



Property Rehabilitation Loan Program

Low Interest Loans to Support Building Improvement Investment!

The Redmond Urban Renewal Agency (Agency) wants to be a partner in helping make your project successful! The Property Rehabilitation Loan Program provides low interest loans of up to \$100,000 for the renovation of commercial buildings and multi-unit housing of four or more units within the Redmond Urban Renewal District (map on page 6).

Eligible projects must address one or more of the following:

- Poor appearance or visible deterioration that discourages investment in surrounding properties; or
- Building vacancy or utilization due to inadequate, degraded, or obsolete building systems.

Eligible exterior work includes: Replacement, repair or alteration of building elements such as doors, windows, porches, balconies, awnings, cornices or decorative details, major exterior painting and cleaning, masonry repair or cleaning, sign repair, replacement, installation or removal. Environmental cleanup (e.g. asbestos removal), seismic retrofit, sidewalk repair and replacement.

Eligible interior work includes: (The following interior work may be eligible only if done in conjunction with and as an integral part of an overall qualifying project.) General access to building and elevator repair to access upper floors, ADA access projects including ADA restrooms, building system upgrades that increase marketability to tenants and provide energy efficiencies such as HVAC, plumbing, and electrical systems, life safety systems such as sprinkler systems, major building code compliance.

Ineligible work includes: inappropriate cleaning (i.e. washing, scrubbing, general maintenance, etc.), property maintenance, building interiors other than those specifically allowed above, building acquisition, refinancing of existing debt, inventory or other working capital, administrative costs or payments to borrower, third party fees such as but not limited to architectural fees, environmental studies, market studies, financing fees, and appraisals, fees paid to parties with an identify of interest with the applicant including but not limited to developer fees, and contractor overhead and profit paid to a contractor with an identity of interest with the applicant, and any predevelopment costs.

IMPORTANT: Complete and return pages 1-4 of this application plus referenced items on page 4. Work included in the application project scope that the Agency will reimburse may **ONLY** begin once a loan agreement with the Agency is approved and signed.

APPLICANT INFORMATION: (Loans will only be made directly to the property owner.)

Applicant's Name: _____

Sole Proprietorship Partnership Corporation Profit Non-Profit

Social Security Number/Tax ID Number: _____

Property Address: _____ Tax Lot #: _____

Mailing Address: _____

Telephone Number: _____ Email: _____



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Summary of Project Funding

	Estimated Funding
Property Rehabilitation Loan (up to \$100,000)	
Owner Equity (project cash, not including building acquisition)	
Conventional Loan (bank or credit union)	
Other Loans and Grants	
Total Funding	

Primary Lender

Bank: _____ Primary Contact: _____

Phone: _____ Email: _____

Secondary Lender (if applicable)

Bank: _____ Primary Contact: _____

Phone: _____ Email: _____

Summary of Eligible Project Costs

	Estimated Cost
Doors, Windows, Porches, Balconies	
Awnings, Cornices, and other Decorative Details	
Exterior Painting and Cleaning, Masonry Repair or Cleaning	
Sign Repair, Replacement, Installation or Removal	
Environmental Cleanup (e.g. Asbestos Removal)	
Seismic Retrofit	
Sidewalk Repair and Replacement	
Building Access and Elevator Repair to Access Upper Floors	
ADA Access Projects Including ADA Restrooms	
HVAC	
Plumbing	
Electrical	
Sprinkler Systems	
Other (Specify)	
Total Eligible Costs	



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Project Description

Describe how the proposed work will address either or both of the following conditions:

- Poor appearance or visible deterioration that discourages investment in surrounding properties;
or
- Building vacancy or utilization due to inadequate, degraded, or obsolete building systems.

If the project is located within the Downtown Overlay District (see map), describe how the project complies with the Downtown Architectural Design Standards (available at:

<https://www.ci.redmond.or.us/home/showdocument?id=3804>):

CERTIFICATION BY APPLICANT

The applicant certifies that all information provided in this application or provided in support of the application is true and complete to the best of the applicant's knowledge and belief. If the applicant is not the owner of the property to be rehabilitated, or if the applicant is an organization rather than an individual, the applicant certifies that he/she has the authority to sign and enter into an agreement to perform the proposed work on the building. Evidence of this authority must be attached.

Applicant Signature: _____ Date: _____



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Checklist Items Required for Approval

Please fill out and return this checklist with your application.

Prior to committing Urban Renewal Funds to a project, the Agency will determine if the project adequately supports urban renewal goals, is feasible, poses an acceptable risk to the Agency, and is in the best interest of the Agency. To make this determination, the Agency will require the items below:

- **Completed Application.**
- **Evidence of site control.** Acceptable evidence could include a copy of the Title or a Purchase and Sale Agreement or Deschutes County Property Info (D.I.A.L. - <https://dial.deschutes.org/> - enter taxlot number, click on 'view account information for this taxlot', click on 'view/print report', click on 'full report')
- **Environmental Analysis.** Phase I ESA meeting current ASTM standards completed in past 180 days and reflecting current site conditions. The cost of mitigating any identified environmental risks must be specifically addressed in the financial analysis and construction contract.
- **Construction Plans.** Copy of plans submitted for building department approval.
- **Construction Bids.** Three General Contractor bids for proposed work.
- **General Contractor Experience History.** The general contractor must demonstrate a track record of successfully completing similar projects and the capacity to complete the proposed project. The contractor shall provide a history of completed projects from the last 5 years with references and a financial statement indicating sufficient capitalization to complete the project. In cases where there is a related party interest between the General Contractor and the Applicant, the Agency will require a separate third-party construction cost review.
- **Project Timeline.** Copy of project timeline specifying target start and completion date.
- **Development Team Financial Capacity:** Equity source must provide certified financial statement, schedule of real estate owned, and verification of account balances to demonstrate capacity to fund required equity contribution as well as potential cost overruns. Agency will run credit report(s) for equity source.
- **Financing Commitments:** Executed commitments from other lenders indicating the amount, interest rate (or interest rate index), term and special conditions are required.
- **Historic Approval.** Letter of approval from the Historical Landmarks Commission, if applicable.
- **I.R.S. Form W-9.**

The City reserves the right to engage its own reports or analyses to verify or clarify information provided by Applicant or consultants engaged by the applicant.



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Important Conditions and Considerations – Please read prior to submitting application

1. **Application Review:**
 - a. **Work included in the project scope the Agency will reimburse may ONLY begin once a loan agreement is approved and signed.**
 - b. The Agency will have sole discretion in determining the eligibility of proposed costs.
 - c. All projects shall comply with the City of Redmond Development and Building Code.
 - d. The Agency reserves the right to engage its own reports or analyses to verify or clarify information provided by Applicant or consultants engaged by the applicant.
 - e. The Agency may request a title report on the property, which will be subject to attorney review at the discretion of the City Manager. Applicant shall pay for costs of a title report. The Agency may deny of any loan based on the title report or the number of liens upon the property.
2. **Approval:** All loans in excess of \$50,000 are subject to approval by the Downtown Urban Renewal Advisory Committee (DURAC). All projects must be found to meet the program criteria **and** be in the best interests of the Agency.
3. **Loan Closing:** All projects must provide the following to finalize or close the loan before funds are accessed.
 - a. **Executed Construction Contract and General Conditions:** An executed fixed price contract and general conditions in a form acceptable to the Urban Renewal Agency (preferably AIA Form 101-1997) with construction schedule consistent with financial projections.
 - b. **Executed Lease Agreement**
 - c. **Final Construction Drawings approved by Building Department**
 - d. **Building Permit**
 - e. **Executed loan documents and financing agreements from all sources. (Drafts should be provided at least 4-weeks prior to desired closing date to allow for timely review.)**
 - f. **Applicant personal guaranty to repay loan.**
4. **Loan Funding:** The Applicant may submit paid invoices for reimbursement of work performed after the loan agreement is signed. Loan will be funded in a single disbursement upon confirmation that work being paid for is complete and built as per approved plans and subcontractors have been paid.
5. **Loan Terms:**
 - a. Maximum loan size: The lesser of 50% of eligible costs or \$100,000.
 - b. Rate and Term: Wall Street Prime Rate interest loan up to 10 years.
 - c. Loans will be made to building owners and collateralized with the real estate in which the investment is to occur.
 - d. Borrowers shall provide a personal guaranty to repay debt.
 - e. City may, at its sole discretion, consider real estate other than that being improved as collateral.
6. **Property Lien:** The City of Redmond will lien the property for the loan amount. Once the loan is fully repaid, the lien will be released.
7. **Loan Default:** The loan is in default if any of the following conditions occur including, but not limited to: failure to diligently pursue project, timely project completion, and other conditions that will be outlined in the loan agreement. Defaulted loan balances must be repaid with interest.



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Downtown Overlay District noted on map in yellow hatch

