

Section 108 Loan Guarantee Program Project Summaries-Fiscal Year 2014

In the fiscal year 2014, the U.S. Department of Housing and Urban Development (HUD) approved **\$110,387,000** in Section 108 Guaranteed Loan commitments for a variety of community and economic development projects throughout the United States. The loan guarantee amounts ranged from \$575,000 for the development of a community center to a \$50 million for a loan pool to support economic and community development activities.

The [Section 108 Loan Guarantee Program](#) provides states and local governments access to low interest rate financing for a variety of projects, including affordable housing developments, public infrastructure improvements and facilities, and commercial/industrial developments. Generally, the costs of these projects exceed available local government resources, including HUD funds available through the [Community Development Block Grant \(CDBG\) Program](#). In all cases, however, these projects are well-suited to the financing available through the Section 108 Loan Guarantee Program.

The Section 108 Loan Guarantee assisted projects approved in FY 2014 are described in the summaries provided below. These assisted projects are grouped into three (3) categories: *Economic Development*, *Housing*, and *Public Facility and Improvement Projects*.

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Economic Development Projects

Mayton Inn Hotel – Cary, NC

Section 108 Loan Guarantee – \$1,400,000

The Town of Cary is providing financing for the new Mayton Inn Hotel, a 45-room hotel on a 1.04-acre site in the heart of downtown Cary. The Town of Cary will use the Section 108 guaranteed loan proceeds to provide a loan to a developer for construction and permanent financing. The developer will provide construction management and then operate the hotel upon completion.

The \$11.7 million hotel project will include a full service restaurant as well as a bar and meeting spaces, which are in high demand in the downtown area. The project is located within easy walking distance to the Cary Arts Center and the Cary Train Depot and is accessible by public transportation. The project will anchor a 13-acre, town-owned development site that will include a downtown park, regional library, and residential and commercial development. The project will advance the Town’s plan and vision for reshaping its downtown. Additionally, the project’s developer will be seeking Leadership in Energy and Environmental Design (LEED) certification for the building.

National Objective:

The CDBG national objective to be met by the eligible activity is benefit to low- and moderate-income persons through job creation, of which at least 51% of the jobs will be held by, or made available to, low- and moderate-income persons. The project is located in a census tract which is primarily residential and has a poverty rate of 20 percent. The project will create an estimated 40 new full time jobs.

Guaranteed Loan Features:

Term: The Town will repay the Section 108 guaranteed loan over a 20-year term.

Repayment Sources: The source of repayment will be net operating income generated by the project and repayment from the Developer for land. The Town will use its CDBG funds for any payment shortfalls.

Additional Security: The Town will pledge its interest in its third-party loan to the developer, secured by a subordinate lien on the project real estate, a subordinate position deed of trust and assignment of rents on commercial property, and a subordinate Uniform Commercial Code security position on all Furniture, Fixtures, and Equipment (FFE) associated with the project.

For Additional Information:

Mayton Inn Boutique Hotel to Draw People to Downtown Cary:

<http://www.newsobserver.com/news/local/community/cary-news/article54341035.html>

Downtown Cary’s Mayton Inn Taking Shape:

<http://www.newsobserver.com/news/local/community/cary-news/article26996635.html>

Reading Double Tree Hotel – Reading, PA

Section 108 Loan Guarantee – \$1,700,000

The City of Reading will re-lend the Section 108 assistance to a for-profit developer to assist in the development of a hotel in its downtown. The 9-story Hilton franchise hotel will be an approximately 200,000 square foot, 211-room full-service hotel. It will feature a ballroom and meeting space of 26,454 feet and a restaurant/lounge. The total development cost for this project is approximately \$64 million, which includes funds for site remediation.

Hospitality, LLC, the developing partner, will be carrying out the development of the hotel. This development will increase convention business at the Santander Arena convention center located across the street from the hotel and build upon the City's revitalization accomplishments, including but not limited to the Goggle Works Art Center and the new Sovereign Bank Operations Center.

The project commenced in 2005 but has been delayed due to the economic downturn and a change in the hotel franchise. While the financing for the hotel originally included \$1.5 million in Section 108 assistance, the City requested an additional \$1.7 million as a result of various cost increases.

National Objective:

The CDBG national objective to be met by this project is benefit to low- and moderate-income (LMI) persons through the creation of jobs. The City estimates that the project will create 176 full-time equivalent (FTE) jobs, of which at least 51% of the jobs created will be held by or made available to LMI persons.

Guaranteed Loan Features:

Term: The City will repay the loan over a 20-year term paying interest only in the first three years.

Repayment Source: The primary source of repayment will be revenue generated by the project.

Additional Security: The City pledge its interest in its loan to the developer, secured by (1) a shared second lien on the hotel real estate and personal property, machinery and equipment, and hotel room furnishings. This subordinated lien position is equally shared with the City's Section 108 guaranteed loan of \$1.5 million and a \$6 million State of Pennsylvania Loan (Build PA); (2) corporate guarantees from the developer, and from a local non-profit, Our City Reading; and (3) a second lien on the hotel receivables and inventory.

For Additional Information:

Showtime for DoubleTree Downtown:

<http://www.readingeagle.com/news/article/showtime-for-doubletree-downtown>

How the DoubleTree Hotel Could Change Downtown Reading:

<http://www.readingeagle.com/news/article/how-the-doubletree-hotel-could-change-downtown-reading>

Hotel/Museum – Lexington, KY

Section 108 Loan Guarantee – \$6,000,000

The City of Lexington will re-lend the Section 108 loan proceeds to a developer to renovate the historic, vacant First National Bank Building into a boutique hotel in downtown Lexington. This 15-story hotel will provide 90 rooms, a 5,000 square-foot restaurant, 5,000 square feet of meeting/conference space, and a 12,000 square-foot contemporary art museum that will be open to the public 24-hours a day.

The funding for this renovation will include approximately \$7.4 million in Federal Historic Tax Credit equity and, potentially, funding from a Community Development Entity to provide a New Markets Tax Credit (NMTC) allocation, which would result in \$2.82 million in NMTC equity. Other funding for this development will include a deferred developer's fee, which would be disbursed at the completion of rehabilitation and the developer's receipt of a municipal certificate of occupancy for the hotel.

National Objective:

The CDBG national objective to be met by this project is benefit to low- and moderate-income (LMI) persons through job creation. As the hotel will be located in a district that has a poverty rate of approximately 48 percent, it is presumed that each job will be held by or made available to LMI persons. The hotel is expected to create a minimum of 125 full-time jobs.

Guaranteed Loan Features:

Term: The City will repay the \$6,000,000 Section 108 loan over a 20-year term, the first seven years being interest-only.

Repayment source: The Developer will use the hotel's revenues to repay the City.

Additional Security: The City will pledge its interest in its loan to the developer, secured by a second lien.

For Additional Information:

Lexington's first skyscraper reopens as 21c Museum Hotel:

<http://www.kentucky.com/news/state/article62909477.html>

21c Museum Hotels Opens New Property in Lexington, Kentucky

<http://www.forbes.com/sites/tanyamohn/2016/02/29/21c-museum-hotels-opens-new-property-in-lexington-kentucky/#2f3baaf851b1>

Business Loan Fund– Richmond, VA

Section 108 Loan Guarantee – \$9,875,000

The City of Richmond will create a business loan pool for financing projects intended to have positive economic and community development benefits within targeted neighborhoods. The business loan pool

will assist businesses in carrying out a wide variety of activities, which may include acquisition of real property, construction, site preparation, demolition and clearance, and purchase of machinery and equipment. The City will give funding priority to projects located in the City's Enterprise Zone Areas, Broad Street Community Development Area, and Rocket's Landing Area. However, the City is willing to provide business loans to eligible borrowers outside these targeted areas.

National Objective: The CDBG national objective to be met by the eligible activities is benefit to low- and moderate-income (LMI) persons through job creation, where at least 51 percent of the jobs will be made available to LMI persons. The City estimates that its economic lending will create approximately 198 new jobs.

Underwriting: The City's Department of Economic Development (DED), in conjunction with its financial advisor, the National Development Council (NDC), will administer the Loan Funds. The City has developed underwriting criteria that will be used to underwrite business loans, which will be presented to DED's Credit Committee for final decision.

Guaranteed Loan Features:

Term: The City will repay the loan over a 20-year term with interest only in Years 1 through 3.

Repayment Sources: The primary source of repayment will be repaid from revenue generated by loan payments from the businesses receiving assistance.

Additional Security: The City will assign its interest in its loans, as secured by liens on real estate, machinery and equipment, and in some cases personal guarantees or other forms of acceptable security.

For Additional Information:

Richmond Economic Dev Loan Fund Program

<http://www.yesrichmondva.com/neighborhood-revitalization/Economic-Development-Revolving-Loans>

City to Highlight Economic Development & Housing Revolving Loan Fund Program

<http://richmondbizsense.com/2013/07/26/city-to-highlight-economic-development-housing-revolving-loan-fund-program/>

Performing Arts & Conference Center– Federal Way, WA

Section 108 Loan Guarantee – \$3,030,000

The City will fund the development of the Federal Way Performing Arts and Conference Center (PACC) with Section 108 assistance. Initially, the City had envisioned using the funds to finance a loan fund to assist with the PACC project and with the City's effort to promote the redevelopment of the Twin Lakes neighborhood's commercial district; however, the City has since amended its application, targeting all funds toward the construction of the PACC. The PACC will be located on a former site of a big-box store on 20th Avenue South near the City's Transit Center.

National Objective. The CDBG national objective to be met by the PACC project is benefit to low- and moderate-income persons through job creation, as this public facility will create jobs in the abutting properties.

Guaranteed Loan Features:

Term: The City will repay the Section 108 loan over a 20-year term with Year 1 being interest-only.

Repayment Sources: For the potential PACC Project, the Borrower will rely on its CDBG funds to repay the Section 108 commitment.

Additional Security: The City will provide its full faith and credit guarantee to secure the Section 108 loan.

For Additional Information:

Federal Way Performing Arts & Events Center:

<http://www.federalwaypacc.org/>

HUD OKs \$3 million loan fund to spark Federal Way's economic development

<http://www.federalwaymirror.com/news/263373331.html#>

Community Development Loan Fund – Salinas, CA

Section 108 Loan Guarantee – \$9,390,000

The City of Salinas will establish a \$9.39 million loan fund to finance economic development, housing rehabilitation, and public facility activities. The City will focus on job creation and increased economic development and hopes to use the loan fund as a tool to leverage additional private investments. The City may allocate the loan funds as follows:

- Commercial/Real Estate Development
- Public Improvements/Industrial Development
- Affordable Housing Preservation

National Objective. The financed eligible activities will meet a CDBG national objective for providing a benefit to low- and moderate-income (LMI) persons through:

- Public facility/improvement activities, that assist more than one business, will create or retain jobs that primarily benefit LMI persons;
- Housing activities, where the permanent residence structure will be occupied by LMI households; and/or
- Activities undertaken on a spot basis to eliminate specific conditions of blight, physical decay, or environmental contamination.

Underwriting: The City has an annual contract with the National Development Council (NDC) to provide a broad range of services, including financial analysis and underwriting of economic and

community development projects. NDC will complete both HUD eligibility review and financial feasibility analysis for each proposed project in accordance with the HUD underwriting guidelines.

Guaranteed Loan Features:

Term: The City will repay the Section 108 loan over a 20-year term with Year 1 being interest-only.

Repayment Sources: The primary source will be project revenues from third-party borrowers.

Additional security: The City will pledge its interest in the loan pool's third-party loans, which will be secured by: (i) a lien on real property or deed of trusts; (ii) security interests in machinery and equipment, accounts receivable, and inventory; (iii) personal/corporate guaranties; and (iv) other appropriate revenue sources or any combination thereof. The City may also pledge its full faith and credit as security for the loan guarantee, as needed.

In addition, the City has agreed to allow HUD to use existing pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the standard pledge of future CDBG funds is insufficient to assure payment of amounts due.

For Additional Information:

Salinas gets \$9.4 loan guarantee from federal officials

<http://www.kion546.com/news/monterey-county/salinas-gets-9-4-loan-guarantee-from-federal-officials/66297548>

Ogden Business Exchange – Trackline EDA – Ogden, UT
Section 108 Loan Guarantee – \$3,340,000

The City of Ogden will use Section 108 guaranteed funds for site acquisition and clearance, infrastructure development, site grading, environmental remediation costs and closing costs for a 51-acre vacant former stockyard and livestock exchange in order to redevelop it into a light industrial/business park. The redevelopment of the under-used commercial and industrial land will create approximately 3 million square feet of manufacturing and light industrial space. The project area is located near a freeway on-ramp and rail and airport service, which will help attract additional private investments and create jobs.

National Objective. The proposed activities will meet a CDBG national objective under of benefit to low- and moderate-income persons through the creation of jobs that primarily benefit low- and moderate-income (LMI) persons. The two proposed projects at the site are expected to create 180 full-time equivalent jobs, and the City anticipates that up to 500 total jobs will eventually be created at the site.

Guaranteed Loan Features:

Term: The City is requesting an 18-year repayment term with interest-only payments for Years 1-4.

Repayment Sources: The primary source of repayment during the site redevelopment (Years 1-4) will be the City’s annual CDBG funds. Following construction, the repayment source will be property sales receipts from land on the project site and from Tax Increment Financing (“TIF”) revenues. The City projects land sales to generate \$9.08 million and TIF revenues \$11.471 million. The TIF district was created in April 2013 in anticipation of the proposed project.

Additional Security: Prior to sale, the City will own portions of the project site subject to a purchase and sale contract with the prior owners. The City will pledge a first priority lien on the project site. The estimated value of the developed site is approximately \$5.5 million.

For Additional Information:

Trackline-Ogden

<http://www.utahstories.com/2014/10/trackline-ogden/>

Eastern Berks Gateway Rail – Berks County, PA

Section 108 Loan Guarantee – \$1,470,000

Eastern Berks Gateway Railroad, a for-profit entity in conjunction with Berks County and other entities will make improvements on railroad boarding locations and restore historic passenger cars in order to revitalize the historic Colebrookdale Railroad. The County seeks to support economic development by initiating freight and passenger traffic along the railroad.

During the next three years, the developer, a for-profit subsidiary of the Colebrookdale Railroad Preservation Trust, will restore historic passenger cars and develop retail, food, and event space at boarding locations in Berks and Montgomery counties. The Developer will also update the railroad line’s physical plant, including track and grading work, the replacement and lengthening of siding, and rehabilitation of an out-of-service track. The County, which will make the loan to the Developer, anticipates that the improved rail line will also accommodate freight service, alleviating highway truck traffic, and provide an environmentally-friendly means of freight travel.

National Objective. The CDBG national objective to be met by the activity is benefit to low- and moderate-income (LMI) persons through the creation and retention of jobs that primarily benefit LMI persons. The project will create approximately 15 full-time and 55 part-time jobs (42 full-time equivalent) in tourism and freight operations.

Guaranteed Loan Features:

Term: The County is requesting a 20-year repayment term.

Repayment Sources: The primary source of repayment will be proceeds of the loan to the Developer, which will use revenue from the operations of the railroad line for repayments. If the loan repayments do not generate enough revenue to repay the Section 108 loan, the County will make the repayments from its annual CDBG funds.

Additional Security: The County will pledge its interest in its third party loan to the Developer, secured by a first lien mortgage on the rail line property, including the right-of-way (land only) and the salvage value of the rail line, ties, and other related structures on the railroad line.

For Additional Information:

\$1.4M grant will aid Colebrookdale Railroad effort

<http://www.pottsmmerc.com/general-news/20140309/14m-grant-will-aid-colebrookdale-railroad-effort>

Colebrookdale Railroad gets big financial boost

<http://www.readingeagle.com/news/article/colebrookdale-railroad-gets-big-financial-boost&template=mobileart>

Historic Colebrookdale Railroad comes back to life

<http://www.wfmz.com/news/news-regional-berks/Local/historic-colebrookdale-railroad-comes-back-to-life/27115420>

Community Enhancement & Economic Development Loan Fund – State of Indiana

Section 108 Loan Guarantee – \$50,000,000

The State of Indiana’s Office of Community Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) will use Section 108 loan funds to capitalize a Community Enhancement and Economic Development (CEED) Loan Fund to make loans to non-entitlement units of local government throughout Indiana. This \$50 million commitment is in addition to the \$30 million in guaranteed loan funds committed in fiscal year 2013.

The non-entitlement units of local governments will either re-lend the Section 108 loan funds to third party businesses (both for-profit and non-profit), including Community-Based Development Organizations (CBDO) or use the funds directly or through a subrecipient to carry out a variety of activities. Loans will range between \$1 million and \$7 million.

National Objective: The CDBG national objective to be met by the eligible activities is benefit to low- and moderate-income persons through job creation or retention activities, area benefit activities, housing activities, or limited clientele activities.

Guaranteed Loan Features:

Term: The State is requesting a 20-year repayment term; however individual loan repayment terms will be based on the project being carried out and the life of the asset being pledged as additional security on the loan.

Repayment Sources: The source of repayment will be repayment of the loans by third-party borrowers.

Additional Security: The State will assign its interest in third party loans secured by a deed of trust on real property, new or used equipment, accounts receivable, inventory, and guaranties, as applicable. For activities carried out directly by units of local government, real property or other appropriate revenue sources will be pledged.

For Additional Information:

CEED Loan Program

<http://www.in.gov/ocra/2726.htm>

Small Business & Entrepreneurship Fund:

<http://www.in.gov/ihcda/2351.htm>

Economic Development Loan Pool – Covington, KY

Section 108 Loan Guarantee – \$4,000,000

The City of Covington will use Section 108 assistance to create a \$4 million economic development loan pool to fund \$3 million in economic development loans, both micro and small business loans and fund \$1 million in property rehabilitation activities of public property. The projects will be located primarily in Covington's Neighborhood Revitalization Strategy Area in the downtown area, but the City may also fund projects in other low- and moderate-income areas of the city.

National Objective: The activities to be carried out will meet the national objective of benefit to low- and moderate-income (LMI) persons through the creation of jobs or on an area basis.

Underwriting: All projects seeking assistance under the loan pool will be evaluated as to project feasibility. For existing businesses, financial statements will be reviewed and analyzed, projections evaluated, and project costs verified. For business start-ups, projections will be compared to industry averages. For real estate projects, appraisals will be required and reviewed, appropriate pre-leasing levels may be set, and credit worthiness will be evaluated. In some cases, formal market studies will be required. All borrowers experience and capacity to perform will be reviewed.

Guaranteed Loan Features:

Term: The City is requesting a 20-year repayment terms.

Repayment Source: The City will use its annual CDBG funds to repay the loan.

Additional Security: The City will enter into a contract with HUD in a form acceptable to HUD that will include provisions for repayment of the debt obligation.

Housing Development Projects

Bristol Park Neighborhood Redevelopment – Champaign, IL Section 108 Loan Guarantee – \$3,524,000

The City of Champaign’s major redevelopment of the Bristol Park neighborhood is comprised of three smaller component areas: the Bristol Place Subdivision, the Garwood Area Addition, and the Shadow Wood Mobile Home Park. A comprehensive study of the Bristol Park neighborhood conducted by the City in 2011 demonstrated extreme physical deterioration of the area’s housing stock, increased building vacancy, and declining property values—as well as other quality of life issues for neighborhood residents. The census tracts comprising the Bristol Park neighborhood are 68.8% low- and moderate-income, which makes the neighborhood one of the most economically disadvantaged areas in Champaign. Based on the findings of the study, the City adopted a holistic plan to revitalize Bristol Park and create a safer and healthier neighborhood.

The City will use Section 108 loan guarantee financing for acquisition of real property, demolition, and/or relocation expenses in the Bristol Place Subdivision. Such acquisition, demolition, and/or relocation activities will be undertaken in support of the eventual development of low-income housing or, in some instances, in support of the neighborhood public facilities (i.e., neighborhood parks and a mixed-use community center).

National Objective: Where Section 108 guaranteed loan funds are used to assist future development of housing, the CDBG national objective to be met by the activity will be benefit to low- and moderate-income (LMI) persons through the provision or improvement of permanent residential structures which, upon completion, will be occupied by LMI households. The City’s neighborhood redevelopment program estimates that 90% of the housing units provided or improved by the project will be occupied by low- or moderate-income persons. Where Section 108 guaranteed loan funds are used to assist future development of public facilities, the CDBG national objective to be met by the activity will be benefit to LMI persons on an area-wide basis.

Guaranteed Loan Features:

Term: The City will repay the Section 108 loan over a 20-year term with principal payments beginning in Year 1.

Repayment Source: The City will use funds from its Urban Renewal Fund to repay the loan.

Additional Security: The City pledged a portion of its annual utility tax revenues as additional security for the guaranteed loan. The City has submitted information regarding the expected amount of future utility tax revenues; these materials demonstrate the City’s ability to cover anticipated Section 108 debt service payments using this source.

FOR ADDITIONAL INFORMATION:

Bristol Park Neighborhood Plan:

<http://ci.champaign.il.us/departments/planning/long-range-planning/bristol-park-neighborhood-plan/>

Redevelopment of Champaign's Bristol Place 'Right on Target':

<http://www.news-gazette.com/news/local/2015-12-23/redevelopment-champaigns-bristol-place-right-target.html>

Citywide Neighborhood Stabilization – Schenectady, NY

Section 108 Loan Guarantee – \$3,000,000

The City of Schenectady will use the Section 108 funds for two activities, which are described below:

- 1) The City will use \$2,500,000 towards acquisition/demolition activities support the reclamation of blighted and distressed neighborhoods within the City of Schenectady (the “Citywide Project”). The City estimates that it will acquire and demolish approximately 66 blighted properties and intends to either use the cleared spaces as pocket parks/community gardens or will transfer title of the cleared spaces to adjacent neighbors as additional green space.
- 2) The City will use the remaining \$500,000 towards acquisition and demolition of real property in support of the development of a 14-unit apartment building (of which 8 units will be affordable to low- to moderate-income (LMI) persons). The Section 108 funds will leverage an additional \$2,550,000 in developer investment.

National Objective. The acquisition and demolition carried out under the Citywide Project will meet the CDBG national objective criteria for limited clientele activities, when title to the acquired properties is intended to be transferred to low- and moderate-income persons. In some cases, the acquisition will be for the purpose of clearance which will eliminate specific conditions of blight or physical decay. The other project, related to the apartment building, will also benefit LMI persons, through the provision of permanent, affordable housing to LMI households.

Guaranteed Loan Features:

Term: The City is requesting a 20-year term.

Repayment Source: The City will repay the Section 108 funds with its annual CDBG allocation.

Additional Security: The City will provide its full faith and credit guarantee to secure the loan.

For Additional Information:

Schumer Joins with Schenectady Mayor Gary McCarthy to Demolish First of Approximately 80 Vacant Buildings:

<http://schenectadymetroplex.com/newsArticle.php?id=500>

Public Facility and Improvement Projects

Dorsey Community Center – Westland, MI

Section 108 Loan Guarantee – \$575,000

The City of Westland will use Section 108 guaranteed loan proceeds for permanently financing the rehabilitation of the Dorsey Community Center. The project is the renovation and repurposing of the vacant Jefferson Elementary School (JES) into an expanded community center serving the Norwayne neighborhood. The service area for the Project is primarily residential and has a poverty rate of 67%.

National Objective. The CDBG national objective met by the eligible activity is the benefit to low- and moderate-income persons on an area basis. The Project is located in Census Tract 5685 and is primarily residential with a poverty rate of 67%.

Guaranteed Loan Features:

Term: The City will repay the Section 108 loan over a 12-year term.

Repayment Source: The primary source of repayment will be the City’s CDBG funds.

Additional Security: The Community Center Building will be used as additional security for the loan.

For Additional Information:

Westland to be honored for new community center:

<http://www.detroitnews.com/story/news/local/wayne-county/2016/01/09/westland-norwayne-community-center-award/78572322/>

Fitness Center and Other Public Facilities – Gary, IN

Section 108 Loan Guarantee – \$6,000,000

The City of Gary will use \$6,000,000 Section 108 guaranteed loan for construction and rehabilitation and completion of two to three public facility projects. The City’s Department of Community Development will work with the Gary Redevelopment Commission, which will serve as the designated public entity and borrower, to oversee and administer these projects.

The City will finance three projects:

- 1) Rehabilitation of the City-owned Hudson Campbell Sports and Fitness Center
- 2) Construction of a new fire station
- 3) Rehabilitation of an existing fire station.

National Objective. The CDBG national objective to be met by the activities is benefit to low- and moderate-income (LMI) persons on an area-basis, where at least 51% of those living in the service area of the facility are LMI persons.

Guaranteed Loan Features:

Term: The County is requesting a 20-year repayment term that will be interest-only for the first five years. Each note under the commitment will have a repayment schedule of up to 20 years.

Repayment Sources: The primary source of repayment for the Hudson Campbell Sports and Fitness Center will be Tax Increment Financing (TIF) revenue. The primary source of repayment for the new fire station and potential rehabilitation of an existing fire station will be revenues from the City's two riverboat casinos. The City intends to use CDBG funds to pay interest on the loan for the interest-only portion of the repayment schedule.

Additional Security: The City is pledging TIF revenues that will be placed in a debt service reserve account as additional collateral for the repayment of its Section 108 Guaranteed Loan for the Fitness Center. The collateral on the other two fire station projects will be outlined in the respective Contract(s) for Loan Guarantee Assistance for these projects.

For Additional Information:

Visclosky Announces HUD Award to Gary

<http://indiana105.com/region-news/visclosky-announces-hud-award-to-gary/>

Northside Redevelopment Project:

https://www.epa.gov/sites/production/files/2015-07/documents/northside_redevelopment_project.pdf

**Old Pompano Redevelopment – Pompano Beach, FL
Section 108 Loan Guarantee – \$4,308,000**

The City of Pompano Beach has identified three streets in a neighborhood within its Old Pompano community in which it will use the Section 108 guaranteed loan funds, in conjunction with City Redevelopment Authority monies, to fund the installation of public infrastructure improvements.

National Objective. The CDBG national objective to be met by these improvements will be benefit to low- and moderate-income (LMI) persons on an area basis. The service area of the project is composed of 60% LMI persons.

Guaranteed Loan Features:

Term: The City will repay the Section 108 loan over a 20-year term, with principal payments beginning in year two of approximately \$157,000, and increasing to \$309,000 for its final principal repayment.

Repayment Sources: The City will use funds from its annual CDBG award for repayment.

Additional Security: The City will establish and fund a debt service reserve account as the additional security on its loan guarantee.

For Additional Information:

Redeveloping Downtown Pompano Beach:

<https://metroatlantic.wordpress.com/2012/09/20/downtown-pompano-beach-master-plan/>

Pompano Beach Community Redevelopment Agency:

<http://pompanobeachfl.gov/index.php/pages/cra/cra>

Acquisition of Housing Counseling Center – Livermore, CA

Section 108 Loan Guarantee – \$725,000

The City of Livermore will use a Section 108 guaranteed loan to acquire two properties (141-145 and 147-149 North Livermore Avenue) from the Tri-Valley Housing Opportunity Center (TVHOC). TVHOC is a non-profit, HUD-approved housing counseling organization that provides services to households at or below 80% of area median income throughout Contra Costa and Alameda counties. One of the properties is a two-story building that houses TVHOC offices on the first floor and an apartment on the second floor that is occupied by a low-income family receiving a Section 8 Federal rental housing subsidy. The second parcel consists of a single building with four commercial units totaling 2808 square feet.

The properties were originally acquired by the non-profit in 2007 using a loan from the Northern California Community Loan Fund (NCCLF). Rental income from the commercial units was intended to repay the NCCLF along with a contribution from TVHOC. Due to the recent economic downturn, TVHOC has been unable to fundraise enough to cover general operating expenses. The Borrower's acquisition will provide TVHOC with the funding to fully repay its NCCLF loan and enable TVHOC to reorganize its financial situation. TVHOC will continue to operate as a full service housing counseling organization.

If TVHOC is not able to remain financially viable, the City will identify another non-profit housing service provider(s) for low-income households in the Tri-Valley area. The Borrower's express purpose is to maintain housing counseling services at the current location whether those services are provided by TVHOC or another non-profit, as a regulatory agreement restricts the use of the first floor to either TVHOC or a similar housing counseling agency. The Borrower will continue to rent the apartment above 141 North Livermore to a very low income family and apply the rental income going towards the 108 repayment.

National Objective: The CDBG national objectives met by the eligible activities are benefit to low- and moderate-income persons on a limited clientele basis and through housing activities, where the eligible activity is carried out for the purpose of providing a permanent residence structure to be occupied by a low- and moderate income household.

Guaranteed Loan Features:

Term: The City is requesting a 20-year repayment term for its guaranteed loan.

Repayment Source: Rental income from project.

Additional Security: The loan will be collateralized by a first lien position on the two buildings.

For Additional Information:

Cities Agree to Continue Aid to Housing Opportunity Center:

<http://independentnews.com/app/pdf/01-03-13.pdf>

Bud Bender Park Rehabilitation Project – Rialto, CA

Section 108 Loan Guarantee – \$2,000,000

The City of Rialto is using its loan guarantee assistance to fund the extensive renovation of the eight (8) acre Bud Bender Park (the "Park") located at 300 N. Lilac Avenue. The park serves a primarily residential area of approximately 1.5 square miles that consists of primarily low- and moderate-income residents (58.17%).

National Objective: The CDBG national objective to be met by the activity is benefit to low- and moderate-income persons on an area basis.

Guaranteed Loan Features:

Term: The City will repay the loan over a 20-year term with an interest-only payment in Year 1.

Repayment Sources: The City will use annual CDBG funds to pay the debt service on the loan.

Additional Security: The City will pledge a sole first priority lien in the name of the Secretary on the real property, the park undergoing rehabilitation, as established through an appropriate and properly recorded mortgage.

For Additional Information:

Rialto's Bud Bender Park reopens debuting Dodgers Dreamfield:

<http://iecn.com/rialto-bud-bender-park-reopens-debuting-dodgers-dreamfield/>

Bud Bender Park Grand Opening:

<https://www.youtube.com/watch?v=vbiGRH93J-k>