

**REQUEST FOR PROPOSALS
FOR LOAN APPLICATIONS FOR FUNDS FROM PROPOSED
CITY OF RAPID CITY FANNIE MAE LOAN FUND
FOR HOUSING DEVELOPMENT**

The City of Rapid City is currently soliciting proposals from developers, builders and non-profit agencies who are interested in accessing additional funding sources for housing projects within the City of Rapid City Corporate boundaries and the annexation short term and long term Priorities and Progress Map boundaries.

BACKGROUND

The City of Rapid City is considering the use of a revolving line of credit from Fannie Mae for the provision of short term loans to builders, developers, and non-profit organizations for housing development projects in Rapid City. The City seeks to determine the extent of local interest in using such funds, the amount of funds needed for the projects proposed, and the types of housing projects for which the funds are being requested. Proposals submitted will help the City determine whether the line of credit is needed to help leverage other funds for housing projects, the size of the loan pool needed, and how quickly the funds might recycle for additional loan allocations.

PROPOSED LOAN FUND INFORMATION

The use of the funds may include but are not limited to:

- a) strategic acquisitions;
- b) pre-development expenses;
- c) bridge loans;
- d) housing-related infrastructure; and/or
- e) construction financing.

Loans would be short term (1 month to 3 years), with quarterly interest payments required and full principal repayment at maturity.

Interest rates may be fixed or adjustable quarterly, depending on the term length. Interest rates would be based on the 3 month LIBOR plus a margin, which is yet to be determined.

Projects may be for owner-occupied or rental units, affordable or market rate, and may be mixed use projects that include housing.

SCOPE OF INFORMATION REQUESTED

See attached Project Proposal Information Sheet

PROPOSAL SUBMISSION

If you are interested in accessing an additional funding source for housing projects, please fill out a Project Proposal Information Form and submit it to:

Community Development Division
C/SAC Building
300 Sixth Street, Rapid City, SD 57701

The City of Rapid City would like to receive your proposal no later than 4:00 pm. MST, December 15, 2006.

The Project Proposal Information Sheet is all that is required to be submitted.

Submission of a proposal in no way obligates or entitles you to funds.

Terms, program guidelines and policies and procedures will be developed using information gained from the proposals. If the City determines there is a demand for the loan funds and secures the line of credit with Fannie Mae, a formal request for loan applications will be published and loan applications will be reviewed and underwritten for funding approvals at that time.