD)

date

John Grossman
Hastings Economic Development and Redevelopment Authority
City Hall, 101 E 4th St.
Hastings MN 55033

RE: name of applicant and address of property

Dear Mr. Grossman,

This letter is evidence of our willingness to lend \$ _____ to the above applicant to provide funds to complete the rehabilitation project under consideration by the Hastings Economic Development and Redevelopment Authority for financial assistance.

The loan will be for a term of _____ and at a fixed rate of _____ % (or a variable rate of _____ beginning at: _____).

Yours truly,

Bank officer

INFORMATION SHEET FOR REHABILITATION LOAN DOCUMENTS

Purpose: Information needed for documents: note, agreement and mortgage.

1. Name and address of person(s) or legal entity on mortgage:

2. Property to be mortgaged: the address, legal description:

3. Principle amount _____.

4. Loan will be closed _____, work will be completed _____.

5. Term and interest: Leave blanks as shown.

Term starts _____, no interest or payments through _____.

4% _____, through _____, 48 monthly payments .

9% _____, through _____, 60 monthly payments.

6. Costs to be added to mortgage/loan amount:

7. Full names and official titles of those signing documents:

8. Prior mortgages, liens (provide following for each)

Mortgage to:

Date of:

Document number and date of:

Original amount: