NEW CONSTRUCTION PROCESS AND PROCEDURES

Loans Approval Process:

1. Submit complete application as detailed in the Loan Guide document.

2. All loans are subject to Agency underwriting and availability of funds. Completed loan applications will be considered on a first-come first-served basis.

3. The Redevelopment Agency of Salt Lake City provides different tracks for loan review and approval based on the amount requested:

	Loans less than $25,000	**Loans from $25,000 to $500,000**	**Loans greater than $500,000**
Approval Process	Reviewed and approved/denied by Redevelopment Agency staff	Reviewed and approved/denied by a Loan Committee made up of at least three members of the Redevelopment Advisory Committee	The Loan Committee shall recommend approval or denial to the Agency's Board of Directors who shall make the final decision concerning funding for the loan request
Application Completion Deadline for Monthly Review	Anytime	Third Wednesday of each month	Third Wednesday of each month

Disbursement Procedure:

1. Borrower shall submit draw requests on an AIA Document G702, Application and Certificate of Payment or some other form acceptable to Agency staff. Borrower shall provide copies of invoices for the completed work, and copies of inspection reports prepared by the Department of Building and Housing Services, when applicable.

2. A representative of the Agency will inspect the property to verify the work described in the submitted invoices.

3. Funds set aside for the tenant improvement portion of the loan shall only be disbursed once a lease has been signed with a tenant and the Agency has reviewed and approved the construction drawings.

4. The Borrower will be responsible for obtaining executed lien waivers from the contractor or materialmen when payment is made and to deliver the lien waivers to the Agency for its file.

Agency Oversight of Projects and Loans:

1. All project specifications shall be approved by the Agency's staff or a committee set up to review such projects.

2. All projects funded with a single loan shall be completed within one year of the loan closing.

3. The Agency shall verify that each loan is serviced in accordance with normal procedures used in prudent loan servicing.

4. All loans shall have sufficient controls to protect the Agency's interest in said property, including but not limited to release of lien claims concurrent with payment.

5. The Agency requires General liability insurance with a “combined single limit” of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate, and an endorsement naming the Agency as an additional insured. Proof of such insurance will be required in advance of closing and updated annually until loan is repaid in full.

6. The Agency requires Property insurance coverage in an amount equal to the total outstanding debt on the secured property, including the loan from the Agency, with the Redevelopment Agency of Salt Lake City named as loss payee to the extent of its interest. Proof of such insurance will be required in advance of closing and updated annually.

7. Flood insurance is required for properties located within the 100 year flood plane. Proof of such insurance will be required in advance of closing and updated annually until loan is repaid in full.

8. Borrower shall provide to the Agency a copy of the contractor's business license and appropriate insurance certificates.

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