



COMMUNITY DEVELOPMENT
 DEPARTMENT
 1584 Hadley Avenue N
 Oakdale, MN 55128
 Phone: 651-739-5086
 www.ci.oakdale.mn.us

ORIGINATION FEE	INSPECTION FEE
\$250.00	Included in Building Permit

BUILDING REHABILITATION LOAN PROGRAM APPLICATION

APPLICANT INFORMATION	
Applicant Name:	
Property Address:	
Phone:	Federal Tax ID:
Email:	

PROJECT INFORMATION
Project Description:
Contractor Name:
Project Estimated Start/End Date:
<i>*Copy of the scope of work/sworn construction statement for the project must be submitted with application.</i>

FINANCIAL INFORMATION	
Your Funds	\$
Bank Funds*	\$
Loan Request	\$
TOTAL PROJECT COST	\$
<i>*A financing proposal letter from a regulated lending institution showing what, if any, financing is available for the project must be included with the application.</i>	

APPLICANT SIGNATURE	
Applicant Signature:	Date:

Standard Operating Policy City of Oakdale

Policy Number: EPD-023

Pages: 4

Subject: Building Rehabilitation Loan Program

Date Approved: April 12, 2016

1.0 Purpose

1.1 The purpose of this policy is to establish the justification and administrative guidance for the Building Rehabilitation Loan Program (BRLP). This policy shall be used when processing applications for financing.

2.0 Authority

2.1 Minnesota State Statute 469.192 provides the Oakdale Economic Development Authority (OEDA) with the authority to establish a building rehabilitation loan program.

2.2 The OEDA may, at any time and/or for any reason, amend or waive any part of this policy.

2.3 The OEDA reserves the right to deny financing for specific improvements if it determines that the improvements are not in keeping with the intent of the policy.

3.0 Goals

3.1 The BRLP provides public financing in cases where financing from private sources, to include regulated lending institutions, is insufficient and where the following purposes are achieved:

- a) Meet minimum property maintenance and building code standards.
- b) Prevent physical blight and functional obsolescence.
- c) Maintain or improve the aesthetic quality of the building.
- d) Maintain and increase the tax base.
- e) Maintain and increase the investment confidence of neighboring property owners.

4.0 Building Rehabilitation Loan Program

4.1 Eligible Buildings

- a) Commercial, office, or industrial buildings located in the following zoning districts.
 - i. C-1 Neighborhood Commercial
 - ii. C-2 Community Commercial
 - iii. I-O Industrial Office
 - iv. G-I General Industrial

v. Relevant PUD's

4.2 Eligible Applicants

- a) Building owners.

4.3 Loan Terms

- a) The loan term is five years, with a 20-year amortization. The loan may be fully repaid any time during the term. At the end of five years the balance of the loan is due or may be refinanced for one additional five-year period.

- b) Loan Maximum:

<u>Total Project Cost (TPC)</u>	<u>Loan Maximum</u>
Less than \$100,001	50% of TPC up to \$25,000
Greater than \$100,000	25% of TPC up to \$50,000

- c) Minimum loan is \$5,000.
- d) The interest rate is equal to the Federal Home Loan Bank of Des Moines' Fixed Rate Advance Regular five-year rate plus one point.
- e) The Loan must be secured by a promissory note and mortgage.
- f) The loan shall have an origination fee (\$250.00) and an inspection fee (included in building permit).
- g) Projects installing improvements listed under Section 4.4(d) are eligible for an interest rate reduction of one half point, and a \$5,000 increase in the maximum loan amount.

4.4 Eligible Improvements

- a) Building Structural
 - i. Foundation
 - ii. Plumbing
 - iii. HVAC
 - iv. Electrical
 - v. Roofs
 - vi. Additions
- b) Building Exterior
 - i. Refurbishing (painting, siding, tuckpointing/brick/masonry restoration)
 - ii. Window, door replacement
 - iii. Awnings
 - iv. Exterior Signage
- c) Site
 - i. Parking Lots
 - ii. Landscaping
 - iii. Sidewalks
 - iv. Exterior Lighting

- v. Location Signage
- d) Energy Efficiency Improvements
 - i. Energy Star certified heating/cooling equipment
 - ii. Energy Star certified lighting
 - iii. Energy Star certified building products
 - iv. Energy Star certified water heaters
 - v. Solar photovoltaic or thermal system
 - vi. Geothermal heating/cooling system

4.5 Funds may not be used for the following purposes, or any other purpose that the OEDA determines does not meet program goals:

- a) Interior remodeling projects
- b) Refinancing existing indebtedness
- c) Personal property items
- d) Working capital
- e) Previously completed projects
- f) New construction
- g) Projects started before loan approval

5.0 Application

5.1 Loans are made based upon available capital.

5.2 Applications are considered on a first come first served basis.

5.3 A sworn construction statement or a scope of work with cost estimate by a licensed and bonded contractor is required with application.

5.4 A financing proposal letter from a regulated lending institution such as a commercial bank, credit union or savings and loan, including the proposed: (1) project financing terms, (2) amount of private equity and (3) lender contact information is required with the application.

6.0 Selection Criteria

6.1 Priority will be given to applications that best meet program goals.

6.2 Applicants who have not received a loan will be considered before those applicants that have received a loan previously.

6.3 The project must be in compliance with the Comprehensive Plan and Zoning Ordinance. Non-conforming uses and uses in a designated redevelopment area are not eligible for financing. Buildings currently receiving tax increment or abatement proceeds are also not eligible.

- 6.4 Code violations, to include zoning, property maintenance, building, and nuisance code, on the subject property, and any property in the city owned by the applicant, must be brought into compliance with City code.
- 6.5 Taxes, assessments, fines, fees, and any other monies due the City by the applicant on the subject property, or any other property owned by the applicant in the city, must be current.

7.0 Disbursement Process

- 7.1 All work must be initiated within 60 days and completed within 180 days of application approval.
- 7.2 Loan proceeds will be disbursed upon:
 - a) Completion of work
 - b) Submittal to the City of all contractor invoices
 - c) Issuance by the City of the Certificate of Completion