

CITY OF SPOKANE DEPARTMENT POLICY AND PROCEDURE	DEPT 1669-06-03 LGL 2006-29
TITLE: MULTIFAMILY HOUSING PROGRAMS - FUNDING REQUESTS (DRAWS) EFFECTIVE DATE: June 3, 1996 REVISION EFFECTIVE DATE: June 27, 2006	

1.0 GENERAL

1.1 The funds for most projects in the City's Multifamily Housing Programs come from federal programs. When a commitment has been made to fund a project, it is set up on a federal management system. The set-up includes information on the owner, the project, amount of funding and project cost. The federal system requires information on total costs of other funding sources and tenants.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy and procedures applies to multi-family programs administered by the Community Development Department.

3.0 REFERENCES

24 C.F.R. Part 92

4.0 DEFINITIONS

None

5.0 POLICY

- 5.1 It is the policy of the Community Development Department to comply with federal regulations regarding multifamily funding requirements, while facilitating timely and prompt payments to loan and grant recipients.

6.0 PROCEDURE

6.1 Funding Requests (Draws)

6.1.1 Requests for funds from the City to pay for project expenses require documentation. The City needs to know what is being paid for, how much is being paid, and that the work has been completed or service provided and accepted by the responsible person(s).

6.1.2 The Borrower's letter requesting the dollar amount, use, and that the work is acceptable serves as the invoice to the City. Support documentation should include copies of invoices for construction costs, soft costs, financing costs, etc.

6.1.3 The City will typically withhold ten percent (10%) of the funds requested until:

- all inspections are complete;
- permits are finalized;
- the final certificate of occupancy is issued; and
- all federal requirements are met as applicable.

6.2 Inspections

6.2.1 Construction is evidenced by inspections by the Borrower's staff, an independent inspector, architect, building inspector, etc. as appropriate. The inspector may sign an AIA G702 form, or submit other evidence of inspection performed. A site progress inspection by staff of the Community Development Department may also be required.

6.2.2 If the work involves required inspections and permits by the City's Building Services Department, payments may be withheld until all inspections are complete, the permits are finalized, and the final certificate of occupancy is issued, as applicable. The Borrower shall make its contractors aware that staff of the Community Development Department will

check with the Building Services Department for permit compliance.

6.3 Davis Bacon

6.3.1 If Davis-Bacon payment of prevailing wage compliance is required, loan disbursement will not be made until **all** compliance paperwork is submitted and found acceptable to City staff.

6.4 Payee

6.4.1 City warrants are typically made to the party with whom it has an agreement. The City will not make two-party warrants. Funds cannot be disbursed to a separate construction account for disbursement by another entity.

6.5 Coordination With Other Funding Sources

6.5.1 Staff from the Community Development Department will coordinate with other funding sources, as needed, regarding draw requests, inspections, etc.

6.6 Checklist For Disbursements

- Request for funds identifying the amount, use, and acceptance of work.
- Support documentation for requested amount (copy of invoice, bill, closing statement, etc.)
- Inspection report, AIA payment certification, etc. (if applicable)
- Davis Bacon documentation (if applicable)
- Permit signoff (if applicable)
- Lien releases (if applicable)

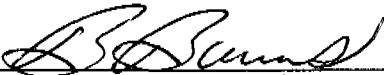
7.0 RESPONSIBILITIES

The Housing Program Finance Officer and/or Housing Program Administrator in the Community Development Department are responsible for administering this policy.

8.0 APPENDICES

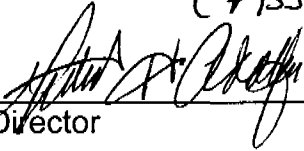
None

APPROVED BY:



City Attorney (Asst)

6-12-06
Date



Director

6/7/06
Date