



Commercial Revolving Loan Fund Application

Please read the attached Policy Guidelines, Administrative Procedures and provide the requested information.

1. Address of Property:

2. Applicant's name & mailing address:

Telephone: (_____) _____ - _____

E-mail _____

3. Owner of property – (if different from applicant):

Telephone: (_____) _____ - _____

E-mail _____

3. Complete a City of Deadwood Application for Project Approval OR Certificate of Appropriateness and attach it to this document if exterior work is to be performed.

4. Certification

I certify all information contained in this application and all information furnished in support of this application is given for the purpose of obtaining financial assistance in the form of a grant or a loan as true and complete to the best of my knowledge and belief. I acknowledge I have read the policy guidelines for the loan or grant included with and for this application and agree to all of the terms and conditions contained in the policy guidelines. I agree any contractors which I hire for this project will hold contractors licenses with the City of Deadwood and will require they also agree to and abide by the terms and conditions of the policy guidelines.

I acknowledge the Deadwood Historic Preservation Commission is merely granting or loaning funds in connection with the work or project and neither the Historic Preservation Commission nor the City of Deadwood is or will be responsible for satisfactory performance of the work or payment for the same beyond the grant or loan approval by the Historic Preservation Commission. I acknowledge I am solely responsible for selecting any contractors hired in connection with the project and in requiring satisfactory performance by such contractor. I agree to indemnify and hold harmless the Deadwood Historic Preservation Commission and the City of Deadwood against losses, costs, damages, expenses and liabilities of any nature directly or indirectly resulting from or arising out of or relating to the Deadwood Historic Preservation Commission's acceptance, consideration, approval, or disapproval of this application and the issuance or non-issuance or a grant or loan.

Applicant's signature: _____

Date submitted: ____/____/____

Owner's signature: _____

Date submitted: ____/____/____

Please return the completed application to:

NeighborWorks – Dakota Home Services
108 Sherman Street
Deadwood, SD 57732 605-578-1401



Commercial Revolving Loan Fund Policy Guidelines

1. Statement of Purpose:

The restoration and protection of Deadwood's historic buildings and structures are a primary part of the City's goal to preserve and maintain Deadwood's historic integrity. The expense of such restoration and protection projects may discourage property owners from having the work completed or may result in lower quality of craftsmanship. The purpose of this program is to assist and encourage property owners to use quality materials and craftsmanship by repairing first, where possible, and replacing, only if necessary.

2. Objective:

The City of Deadwood is a National Historic Landmark and is listed on the National and South Dakota State Registers of Historic Places. Maintaining these designations is critical to the economic success of the City and quality of life of its residents. The objective of the program is to stimulate the quality restoration and protection of buildings and structures that contribute to the historic integrity of the City of Deadwood.

3. Eligibility:

To be eligible for the Revolving Loan Fund (RLF) Commercial Program, the applicant and project must exist within the Deadwood city limits and as part of a Commercial Property;

A project must also meet one of the following:

- a. The project must affect a property listed on the City of Deadwood's 1993 Historic Sites Inventory as an historic property in the Deadwood National Historic Landmark District. Properties not listed on the inventory must be eligible for the National Register of Historic Places as defined in the National Park Service's National Register Bulletin 15: How to Apply the National Register Criteria for Evaluation.
- b. The project must affect individual life safety and structural deficiencies as determined by the City of Deadwood's Building Inspector and applicable life safety codes. Determination of individual life safety issues and structural deficiencies is based upon the codes adopted by the City of Deadwood under Chapter 15.01.010 and by additional verification obtained through other means available to the City.

If the project is eligible for the Real Estate Tax Moratorium, Historic Tax Credits, and/or Conversation Easement; the applicant must submit the appropriate applications and have received project approval prior to loan funding. The Preservation Commission reserves the right to waive the requirement in the case of emergency.

The City of Deadwood's Historic Preservation Officer and Building Inspector determine a project's eligibility. All eligible applications are subject to the review of the Deadwood Historic Preservation Commission.

4. Priority Schedule:

Due to the limited availability of funds and the extensive need for quality craftsmanship a priority schedule will be referred to in processing applications for revolving loan funds. These priorities may be amended to reflect the availability of funding and completion of projects currently considered "high priority."

- 1) First priority projects are those required by the City of Deadwood's Building Inspector and necessary to comply with the applicable Life Safety Codes.

- 2) Second priority projects are those affecting the preservation and protection of properties listed on the city’s 1993 Historic Sites Inventory as “landmark” properties in the Deadwood National Historic Landmark District.
- 3) Third priority projects are those directly affecting the preservation and protection of properties listed on the city’s 1993 Historic Sites Inventory as “contributing” properties in the Deadwood National Historic Landmark District.
- 4) Fourth priority projects are those directly affecting the preservation and protection of properties listed on the city’s 1993 Historic Sites Inventory as “fabric” or “intrusion” properties in the Deadwood National Historic Landmark District.
- 5) Fifth priority projects are those affecting structures, which in the opinion of the Deadwood Historic Preservation Commission, contribute to the historic integrity of the City of Deadwood as defined in Chapter 24:52:00:01 (4) of the South Dakota State Office of History’s Administrative Rules.
- 6) Sixth priority projects are those involving the construction of new buildings and additions to existing buildings.

Due to the limited availability of funds the Deadwood Historic Preservation Commission reserves the right to rank each application and establish the maximum loan amount available for each project.

5. Program Requirements:

- 1) All properties must be located within the Deadwood city limits.
- 2) All projects must meet the Revolving Loan Fund’s eligibility requirements.
- 3) The Deadwood Historic Preservation Commission will evaluate each proposed project received and will base awards on a competitive process that takes into consideration the needs and priorities.
- 4) No one Developer/Sponsor/Owner or Development/Project may receive more than thirty-three percent (33%) of total project costs. No borrower may exceed twenty percent (20%) of the total loan portfolio without compensating factors, i.e. first mortgage, owner’s cash infusion, etc.
- 5) All persons receiving financing must conform to applicable federal and local regulations governing the use of specific loan funds.
- 6) All loan applicants must present evidence of their ability to repay the loan and provide adequate collateral.
- 7) Loan approval is contingent upon approval of the project by the Deadwood Historic Preservation Commission.
- 8) The City Building Inspector and Historic Preservation Officer will monitor all projects.
- 9) All projects will be performed pursuant to the Secretary of the Interior’s Standards for the Treatment of Historic Properties and the Secretary of the Interior’s Guidelines for the Rehabilitation of Historic Buildings.
- 10) Project costs both Development Hard Costs and Related Soft Costs can be covered. Project must use local contractors licensed by the City of Deadwood following City of Deadwood approved Plans and Specifications.

6. Loan Conditions:

Priority 1 Projects - Life Safety

LOAN AMOUNT	INTEREST RATE	TERM	PAYMENT AMOUNT	SECURITY
Up to \$50,000 maximum	0% ²	5 years	Monthly payments due. ¹ Possible balloon payment due at end of term	Loan Agreement Security Required

All Other Projects

LOAN AMOUNT	INTEREST RATE	TERM	PAYMENT AMOUNT	SECURITY
Varies per Project	Market Rates ^{2,3}	7 years	Monthly payments due.¹ Possible balloon payment due at end of term	Loan Agreement Security Required

¹All Deadwood Historic Preservation loan program fees will be paid by the borrower. The borrower will be responsible for any costs in excess of the approved loan amount.

²Failure to complete work as approved in a timely fashion and/or failure to maintain property up to City of Deadwood’s Minimum Maintenance Standards may cause loan to be payable in full at that time.

³Market Rate will be periodically determined by the Historic Preservation Commission from recommendations of the Loan Committee. The Deadwood Historic Preservation Commission reserves the right to modify, amend, or forgive the loan payment or to change or modify this program for any reason.

The Applicant will provide NeighborWorks with the required supporting documents to underwrite the loan application (Borrowers Ability to Repay).

7. Application:

The Applicant must submit an application form outlining the basic project and including the following:

- 1) Completed application and Certificate of Appropriateness.
- 2) Tax Returns from the last three (3) years.
- 3) Current balance sheet and profit and loss statements.
- 4) Proof of Ownership – Submit a copy of the deed, the contract for deed, or the acquisition contract.
- 5) Project Description – The applicant must provide a narrative description of the project, including specific building rehabilitation activities to be funded by the Revolving Loan Fund, and any historical information related to the property.
- 6) Itemized list of project costs.

Additional documentation will be required in order to complete the loan application. Any fees associated with loan processing must be paid directly by the applicant and not considered part of the loan.

8. Definitions:

As used in this policy guideline, the following terms shall have the following meanings:

- “Commercial Properties” means any property which is income producing for a for-profit organization. This may include retail or wholesale trade, rental properties with five (5) or more units, gaming establishments, office complex and any other such income producing properties.
- “Development Hard Costs” means the actual costs of constructing or rehabilitating the property including the following:
 - For New Construction – Costs to meet the new construction standards in effect at the time a building permit is obtained from the City of Deadwood.
 - For Rehabilitation – Costs to meet the applicable rehabilitation standards in effect at the time a building permit is obtained from the City of Deadwood. To make essential improvements including energy-related repairs or improvements, improvements necessary to permit use by handicapped person, and the abatement of lead-based paint hazards, and to repair or replace life-safety systems in danger of failure.

- For New Construction and Substantial Rehabilitation – Costs to demolish existing structures, for improvement to the project site that are comparable with the surrounding standard developments, and costs to make utility connections.
- Acquisition Costs – Reasonable costs of acquiring improved or unimproved land for new construction or substantial rehabilitation will be considered eligible. Either the assessed value as certified to by the county assessor or a property appraisal that is no more than six (6) months old would be considered reasonable. Acquisition with rehabilitation may not be considered.
- “Life Safety Codes” means life-threatening issues such as electrical, steps or ramps to ensure safe access, handrails, safe and efficient appliances, smoke detectors or any other deficiencies covered under the Uniform Building Code, the Uniform Mechanical Code and the Uniform Fire Code.
- “Market Rate” will be periodically determined by the Historic Preservation Commission from recommendations of the Loan Committee.
- “Plans and Specifications” means the plans and specifications for the Project as approved by the City of Deadwood, including any change orders approved by the City of Deadwood.
- “Project” means the land and those certain buildings located thereon and which is legally described.
- “Related Soft Costs” means other reasonable and necessary costs incurred by the owner and associated with the financing or development (or both) of new construction, substantial rehabilitation, or other funding assisted with the Revolving Loan Fund funds. These costs may include, but are not limited to the following:
 - Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
 - Fees for recordation and filing of legal documents, building permits, attorney’s fees, directly related to the development, appraisal fees and fees for independent costs estimates, builders or developer fees.
 - Costs for an audit or cost certification may be required with respect to the project development.

9. Forms and Technical Assistance:

- a. **Loans** - Loan application forms and loan technical assistance are available at the NeighborWorks Office, 795 Upper Main Street in Deadwood. Telephone: (605) 578-1401.
- b. **Project Approval or Certificate of Appropriateness** – The applications are available at the Historic Preservation Office located at Deadwood City Hall, 108 Sherman Street in Deadwood. (605) 578-2082. This form is also available online at: <http://www.cityofdeadwood.com> , under **Permits, Licenses & Forms** tab, then under Historic Preservation heading.

This form must be completed and given to the Historic Preservation Officer who will present it to the Historic Preservation Commission for consideration. *[No work can start until Historic Preservation Commission approval and the owner/applicant has an approved City of Deadwood Building Permit.]*
- c. **City of Deadwood Building Permit** – A City of Deadwood (Residential or Commercial) Building Permit must be acquired from the City of Deadwood Building Inspector located at 67 Dunlop Avenue, in Deadwood. Telephone: (605) 578-3082. This permit application form is also available online at: <http://www.cityofdeadwood.com> , under **Permits, Licenses & Forms** tab, then under Building Inspector heading.



Commercial Revolving Loan Fund Administrative Procedures

1. Application

- The Applicant/Property Owner/Owner's Representative (Owner) obtains from Historic Preservation Office, NeighborWorks or City of Deadwood Website:
 - Revolving Loan Fund Commercial Program Application form
 - Submit an application for Project Approval or Certificate of Appropriateness form (if required)
- The Owner submits completed copies of the above forms with signatures to Historic Preservation (HP) Office along with the following documents:
 - Completed application and Certificate of Appropriateness.
 - Tax Returns from the last three (3) years.
 - Current balance sheet.
 - Current profit and loss statements.
 - Proof of Ownership – A copy of the deed, the contract for deed, or the acquisition contract must be submitted.
 - Project Description – The applicant must provide a narrative description of the project, including specific building rehabilitation activities to be funded by the Revolving Loan Fund, and any historical information related to the property.
 - Itemized list of project costs.
- A discussion between the Owner and the Historic Preservation Officer is recommended to clarify requirements and expectations of this program. This can greatly streamline the process.

2. Determination of Eligibility

- The Historic Preservation Officer and/or City Building Inspector conducts an on-site inspection of property to determine eligibility.
- Photographs are taken for documentation.
- A needs assessment will be done by the Historic Preservation Officer.
- The Historic Preservation Officer will prepare a written HP Staff Report for use by the Historic Preservation Committee (HPC). If a loan is involved, the Historic Preservation Officer communicates with NeighborWorks about the conclusions drawn in the HP Staff Report.

3. Loan Application

- The Owner makes an appointment with NeighborWorks to determine the Owner's financial eligibility. Note to Owner:
 - Owner is responsible for any costs exceeding the loan amount or any costs that are not permitted under the Program.

- Owner is responsible to pay for all closing costs.
- NeighborWorks prepares Loan documents for which the Owner must provide:
 - Cost Estimate / quote for entire project.
 - Information to verify Owner's financial ability to repay.
- NeighborWorks provides Owner with:
 - Worksheet showing Owner's financial responsibility.
 - Letter of Understanding stating Owner's share of costs. Owner must sign this document.
 - Closing Documents (i.e. mortgages and settlement statements)
 - Promissory note (i.e. assignments on contract for deed, personal guarantees, etc.) Owner must sign this document.
- NeighborWorks presents loan request to Historic Preservation Loan Committee for recommendation to approve or deny loan.

4. Historic Preservation Commission Project Approval

- Based on HP Staff Report, the Historic Preservation Commission (HPC) approves or denies the Application for Project Approval or Certificate of Appropriateness.
- Based on recommendations from the HP Loan Committee, HPC approves or denies the application for loan.
- If loan is approved, the agreements and any other necessary documents are recorded.
- A "Notice to Proceed" is issued to the Owner and/or Contractor and the City of Deadwood by NeighborWorks, in the case where a Construction Loan is involved.

5. Project Beginning and Ending

- The Owner is encouraged to enter into a contract with a City of Deadwood licensed Contractor for the project.
- The Owner or Contractor obtains a City of Deadwood Building Permit. A "Notice to Proceed" from either the Historic Preservation Officer or NeighborWorks must be obtained before applying for a City of Deadwood Building Permit.
- Where Construction Loan Draws are involved:
 - The Owner is responsible for making arrangements for delayed payments or progress payments to the Contractor / Material Supplier. Owner must be aware that payments from the City of Deadwood may require up to 30 days or more before payments are made due to the City's approval process.
 - Construction Loan Draws are made subject to payment withholding to ensure project completion is accomplished.
 - All final or Construction Loan Draws are for materials and/or contractor's costs only, supported by verifiable invoices. Owner's time is not reimbursable. No prepayments are permitted.
- The Historic Preservation Officer and/or Building Inspector inspect the work in progress.
- The Historic Preservation Officer and Building Inspector conduct a final inspection after the completion of the entire project.

6. Expenditure Disbursement

- After the Building Inspector has reviewed the work and/or materials and has consulted with the Historic Preservation Officer, the Building Inspector authorizes NeighborWorks to approve invoiced amount (less any withholding).
- NeighborWorks initially approves invoices.
- At a HPC meeting, the HPC approves the disbursement which is added to the City of Deadwood Commission's bill list for City (final) approval.
- Upon City approval, the City Finance Office issues checks for the disbursement to the Historic Preservation Office.
- Owner or Contractor pick-up disbursement check from the Historic Preservation Office and, if Contractor is involved, the Contractor must sign lien waivers before final payment is made.

7. Continued Administration of Loans

- NeighborWorks reviews all loan accounts once a month.
- Building Inspector notifies property owner if property does not meet Minimum Maintenance Standards, and if these issues are not resolved, the Building Inspector advises the HP Loan Committee. The HP Loan Committee provides recommendation to HPC either to work with owner, or make loan immediately payable.
- Where a Grant is not involved, the Construction Loan will be rolled into a 10 year loan and the documents will be recorded. Any costs associated with recording of documents must be paid by Owner.

8. Satisfaction of 10 year Loan

- After terms and conditions of the loan are completed, NeighborWorks prepares a satisfaction of mortgage for the loan funds.
- HPC signs the satisfaction of mortgage.
- NeighborWorks collects from the Owner the recording fees for the satisfaction of mortgage documents.
- NeighborWorks delivers the satisfaction of mortgage to the Register of Deeds.
- NeighborWorks closes the Owner's loan account.
- NeighborWorks forwards the loan documents to the HP Office.
- The HP Office retains the loan documents for at least seven (7) years.