



# **WEST VIRGINIA PROPERTY RESCUE INITIATIVE**

## Program Guide

June 14, 2015



*The West Virginia Housing Development Fund is an Equal Housing Opportunity Lender*

**WEST VIRGINIA PROPERTY RESCUE INITIATIVE**  
**Program Summary & Processing Steps**

**Program Purpose**

The West Virginia Property Rescue Initiative (the “Program”) is designed to give cities, counties, and other Eligible Borrowers the ability to perform demolition and/or acquire residential structures. Deconstruction of such properties is permitted. These structures must constitute health and safety hazards. The demolition of these structures will provide much-needed vacant lots in local communities throughout the State. In most cases, these lots already have the necessary infrastructure making the lots ready and accessible for future development.

**Eligible Borrowers**

Any city or county may be an Eligible Borrower. Eligible Borrowers must comply with all applicable state and local laws and requirements and have the license, authority, and power to acquire and/or demolish the structures located on the properties. Eligible Borrowers must also have the authority to enter into a binding debt obligation for the term of the loan. Cities or counties may authorize other organizations to apply for a Program Loan on behalf of the city or county.

**Loan Terms**

Program Loan amounts may not exceed \$250,000 per Eligible Borrower per each fiscal year beginning July 1<sup>st</sup>. Additional loans will not be considered until the Eligible Borrower has fully expended any currently approved loans.

Program Loan terms may be for periods up to seven years and will accrue interest at graduated rates as follows:

Years 1-2	0%
Year 3	3%
Year 4	4%
Years 5-7	5%

Payments may be deferred for up to the first two years of the loan and may be monthly, quarterly, semi-annual or annual as determined by mutual agreement between the Eligible Borrower and the Housing Development Fund. Loans may be prepaid at any time without penalty. All Program Loans are subject to the Housing Development Fund’s Multi-Family Lending Policies available at [www.wvhdf.com](http://www.wvhdf.com).

Any funds collected from property owners, sales of properties or funds received from deconstruction may be required for repayment of Program Loans. If required, such funds must be held in a separate escrow account and pledged to the payment of the Program Loan. Copies of escrow account bank statements must be provided to the Housing Development Fund on a quarterly basis.

### **Program Loan Collateral**

The Housing Development Fund may require a pledge of general revenues or other collateral as security for a Program Loan. The Housing Development Fund will not require first lien on the Eligible Properties.

### **What Can Be Financed**

The Program is available Statewide and may be used to finance:

1. the acquisition of property and/or the demolition or deconstruction of residential structures
2. the removal and proper disposal of all debris, including hazardous materials
3. Pre-demolition costs such as surveys and title searches and supplemental work associated with demolition as approved by the Housing Development Fund

### **Eligible Properties**

Eligible properties must constitute health and safety hazards and be beyond reasonable repair at the time of demolition.

The community where the Eligible Properties are located must have access to a licensed waste disposal site that meets all applicable federal, state, and local laws and regulations, including but not limited to the West Virginia Department of Environmental Protection regulations, pertaining to waste disposal sites.

### **West Virginia Property Rescue Initiative Application Form**

A Program Application (the “Application”) and the attachments referenced on the Application must be submitted to the Housing Development Fund to apply for a Program Loan. A \$500 application fee (the “Application Fee”) must be submitted with the Application. (See Application Form attached as Exhibit A.)

## **Additional Fees**

In addition to the Application Fee, a \$2,000 closing cost fee is due at closing and may be paid from the proceeds of the loan. Borrowers must also pay all fees, charges, and expenses relating to Program Loans, including but not limited to recording and legal fees.

## **Disbursement of Loan Proceeds**

Program Loan proceeds will be disbursed for the eligible program costs as evidenced by receipts or other supporting documentation as required by the Housing Development Fund. The Housing Development Fund may consider the advance of up to \$25,000 for program start up, however, advanced funds must be supported by receipts before additional funds are disbursed. All Program Loan funds are expected to be disbursed within a reasonable period of time after the closing of the loan in accordance with the plans and schedule provided by the applicant. Any Program Loan proceeds not disbursed within the initial 24 months of the loan term may be de-obligated. (See Disbursement Form attached as Exhibit B.)

## **Loan Documents**

Program Loans will be evidenced by a Program Agreement and a promissory note. Additional documents, including, but not limited to, deeds of trust, security agreements, and pledge agreements may be necessary to perfect the Housing Development Fund's security interest and lien on any collateral required to secure the loan.

## **Processing Procedure**

The following documents are due upon Application:

1. Outline or development plan of how the applicant plans to use the proceeds of the loan;
2. Preliminary list of properties identified for demolition;
3. Plan or procedures used to select and prioritize properties for demolition;
4. Proposed method of repaying the loan;
5. Financial statements for the most recent 3 years;
6. Borrower's Authorization to Release Information. (See Authorization Form attached as Exhibit C);

7. Application fee in the amount of \$500, made payable to the West Virginia Housing Development Fund.

Upon approval of the Application, a commitment letter will be issued. Commitments will be for an initial period of six months. Eligible Borrowers must move forward to complete all loan requirements in order to close the Program Loan by the end of the commitment period. Failure to close the loan before the end of the commitment period will result in the deobligation of the funding. The Housing Development Fund may consider commitment extensions if circumstances so warrant.

The following items are due prior to or at Program Loan Closing:

1. Evidence of a general liability and hazard insurance and other insurance required by and in such amounts satisfactory to the Housing Development Fund;
2. Evidence of licensed code officials;
3. Final listing and photos of Eligible Properties that will be the subject of the Program Loan;
4. Resolutions of the approved applicant authorizing the execution, delivery and performance of the Loan Agreement and all other loan documents, and, if applicable, resolutions authorizing the organization to apply for a Program Loan on behalf of a city or county;
5. Copies of the organizational documents of the approved applicant;
6. Current Certificate of Existence for approved applicant issued by the Secretary of State, if applicable;
7. Copies of all ordinances, plans, and other documentation authorizing the demolition of the Eligible Properties;
8. A written opinion from counsel for approved applicant dated the date of the loan closing and addressed to the Housing Development Fund, with respect to the enforceability of the loan documents and such other matters relating to the loan closing and legal authority to demolish properties

Once all documents have been reviewed, requirements met and deemed acceptable to all parties to the loan transaction, a loan closing date will be set. The Housing Development Fund's counsel will prepare the loan documents. The closing may take place in the county in which the property is located or telephonically.

## **Reporting Requirements**

Borrowers must provide annual, audited financial statements and evidence of licensed code officials. Any changes to plans, policies or ordinances affecting the demolition project must be provided upon adoption. The Housing Development Fund reserves the right to request additional information if needed.

## **Application Period**

Program applications are accepted at any time. However, funds are limited and the Program may be withdrawn by the Housing Development Fund at any time. Funds are reserved for projects on a first come first served basis. No funds will be reserved until a complete Application is received. The Housing Development Fund will honor all outstanding commitments if the Program is withdrawn.

## **Conflict of Interest**

No member of the governing body of an Eligible Borrower and no other official, employee, or agent of the Eligible Borrower or the city or county in which the Eligible Properties are located who exercises policy or decision-making functions shall directly or indirectly personally benefit from the Program Loan. Failure to comply with this provision will be considered a loan default and will require immediate loan repayment. Any questions regarding conflict of interest should be directed to the Housing Development Fund.

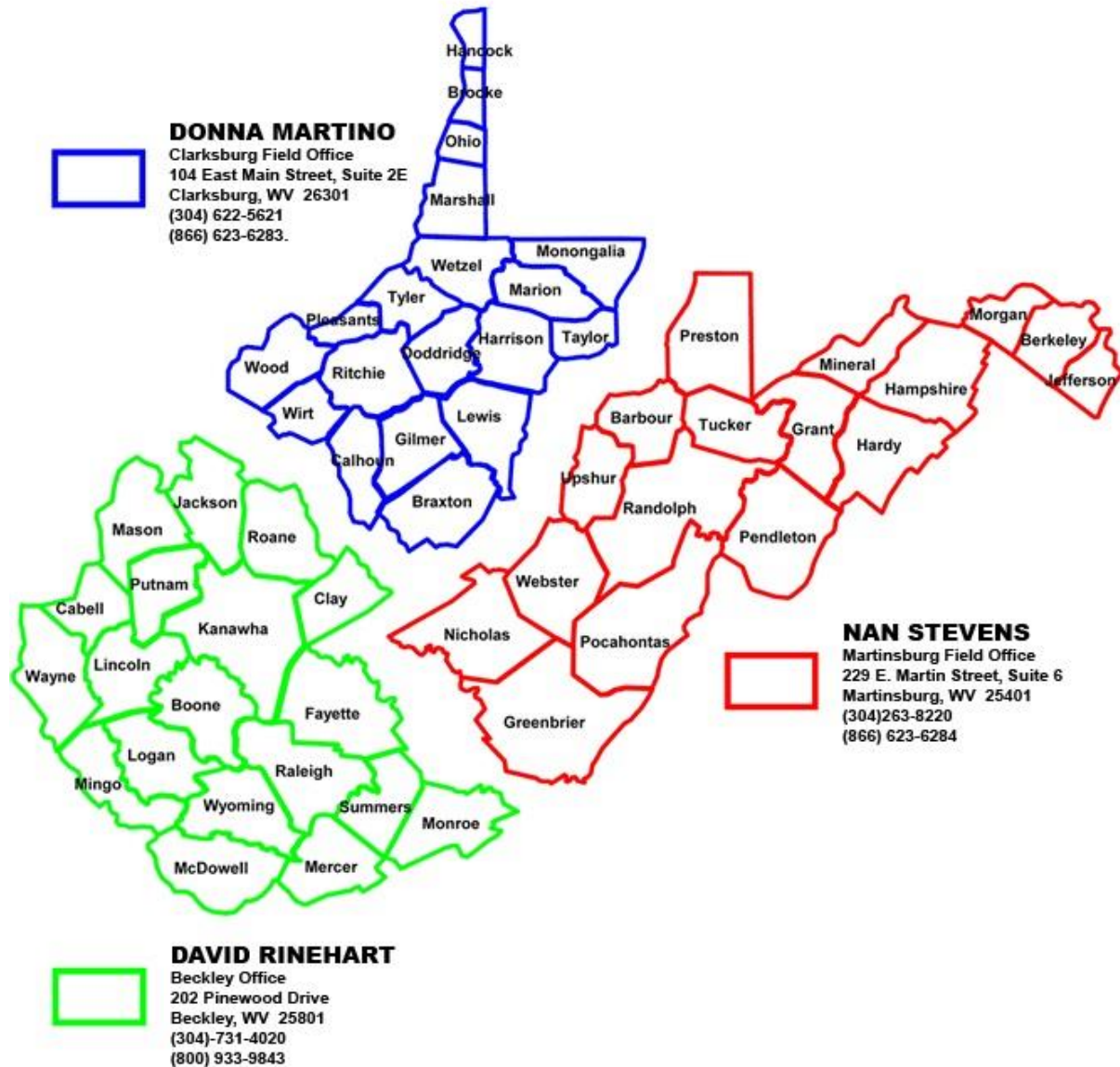
## **Disclaimers**

Deviations from program requirements are subject to Board approval. The Housing Development Fund reserves the right to share Program Loan information with other entities providing funding to the same project. The Housing Development Fund reserves the right to accept or reject any application.

The applicant shall not discriminate on the basis of race, religion, color, national origin, sex, disability, familial status or any other basis prohibited by law in the sale or lease or other use or disposition of the property or related facilities covered by funding provided by or through the Fund. In addition, discrimination against any employee or applicant for employment on the basis of race, religion, color, national origin, sex, disability, age (40 and above) or any other basis prohibited by law will not be permitted by a contractor or subcontractor engaged to perform any work on any project financed by or through the Fund.

**To apply:** First, contact the appropriate Area Manager for your County as listed below, then complete the program application, include all required attachments, and submit to that Area Manager.

## West Virginia Housing Development Fund Area Manager Coverage Map





**WEST VIRGINIA PROPERTY RESCUE INITIATIVE APPLICATION FORM**

1. Name of Applicant: \_\_\_\_\_ Type of Entity: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. City: \_\_\_\_\_ County: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_ E-Mail: \_\_\_\_\_

4. Contact Individual(s): \_\_\_\_\_

**PROPOSAL DESCRIPTION**

5. General Project Location: \_\_\_\_\_ County: \_\_\_\_\_

8. Total Estimated Project Cost: \$ \_\_\_\_\_ ; Cost per unit: \$ \_\_\_\_\_

9. Amount of Program Loan Requested: \$ \_\_\_\_\_

10. Loan Term Requested:

11. Sources of Funding Involved in Project Financing:

Source(s)

<u>Amount</u>	Applicant Contribution:	<u>Status</u>		
_____		<input type="checkbox"/> Applied	<input type="checkbox"/> Committed	\$ _____
_____		<input type="checkbox"/> Applied	<input type="checkbox"/> Committed	\$ _____
_____		<input type="checkbox"/> Applied	<input type="checkbox"/> Committed	\$ _____

12. Applicant must comply with any and all applicable program requirements and laws for proposal to proceed to a final application.

Prepared By/Signature. (Chief Executive Officer of Applicant Jurisdiction)

Date



Attachments REQUIRED with Application



### **PROGRAM APPLICATION REQUIRED ATTACHMENTS**

1. Outline or development plan of how the applicant plans to use the proceeds of the loan;
2. Preliminary list of properties identified for demolition;
3. Plan or procedures used to select and prioritize properties for demolition;
4. Proposed method of repaying the loan;
5. Financial statements for the most recent 3 years;
6. Borrower's Authorization to Release Information (form attached Exhibit C);
7. Application fee in the amount of \$500, made payable to the West Virginia Housing Development Fund.

#### **To apply:**

First, contact the appropriate Area Manager for your County as outlined in the enclosed Area Manager Coverage Map, then complete the program application, include all required attachments, and submit to that Area Manager.

<b>REQUEST FOR REIMBURSEMENT WEST VIRGINIA PROPERTY RESCUE INITIATIVE PROGRAM</b>			
<b>PART I - GENERAL</b>			
Submit to: West Virginia Housing Development Fund 5710 MacCorkle Avenue, SE Charleston, WV 25304 Attention: Multifamily Processing		Project Name:	
		Project Number	Requisition Number
		Submission Date	
		Closing Date	
Organization:		Project Completion Date	
Person Completing Form	Phone Number	Period Covered By This Report	
		From (Month, Day, Year)	To (Month, Day, Year)
<b>PART II - STATUS OF FUNDS</b>			
<i>List property addresses or lot # below</i>		Approved Loan Amount	\$ -
1			\$ -
2			\$ -
3			\$ -
4			\$ -
5			\$ -
6			\$ -
7			\$ -
8			\$ -
9			\$ -
10			\$ -
Total Amount of Funds Requested This Period			\$ -
Total Amount of Funds Requested to Date			
Remaining Balance			\$ -
<b>PART III - CERTIFICATION OF AUTHORIZED OFFICIAL</b>			
I certify that to the best of my knowledge and belief the data above and the billed costs are correct and in accordance with the terms of the project and loan conditions or other agreement and that reimbursement for these costs has not been previously requested.			
Signature of Authorized Official		Name and Title	Date
<b>WVHDF REVIEW &amp; APPROVAL</b>			
The requisition, application for payment, and other supporting documents have been reviewed and approved and are hereby submitted for payment. The undersigned Manager and Director hereby certify that the project is in full compliance with all Program requirements.			
Department Manager		Date	
Department Director		Date	

## Authorization to Release Information

Loan Applicant: \_\_\_\_\_

Project Location: \_\_\_\_\_

### To Whom It May Concern:

1. The undersigned applied for a West Virginia Property Rescue Initiative Program Loan from the West Virginia Housing Development Fund (the "Fund") to finance a portion of the Project. As part of the application process, the Fund may verify other sources of funding for the Project.
2. The undersigned authorizes all funding sources for the Project to provide to the Fund any and all information and documentation requested by the Fund regarding the undersigned and/or Project. Such information includes, but is not limited to, the terms of or a copy of the financing commitment for the Project.
3. A copy of this authorization may be accepted as an original.

\_\_\_\_\_  
**West Virginia Property Rescue Initiative Program Loan Applicant**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_