

City of Union Resolution

Resolution No. 2010-03

A RESOLUTION OF THE UNION CITY COUNCIL FORMALLY ESTABLISHING A DOWNTOWN REVOLVING LOAN FUND COMMITTEE AND SETTING FORTH THE COMMITTEES DUTIES AND LOAN PROCEDURES AND REQUIREMENTS.

Whereas, in 1997 the City of Union received a grant from the Northeast Oregon Alliance Regional Strategies Program to establish a revolving loan fund for downtown building renovations, with highest priority to those buildings located in the Downtown Historic District.

Whereas, an ad hoc Design Review Committee was established to assist in the administration of the grant during the grant period which ended March 31, 2000 and said committee “dissolved” after this time;

Whereas, the City Council desires to establish a permanent committee to review and approve loan requests from the Downtown Revolving Loan Fund, including review of design plans to ensure such plans are in conformance with the terms of the loan program.

Now therefore, be it resolved by the Union City Council, that:

Section 1. A Downtown Revolving Loan Fund Committee is hereby established to review loan application requests for improvements to buildings. Priority will be given to the historic downtown area, or other buildings as hereafter prescribed.

Downtown Revolving Loan Fund Mission, *“To help Union business owners to maintain and restore their buildings to an excepted historic appearance”.*

Section 2. The Downtown Revolving Loan Fund Committee is authorized to review applications and approve building improvement loans made to the City’s Downtown Revolving Loan Fund. The total amount approved for loans shall not exceed the amount budgeted for such loans during the fiscal year in which the loan requests are submitted.

Section 3. The Downtown Revolving Loan Fund Committee shall consist of one City Councilor, one Planning Commission member and three city residents appointed by the Mayor. The City Administrator will be chairperson and secretary for the committee. The Committee may establish by-laws, subject to approval by the Council. A simple majority may approve an application request, provided that a quorum is present.

The City Council may review a decision of the Committee on a loan application, upon approval of a motion to do so at the next regularly scheduled Council meeting following the Committee’s decision on the loan application. The Council may affirm or overturn the Committee’s decision; however, any decision that alters the decision of the Committee shall be supported by findings adopted by the Council addressing the criteria, standards, or other requirements upon which the Committee based its decision. At such time, the application will return to the Committee for

additional review. Committee will make a good faith effort to work with applicant to meet both parties' needs before returning an approved application back to Council for possible review.

Section 4. The City Administrator and/or his or her designee, shall act as staff to the Downtown Revolving Loan Committee, and may make recommendations to the Committee whether or not to approve loan requests based on such factors as whether the purpose and objective for which the Downtown Revolving Loan fund was established will be met by the proposal, availability of funds, applicants credit rating or ability to pay, and/or other relevant factors.

Section 5. The Downtown Revolving Loan Fund Committee shall make a recommendation to the City Council regarding loan application fees, requirements, procedures, and criteria and standards by which decisions to approve or deny loans requested shall be reviewed against. In addition, proposals for which loan requests are made must comply with all local, State and Federal requirements, as applicable. The Committee may from time to time recommend to the City Council changes in the fees, requirements, procedures, criteria, and standards as deemed appropriate by the Committee.

In making recommendations to the Council, the Downtown Revolving Loan Fund shall strive to make the program desirable to qualifying property owners. For example, the Committee may recommend that an application fee, or interest on the loan be charged, or that matching funds be required, but not in such amounts that would make the program undesirable when compared to alternative financing options.

Section 6. Since the main purpose of the Downtown Revolving Loan Fund is to maintain a constant supply of funds that can in turn, be re-loaned again and again. No action by the Committee or the Council shall serve to forgive, reduce, waive, or in any other manner eliminate a portion or all of the loan approved under the downtown Revolving Loan Fund. Any loan, regardless of the amount, shall immediately become a lien against the property to which it is loaned in the event the applicant fails to pay according to the terms of the loan, and the City is left with no alternative except to foreclose on the loan.

Section 7. Attached to this resolution are guideline requirements that are to be met by all applicants. Depending on the particulars of the application more information may be requested by the Downtown Revolving Loan Fund Committee or City Council.

Adopted by 6 members constituting a majority of the City Council voting therefore, and approved by the Mayor of the City of Union this 8th day of February, 2010.

Approved:

See signed copy at city hall

Attest:

See signed copy at city hall

William C. Lindsley, Mayor

Sandra Patterson, Administrator/Recorder

Downtown Revolving Loan Fund Application Requirements

In order to follow the Downtown Revolving Loan Fund mission: *“To help Union business owners to maintain and restore their buildings to an excepted historic appearance”*, the following are required for review by the Committee to consider funding. Priority will be given to historic buildings on Main Street.

1. A completed Downtown Revolving Loan Fund application.
2. Application fee of \$100.00 per application, non-refundable.
3. Budget showing revenues and expenditures for proposed project.
4. Design plans with description. Photos are helpful.

The following will apply to an approved Downtown Revolving Loan Fund application:

1. Loan must be secured by real property, not assets. A lien is required which is not to exceed the 3rd on a liens list.
2. A 50% maximum loan to value of project.
3. Amortization is 12 to 36 months.
4. No more than one loan per property outstanding at any time.
5. Project must be visible from the street.
6. Only 50% maximum loan to value can be matched by sweat equity.
7. Project must be completed within 6 months from receiving funds. If not completed the applicant must come before the Committee to request extra time. Additional documents may be requested.
8. Committee must promptly be notified if proposed project is changed or altered.
9. Final report due at 6 months, detailing completion of project.