

## Special Benefits District Revolving Loan Fund

### Policy

**Approved by the Board of Aldermen on May 15, 2023**

#### **Purpose**

The City of Rutland recognizes the importance of a vibrant downtown with well-maintained buildings that will attract residents to live and work in the downtown. By providing fiscal support for property owners the City benefits from positive economic impacts and improved grand list values.

The RLF is intended to provide the incentives for the *purchase, renovation or compliance upgrade* of buildings in the Downtown Special Benefits District of the City of Rutland. Special emphasis is given to development of market-rate housing on the upper floors in those structures. **The maximum loan to be offered through the RLF is \$30,000.**

#### **Funding**

Funding for the RLF was provided from the impact fees paid by the Zamias Fund, with 50% of the impact fees received in each of the calendar years 2006-2010 set aside for the RLF.

#### **Qualifications of Applicants**

Applicants for the RLF must own the building for which the funding would be used, *or have executed a contract to purchase the building*. Applicants must provide a completed application, personal financial statements including tax returns, revenue and expense projections, detailed description of the intended improvements, cost estimates and provide evidence of capacity to repay the loan and any other debt service required for the project (credit worthiness) under the terms of the loan.

#### **Use of Funds**

Preference will be given to applicants who are proposing to renovate the building to enhance the viability of the use of upper floors of the structure. Funding may also be used to leverage other funds, such as from private financial institutions or federal and/or state grants.

Preference will also be given to proposals that provide for **market**-rate housing to be offered in the renovated spaces. Market-rate is based on a range of up to \$2,100 per month.

Funds may be used for the installation of fire protection systems, plumbing, electrical, HVAC, structural improvements, ADA compliance, façade improvement, energy efficiency projects and other work that meets the goals of the loan fund.

## **Application Process**

The Downtown Rutland Partnership (DRP) will accept applications and the non-refundable \$200 application fee for the RLF. The application fee should be made out to the City of Rutland. The RLF policy and application will be available on the DRP website. The RRA will convene a meeting of the RLF Committee. The City Attorney will process the loan documents and the City Treasurer will process the check. The DRP will check in with the Treasurer and borrower quarterly, or as needed, throughout the life of the loan

The RLF Committee will be comprised of two (2) members of the DRP Board of Directors, two (2) members of the RRA Board of Commissioners, and the Mayor or his/her designee. The Committee will review each application and recommend to the Board of Aldermen the amount and terms of the loan to be offered. The Board of Aldermen will have the final approval of the loan.

## **Terms of the Loan**

The maximum loan amount is \$30,000 and the maximum term is 15 years collateralized by real estate. The interest rate will be 5% fixed. For projects involving the development of upper floor market rate housing the interest shall be 3% fixed. Loan repayments shall be monthly. Total loan to value cannot exceed 90% of the assessed value or recent appraisal.

The terms of the loan shall be determined on a case by case basis, with the recommendations of those terms by the RLF Committee subject to Board of Aldermen approval.

The “**Loan**” will act as a second mortgage on the property and will only be subordinate to the first mortgage on the property.

## **Availability of Funds**

Applications will be reviewed as received and funds may be allocated up to the amount of principal available in the RLF. In the event that more funds are applied for than are available at any given time, the RLF Committee will rank the applications based on the above noted preferences and make recommendations to the Board of Aldermen as to which proposal should be funded and at what amount.

# Downtown SBD Revolving Loan Fund Application

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## Contact Information

\* Property Address

Street Address

Address Line 2

City

State / Province / Region

Postal / Zip Code

Country

\* Owner's Name

\* Contact Person

First

Last

\* Contact Person Address

Street Address

Address Line 2

City

State / Province / Region

Postal / Zip Code

Country

\* Contact Person Phone Number

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\* Contact Person Email

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## Property Information

\* Number of Years Building Owned

Enter a value between 0 and 100.

\* Amount Requested

\$  .

Dollars

Cents

Existing Debt on Building Amount

\$  .   
Dollars Cents

Existing Debt Institution

\* Detailed Description For Use Of Funds

Proposed Amount Of Matching Funds (if any)

\$  .   
Dollars Cents


Source Of Matching Funds

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## Required Documents


Please upload each required document.

\* Proof Of Ownership




Choose a file  
File limit 10MB

\* Financial Statements/Tax Returns




Choose a file  
File limit 10MB

\* Revenue/Expense Projections




Choose a file  
File limit 10MB

\* Cost Estimates



Choose a file  
File limit 10MB

\* Evidence Of Repayment Ability



Choose a file  
File limit 10MB

I certify that all of the above is true to the best of my knowledge. Please type name below.