

2008 Section 108 Guaranteed Loan Program Overview

In the fiscal year 2008, HUD approved twenty-eight Section 108 Guaranteed Loan commitments in the aggregate amount of \$160,686,000. The Section 108 Loan Guarantee Program provides local governments with a highly attractive option for financing a wide range of community and economic development activities, including housing rehabilitation, acquisition and site preparation, demolition, and commercial development. Generally, the financial demands of these activities exceed available local government resources, including HUD funds available through the [Community Development Block Grant program](#). In all cases, however, these development activities are well suited to the affordable, structured financing available through the Section 108 Loan Guarantee program. HUD further assisted local governments through the competitive award of Brownfields Economic Development Initiative (BEDI) funds, which were approved in conjunction with the Section 108 Loan Guarantee financing for development projects that need environmental remediation caused by contamination. For further program details, click here for the [Section 108 fact sheet](#) or the [Section 108 program home page](#).

Each of the Section 108 Loan Guarantee commitments are grouped into three categories of assisted project development: Economic Development, Housing, and Public Facilities. The assisted projects are described in the summaries provided below. In each category, there is introductory information followed by individual project financing summaries, which are listed alphabetically by borrower communities within states.

Economic Development Projects

HUD committed approximately \$123,711,000 in Section 108 Loan Guarantees to 19 local governments for economic development projects across the country. The Department's federal guarantees were in amounts from \$750,000 to Fayetteville, NC to convert a 46,000 square foot former department store into a family entertainment center, to \$25,000,000 to Los Angeles, CA to develop a 245,000 square foot office complex and the 300,000 square foot Wilshire Vermont Retail Center. Seven of these projects also received BEDI grant awards as additional assistance for projects that needed some environmental remediation.

California

NOHO III Office Building Project

Los Angeles, CA

Section 108 Guaranteed Loan- \$13,965,000



<http://www.goldsteinplanting.com/cms/sites/default/files/imagecache/fullscreen/project-images/Lankershim.JPG>

The City of Los Angeles will re-lend the Section 108 proceeds to the for-profit J.H. Snyder Company or an affiliate of the company to redevelop the NOHO III office building. NOHO III is located at 5250-5280 Lankersheim Blvd. in the North Hollywood community and is the third and final phase of NOHO Commons, a private – public partnership between the J.H Snyder Company and the City of Los Angeles Community Redevelopment Agency (CRA) to redevelop this site as a Transit Oriented Development. NOHO III will be a 9-story 180,000 square foot Leadership in Energy and Environmental Design (LEED), certified office building with an adjacent 7-story 735 capacity parking structure, a 24,000 square foot art house theater and a 1,000 square foot retail café pad. The project is situated on a 2.95 acre site in the heart of the NOHO Art District and is one block from the largest transportation hub in the San Fernando Valley.

The City will use the Section 108 Guaranteed Loan for pre-development, financing and other related indirect, construction costs associated with NOHO III including construction loan interest, legal fees, marketing and leasing fees, and engineering and consultant costs. The Section 108 funds will be provided in conjunction with \$8,500,000 Tax Increment Grants, a

\$19,855,000 equity investment and a \$45,601,000 senior bank loan for a total project cost of \$87,921,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 399 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first two years. The developer's debt servicing payments to the City will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and a second deed of trust subordinate to the senior loan.

959 Seward Office Campus

Los Angeles, CA

Section 108 Guaranteed Loan- \$25,000,000

The City of Los Angeles will re-lend the Section 108 proceeds to the for-profit J.H. Snyder Company or an affiliate of the company to develop the 959 Seward Office Campus, a 245,000 square foot office development in the Hollywood district of Los Angeles. The campus will consist of two separate low-rise buildings and include on-site amenities such as a commissary, an executive gym, an open courtyard with original art, and 245 public parking spaces.

The City will use the Section 108 Guaranteed Loan for pre-development, financing and other related indirect, construction costs associated with the campus project. The Section 108 funds will be provided in conjunction with a \$30,749,000 equity investment and a \$67,248,000 senior bank loan for a total project cost of \$122,997,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 715 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first two years. The developer's debt servicing payments to the City will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and a second deed of trust subordinate to the senior loan.

Wilshire Vermont Retail Center

Los Angeles, CA

Section 108 Guaranteed Loan- \$25,000,000

The City of Los Angeles will re-lend the Section 108 proceeds to the for-profit J.H. Snyder Company or an affiliate of the company to acquire a 92,920 square foot lot and construct the 5-story, 300,000 square foot Wilshire Vermont Retail Center. The retail development will include two anchor tenants, a market, a theater, specialty retailers, and restaurants. According to the application, the retail center will be accessible to 500,000 people living within a 3-mile

radius. In addition, the Developer will construct a 1,200 space parking garage, an infrastructure support for this commercial development. The development is near the new mass-transit Wilshire/Vermont Metro Station.

The City will use the Section 108 Guaranteed Loan for site acquisition costs associated with the project. The Section 108 funds will be provided in conjunction with a \$51,491,260 equity investment, a \$25,000,000 Community Redevelopment Agency Grant and \$95,146,273 senior debt for a total project cost of \$196,637,533.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 714 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

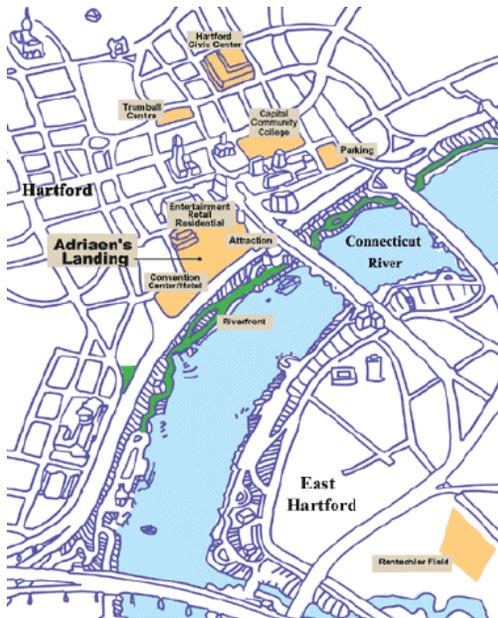
The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first three years. The developer's debt servicing payments to the City will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and the City's interest in a second lien on the retail center.

Connecticut

Adriaen's Landing – Front Street District Project

Hartford, CT

Section 108 Guaranteed Loan- \$5,000,000



<http://www.cga.ct.gov/2008/images/2008-R-0592-1.gif>

The City of Hammond will re-lend the Section 108 proceeds to HB Nitkin Front Street, LLC for the Front Street redevelopment, part of the City's larger Adriaen's Landing Redevelopment project located in downtown Hartford. Adriaen's Landing is a 36-acre mixed-use residential, retail, entertainment, hotel, convention center and recreational development. The Front Street development is the retail and entertainment component of the Adriaen's Landing development

and involves developing 62,530 square feet of retail and entertainment space on approximately 7.4 acres of the 36-acre site. The State of Connecticut owns the site and will enter into a long-term ground lease with the HB Nitkin Front Street. The development is expected to have 70 percent restaurant and entertainment venues and 30 percent retailers such as apparel, bookstores, and specialty stores. In addition, the HB Nitkin Front Street will construct a 311 space-parking garage, which will be funded with State funds.

HB Nitkin Front Street will use the Section 108 Guaranteed Loan to finance the construction costs for the retail and entertainment portion of the development. \$2,000,000 in BEDI grant funds will also be used to establish a debt service reserve. The Section 108 and BEDI grant funds will be provided in conjunction with \$ 13,750,000 in state funds and \$9,885,030 in developer equity for a total project cost of \$30,635,030.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 385 full time or equivalent jobs of which at least 51% will be held by or available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first year. Revenues generated from the project will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG, a first lien on the development improvements and a completion guarantee.

Florida

Avenue A Revitalization Project

Palm Beach County, FL

Section 108 Guaranteed Loan- \$2,600,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,200,000

The City will use the Section 108 proceeds to establish a business loan fund that will assist existing businesses and bring new business development to the Avenue A commercial corridor of the City of Belle Glade, a municipality within Palm Beach County. The Loan Fund will make financing available to various for-profit and non-profit service providers, via subrecipient agreements.

The County will use the Section 108 loan to establish the loan fund, which will provide loans to for-profit entities and non-profit service providers. In addition to the Section 108 proceeds, the County will utilize \$1,200,000 in BEDI grant funds due to the presence of asbestos, lead-based paint, underground oil tanks, PCBs, and other environmental contaminants within the Avenue A commercial corridor. Business borrowers will utilize loan funds for rehabilitation of real property, clearance/demolition and remediation, and site preparation activities.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to assist low-moderate income persons through job creation. The City estimates that the project will create 200 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons. The Miami Field Office will

review each loan from the fund to ensure an appropriate CDBG national objective, eligible activity and public benefit standard are met.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and repayments from business borrowers and subrecipients will be used to service the guaranteed loan. To secure repayment, the City will pledge its future CDBG funds and various sources of collateral including first liens on real property, personal guarantees, equipment, accounts receivable and inventory based on individual third-party loans.

Indiana

Downtown Development Project

Hammond, IN

Section 108 Guaranteed Loan- \$1,101,000

The Section 108 Guaranteed Loan will enable the City of Hammond to redevelop the brownfields site at West Point Plaza Industrial Park and a vacant downtown lot. The City will receive \$1,101,000 in financial assistance, which equals the remaining balance of a prior \$6,500,000 Section 108 loan that was only partially drawn down in 2002. The redevelopment of the two sites is expected to create 900 permanent jobs, principally for low-and moderate-income persons. Collectively, the redevelopment projects are expected to cost \$24,330,523.

West Point Plaza Industrial Park: The City has designated the West Point Plaza Industrial Park as a pilot site for brownfields redevelopment. The site, previously used for as a steel slag dump, will become a light to heavy manufacturing park. The City will use \$3,000,000 in Section 108 funds toward site preparation, construction, reconstruction, and/or installation of public improvements, utilities and facilities. Total cost of the redevelopment will be \$7,228,842.

Downtown Site: The City will use \$3,500,000 in Section 108 proceeds to redevelop a downtown site as the location for a new 15,000 square foot drugstore and a 60,100 square foot office building. The City will use the funds for acquisition, demolition, and site preparation and will restore contaminated land to a condition suitable for development, while also eliminating liability for the health and safety of Hammond residents. Total cost of the redevelopment will be \$17,101,681.

The City will repay the Section 108 Guaranteed Loan over a twenty year period using future CDBG allocations, the City's general funds, and proceeds from land sales. To secure repayment, the City pledges its future CDBG funds and a first lien mortgage on the subject property.

Massachusetts

Cookson Precious Metals Project

Attleboro, MA

Section 108 Guaranteed Loan- \$2,500,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,900,000

The City of Attleboro will re-lend the Section 108 proceeds through the Attleboro Redevelopment Authority (ARA) to Cookson Precious Metals, a private manufacturing company. With the loan proceeds, the company will acquire and redevelop the 200,000 square foot former Swank Jewelry Manufacturing property located at 6 Hazel Street, in a distressed downtown neighborhood of the City. The ARA currently owns the site and leases it to Cookson. The former Swank jewelry property will be purchased by Stern Metals, Inc., a division of The Cookson Precious Metals, in accordance with a purchase agreement.

Cookson will use the Section 108 Guaranteed Loan to finance the project's redevelopment costs to support economic development. \$1,900,000 in BEDI grant funds will also be used for preparation and building renovation. The Section 108 and BEDI grant funds will be provided in conjunction with Massachusetts State funds, Community Development Block Grant (CDBG) funds and City funds for a total project cost of approximately \$11,081,074.

The CDBG national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 150 full time or equivalent jobs of which at least 51% will be held by or available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan in one year from a combination of net operating income generated by the manufacturing operation and reserves. To secure repayment, the City pledges its future CDBG funds and a first mortgage lien on the subject property.

River's Edge Project

Malden, MA

Section 108 Guaranteed Loan- \$1,000,000

The City of Malden will re-lend the Section 108 proceeds, through the Malden Redevelopment Authority (MRA), to the Mystic Valley Development Commission (MVDC). In 1994, the Cities of Malden, Medford, and Everett formed the MVDC partnership to undertake the River's Edge development, which is located 5 miles north of Boston on both sides of the Malden River, where the Malden River joins the Mystic River. The City of Medford will assist with Phase I activities for the project and the City of Everett will assist with Phase II activities for the project.

The River's Edge Project is the redevelopment of a former 215 acre industrial site of which portions are located in the cities of Malden, Medford, and Everett. The site will be developed into a mixed-use complex known as River's Edge. River's Edge, a National Brownfields Partnership Showcase Community, is jointly being carried out by the Cities of Malden, Medford, and Everett, Massachusetts and will include 1.8 million square feet of new office and industrial space, 220 residential units, and recreational spaces along the Malden and Mystic riverfronts. The east side of the development is located in the City of Everett and the west side of the development is located in the Cities of Malden and Medford.

River's Edge will be carried out in several phases. Phase I, which is the focus of Malden's and Medford's requests, involves acquiring approximately 39 of the 215 acre site, demolishing

existing buildings, relocating businesses, widening and reconstructing Commercial Street and Corporation Way, which are the main traffic routes into the Phase I development. In addition, the Phase I development will include constructing up to 441,200 square feet of office/commercial space in three buildings and constructing 220 residential units. Lastly, 7.7 of the 39 acres will be public open space that includes a walking/bike trail, areas for entertainment and a multi-purpose athletic field.

MVDC has already assembled the portion of the site, which is in Malden and Medford and has completed all of the pre-development activities. MVDC will sell 4 acres of the assembled site to Criterion Development Partners to construct the residential units. The remaining site will be sold to Preotle Lane & Associates, Ltd (PLA) to construct the commercial buildings. MVDC selected Criterion Development Partners and PLA through a solicitation process to develop Phase I.

The Cities will use the Section 108 Guaranteed Loan to finance the widening and reconstruction of Commercial Street and Corporation Way. The Section 108 funds will be provided in conjunction with \$1,884,487 in MVDC funds and an additional \$2,000,000 Section 108 loan for the City of Medford and Everett for a total project cost of \$3,884,487. Additionally, the City of Everett received a Brownfields Economic Development Initiative (BEDI) grant in the amount of \$1,200,000 to make interest payments on the combined \$3,000,000 in Section 108 loans.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 1,324 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first eight years. As part of the MVDC partnership, the City of Everett will use its BEDI grant to make payments on interest. After the interest only period, Payments In Lieu of Taxes (PILOT), which MVDC will receive from the River's Edge development, will be used to pay the debt service on Section 108 obligation. To secure repayment, the City pledges its future CDBG funds and its full faith and credit.

Maine

Bayside Redevelopment Project

Portland, ME

Section 108 Guaranteed Loan- \$10,200,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,800,000

The City of Portland will use the Section 108 proceeds for the Bayside Redevelopment Project, a public/private initiative begun by the City to revitalize the Bayside area, the distressed area adjacent to downtown Portland with a poverty rate of 39.0%. This area is blighted with three metal recycling yards, inefficient transportation patterns, an abandoned rail line and disjointed land uses related to the rail line. The completed project is intended to revitalize the area through the development of a complex of mixed uses of an estimated 300,000 square feet of retail and office space, 64 new residential units and recreational uses.

The Project will be developed in five phases with Phase I (site acquisition, rebuild Somerset Street and extend Chestnut Street) completed and Phase II currently ongoing. The Section 108 loan funds and the BEDI grant will be used to carry out activities in Phases II, III and IV.

Phase II activities include: public infrastructure improvements (improving signalization at nearby intersection, widening the street at the intersection, including a turn lane extension, increasing sidewalk widths, and installing brick pavers) related to Whole Foods' development of 47,000 square feet of commercial space for a new Whole Foods Market; improvements of the infrastructure (curbing and tip downs) to facilitate the reopening of the Miss Portland Diner; and transfer of ownership of railroad parcels from the Downtown Portland Corporation (DPC) to the City of Portland. Phase III activities include: acquisition of the New England Metal Recycling (NEMR) site; relocation of NEMR to another site in the City and reconfiguration of parcel boundaries to establish six parcels suitable for development. Phase IV activities include; relocation of E. Perry Metal Recycling, which will sell its property to a commercial development entity; and conveyance by the City of the six parcels to ARC to develop in accordance with the Project plan, which includes a 700-space parking garage with 24,000 square feet of retail space on the first floor.

The City will grant the Section 108 loan and BEDI funds to the following entities; Whole Foods Market Group, Inc.; Miss Portland Diner; New England Metal Recycling; and E. Perry Scrap Yards. The City will make a loan to Atlantic Redevelopment Company (ARC) in the amount of \$9,048,000 dollars to carry out the development of the garage and retail structure. The Section 108 and BEDI grant funds will be provided in conjunction with \$19,700,000 in private financing and \$658,500 in funds from the City and Economic Development Authority for a total project cost of \$32,358,500.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 240 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first year. Tax Increment Financing (TIF) will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds, TIF revenues and its interest in the third-party loan to ARC, secured by a second lien position on the garage and retail structure.

Michigan

Neighborhood Office Development

Flint, MI

Section 108 Guaranteed Loan- \$1,875,000

Brownfields Economic Development Initiative (BEDI) Grant- \$780,000

The City of Flint will re-lend the Section 108 proceeds to the for-profit developer Riviera Grand Properties, LLC to acquire six acres in a region abutting the City's Renewal Community (RC) zone for the construction of a new 11,562 sq. ft office building at 2021 West Carpenter

Road. The building will be leased to the Social Security Administration under a 10 year lease agreement with possible option to renew the term. The Social Security staff at this office location will be providing and processing social security benefits for residents of Flint, whose population is 70% low and moderate income persons. There are currently two social Security offices in Flint. One located in downtown Flint and another at a temporary location about 1.5 miles from the new proposed site. The idea is that fifteen employees from the temporary site will relocate to this new location on Carpenter road and the temporary site will close.

The City will use the Section 108 Guaranteed Loan to finance project development costs for site acquisition, preparation, relocation and construction. \$780,000 in BEDI grant funds will also be used to establish a debt service reserve as credit enhancement for the repayment of the guaranteed loan. The Section 108 and BEDI grant funds will be provided in conjunction with \$945,000 developer contributed equity for a total Phase III project cost of \$3,600,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to provide low-moderate income persons area benefit. The service area has a low-and moderate-income population of 67.59 percent. Additionally, the City estimates that the project will create or retain 30 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first years. The City will repay its Section 108 loan from debt service payments from the developer. To secure repayment, the City pledges its future CDBG funds, a first mortgage lien on real property and personal guarantees from the developer.

Mississippi

Capital City Center Revitalization Project and Business Loan Pool Project

Jackson, MS

Section 108 Guaranteed Loan- \$10,000,000

The City of Jackson will utilize the Section 108 proceeds in the following two phases:

Phase I - the Capital City Center Revitalization Project. The City will re-lend the \$10,000,000 in Section 108 loan proceeds to a for profit developer, TCI MS Investment, Inc. TCI will use the funds for the acquisition of several parcels in the City's Central Business District and within the City's federally designated Enterprise Community, as part of a major mixed-use development. Phase I will consist of 1) two full-service hotels for a total of 475 rooms, 2) approximately 53,000 square feet of retail space, 3) approximately 2,500 public parking spaces, and 4) an additional 50,000 square feet of office space. This Phase I development will be adjacent to the newly-constructed Telecommunications Center, as well as the downtown convention center that is currently under construction. The developer will be utilizing the Section 108 loan proceeds as bridge financing and will repay its note to the City in full within 24 months.

Phase II – Business Loan Fund. The City proposes to utilize the developer's repayment from Phase I to capitalize an economic development loan fund for the City's

businesses. The City is currently procuring an experienced management company to administer the Loan Fund. The Loan Fund assistance will be targeted to those businesses that are within the City's Central Business District, its designated Enterprise Community, and other Community Development Block Grant (CDBG) assisted areas.

The City will use the Section 108 Guaranteed Loan for economic development assistance in Phase I and for-profit business assistance through the Loan Fund in Phase II. The Section 108 funds will be provided with \$15,500,000 in tax increment financing, \$3,000,000 in Community Development Block Grant (CDBG) funds and \$171,500,000 in public and private financing for a total project cost of \$200,000,000.

The CDBG national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that Phase I of the project will create 592 full time or equivalent jobs and Phase II will create an estimated 300 additional full time or equivalent jobs. At least 51% of the 892 positions will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first five years. The City will rely on the developer to repay its loan in full within 24 months of Phase I's commencement. For the subsequent Loan Fund, the City will rely on the loan repayments from business borrowers. To secure repayment, the City will pledge its future CDBG funds, a lien on Phase I's real property and a corporate guaranty from Transcontinental Realty Investors. For Phase II, the City will pledge its interest in each of its business loans to the for-profit businesses, which will be secured by liens on real property, machinery and equipment, and other sources of security.

North Carolina

Double Oaks Redevelopment Project

Charlotte, NC

Section 108 Guaranteed Loan- \$10,000,000

The City of Charlotte will re-lend the Section 108 proceeds to the Charlotte Mecklenburg Housing Partnership, a community-based development organization (CBDO). The CBDO will utilize the loan proceeds to develop a mixed-use retail and residential Community Economic Development project located in a HUD approved Neighborhood Revitalization Strategy Area (NRSA). The project involves the CBDO assembling the 98 acre site by acquiring the 70 acre, partially occupied Double Oaks Apartment complex, relocating existing residents, and demolishing the existing apartment structures. The CBDO will prepare the site for development and subdivide it into developable sites, retaining 12 acres for construction of 300 affordable housing units. The remaining 86 acres will be sold to other developing entities for developing 108,000 square feet of retail/commercial space for a grocery store, retail, office and service establishments. Additionally, the development will provide 940 residential units that will include 300 affordable apartments, 212 for-sale condominiums, 120 market rate apartments and 308 market rate for-sale single family houses/townhouses. The project will also include recreational areas and open space.

The Charlotte Mecklenburg Housing Partnership will use the Section 108 Guaranteed Loan for site acquisition and construction costs. The Section 108 funds will leverage \$95,000,000 in private funding, a \$2,000,000 Housing Partnership Network loan and \$15,000,000 in other public funding for a total project cost of \$122,000,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 270 full time or equivalent jobs of which at least 51% will be held by or available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and will use Tax Increment Financing (TIF) to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds, a second lien on the Double Oaks Apartment property, sales proceeds from the land to be deposited in a Section 108 Loan Repayment Account and \$3,600,000 in Synthetic TIF Revenues.

Capital Family Entertainment Project

Fayetteville, NC

Section 108 Guaranteed Loan- \$750,000

The City of Fayetteville will re-lend the Section 108 to Henderson Holding Company, LLC, a North Carolina, limited liability for-profit company for the reimbursement of construction and redevelopment costs associated with the Capital Family Entertainment Project. The project was the resurrection of a retail icon (Capital Department Store Building) in historic downtown Fayetteville where the 46,000 square foot former department store was converted into a family entertainment center. The Capitol project included restaurants and high tech games as well as providing office and retail space to local small businesses. Project is located in the heart of downtown Fayetteville on Hay Street in Census Tract one which is also a HUBZone (Historically Underutilized Business Zone, administered by the U.S. Small Business Administration). Census Tract one is 60.25 percent low- and moderate-income persons.

Henderson Holding Company will use the Section 108 Guaranteed Loan for reimbursement of part of the project's \$9,200,000 construction and redevelopment costs. The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create approximately 100 full time or equivalent jobs of which at least 51% will be held by or available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 10-year period and CDBG funds will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds, a second lien on real property, a personal guaranty of the Henderson's manager and a pledge of the manager's membership interest in Henderson Holding Company.

New Jersey

Tramz Hilton Hotel

Jersey City, NJ

Section 108 Guaranteed Loan- \$8,000,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,900,000

Jersey City will re-lend the Section 108 proceeds to Tramz Hotels, LLC to acquire a 2.7 acre site from the City and develop a nine-story, 313-room, full service hotel, with 25,000 square feet of meeting space, restaurant and swimming pool in the Liberty Harbor North Redevelopment Area of Jersey City. The development site is contaminated with PCBs, buried asbestos, and various other contaminants including semi-volatiles. The development is scheduled for completion by January 2012.

Tramz Hotels will use the Section 108 Guaranteed Loan to finance development costs associated with the project. A \$1.9 million BEDI grant, awarded in 2007 to the Borrower will be used in conjunction with the Section 108 Guaranteed Loan for the purposes of site preparation and remediation. The Section 108 and BEDI grant funds will be paired with \$23,535,000 in private equity and \$54,912,000 for a total project cost of \$88,347,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 300 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and the developer will use the hotel's net cash flow to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and its interest in the third-party loan to the developer secured by an irrevocable letter of credit for the benefit of the City and HUD.

New York

Business Loan Program & Neighborhood Stabilization and Improvement Fund

Rochester, NY

Section 108 Guaranteed Loan- \$4,000,000

The City will use the Section 108 proceeds to establish a Business Loan Program and a Neighborhood Stabilization and Improvement Fund.

a) Business Loan Program: the City will fund a business loan pool, which will provide direct financial assistance to existing businesses currently located in the City or businesses moving into the City to expand operations.

b) Neighborhood Stabilization and Improvement Fund: the City will establish a loan pool to fund housing rehabilitation activities and new housing construction assistance in four target areas. If new housing is determined to be needed within any of the four target areas, the City will use an existing non-profit, Community Based Development Organization or similar organization to oversee construction.

The City will use \$2,000,000 of the Section 108 loan to establish the Business Loan Program and \$2,000,000 for the Neighborhood Stabilization and Improvement Fund. The Business Loan Program will make loans to for profit entities for economic development activities. The Neighborhood Stabilization and Improvement Fund will help finance site preparation and

public improvements or provide financing to eligible subrecipients for housing rehabilitation or new housing construction in community economic development projects.

The Community Development Block Grant (CDBG) national objective for the Business Loan Program is to assist low-moderate income persons through job creation where at least 51% of the jobs will be held by or made available to low-or moderate-income persons. The national objective for the Neighborhood Stabilization and Improvement Fund will be met by improving residential structures in a predominantly low-or moderate-income area.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and repayments from business borrowers and subrecipients will be used to service the guaranteed loan. To secure repayment, the City will pledge its future CDBG funds and various sources of collateral including first liens on real property, personal guarantees, equipment, accounts receivable and inventory based on individual third-party loans.

Oklahoma

2nd Street Enhancement Project

Lawton, OK

Section 108 Guaranteed Loan- \$2,000,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,000,000

The City of Des Moines will use the Section 108 proceeds, through the Lawton Urban Renewal Authority (LURA), to finance public facility improvements along the NW and SW 2nd Street corridor, for the 2nd Street Enhancement Project. The redevelopment project will provide streetscape enhancements for a nine-block stretch from NW Ferris Avenue south to SW C Avenue. The object of the project is to enhance 2nd Street by restoring and expanding the commercial and residential viability of the area, establish an attractive place to live and work, and encourage economic development. Specific activities to be undertaken include sidewalk improvements, curbs, gutters, streetlights and landscaping. The new sidewalks will be widened to create a narrower street which will slow traffic, provide public safety protection for pedestrians and will adhere to ADA requirements. This supports the State's Intermodal Transportation System by linking two vital facilities that anchor both ends of NW 2nd Street, the Museum of the Great Plains and MacMahon Auditorium to the north and Central Mall and the Central Business District (CBD) to the south, all of which are in easy walking distance of all residents in and around the redevelopment area. The City received a grant from the Department of Transportation (DOT) to assist with the funding of this project. The 2nd Street pedestrian corridor is the first critical step to bringing a new sense of vitality to the downtown redevelopment. The improvements will enhance the 2nd Street entryway in to the downtown area, which terminates in downtown Lawton.

The Project falls under the purview of the City of Lawton Downtown Revitalization Plan (CLDRP) which includes the following partners: the City of Lawton; Comanche County; Comanche County Industrial Development Authority (CCIDA); Lawton Fort Sill Chamber of Commerce; Lawton Economic Development Authority (LEDA); and Lawton Urban Renewal Authority. These entities are committed to advancing the revitalization of the City of Lawton and LURA is taking the lead on the streetscape project.

The Project is located in an Oklahoma State designated Enterprise Zone and runs through the center of the D-6 Urban Renewal Area Neighborhood, one of the major low- and moderate-income areas in the community. The D-6 Area is primarily a residential neighborhood and the improvements will benefit the community by demonstrating a local commitment to the redevelopment of the neighborhood and stimulate further large scale commercial and residential investment. In the long run, the project will increase employment opportunities for low- and moderate-income residents, increase property values, increase sales tax revenues, and spur public and private investments in the neighborhood.

As part of the Project, the City has identified a number of Brownfields sites on the east side of 2nd Street it intends to acquire, remediate and sell to developers for economic development. There are numerous old sites in the area including gas stations, auto repair shops, car washes and automotive sales sites. A 12-block survey was conducted by a professional certified environmental specialist and funded by the Association of South Central Oklahoma Government (ASCOG) with EPA grant funds. Clean-up and remediation of properties will be accomplished using ASCOG's one-million dollar revolving loan fund.

LURA will use the Section 108 Guaranteed Loan for construction costs associated with the public facility improvements. The City will use \$500,000 of the BEDI funds for acquiring Brownfields sites on the east side of 2nd Street. The contaminated sites will be remediated and sold to developers for economic development. The remaining \$500,000 BEDI funds will be used for a debt service reserve for the Section 108 Loan. The Section 108 and BEDI grant funds will be provided in conjunction with \$100,000 in Community Development Block Grant (CDBG) funds, \$1,554,400 in Oklahoma DOT grant funds, \$279,000 from the LURA and \$80,600 in City Public Improvement Funds for a total project cost of \$5,014,000.

The CDBG national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons on an area basis. The area served is primarily residential and is comprised of three census tracts (CT); CT 11, Block Group (BG) 1, has 67.9 % low- and moderate-income residents, CT19.01, BG 3, has 54.4% low- and moderate-income residents, and CT19.02, BG 1, has 58.7% low- and moderate-income residents according to the 2000 Census.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and will use CDBG funding to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and tax increment financing revenues.

Pennsylvania

SouthSide Works Infrastructure Project

Pittsburgh, PA

Section 108 Guaranteed Loan- \$4,000,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,000,000

The City of Pittsburgh will re-lend the Section 108 proceeds to the City's Urban Redevelopment Authority (URA) to provide infrastructure improvements, design a riverfront park, remediate and prepare parcels and develop a surface-level parking lot at the SouthSide Works Project (SSW) site. The URA purchased the 123-acre former LTV Steel SouthSide

Works site in 1993 and has since set about redeveloping the site into the SSW Project. In support of the SSW, the URA has thus far invested nearly \$100,000,000 in public infrastructure improvements. These improvements include the renovation of two railroad bridges that span the Monongahela River, four parking garages, along with other street improvements and utilities installations. To date, the URA's investments have leveraged over \$500,000,000 in private investments into the SSW, which include 400 housing units, 50 retail shops, a 10-screen movie theater, a hotel, and over 900,000 square feet of class A office space.

The URA will use the Section 108 Guaranteed Loan for improvements consisting of street construction and extensions, development of a surface-level parking lot, design and pre-development work for a riverfront park, infrastructure installation (sidewalks, curbs, and lighting) and possible remediation work. \$1,000,000 in BEDI grant funds will also be used to fund these improvements. The Section 108 and BEDI grant funds will be provided in conjunction with a \$1,350,000 USFW Boating Infrastructure Grant, \$3,500,000 in State grants, a \$196,000 Economic Development Initiative (EDI) congressional earmark and \$3,959,590 in other state and foundation sources for a total project cost of \$14,005,590.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 350 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over an 11-year term with tax increment financing revenues from the Project, which is within a Tax Increment Financing ("TIF") district. To secure repayment, the City pledges its future CDBG funds and tax increment revenues from the Metro Center TIF district.

Rhode Island

Stillwater Mill Redevelopment/Growth Center Project

Burrillville, RI

Section 108 Guaranteed Loan- \$1,820,000

Brownfields Economic Development Initiative (BEDI) Grant- \$910,000

The Town of Burrillville will re-lend the Section 108 proceeds to Clock Tower Associates, L. P. for Phase III of the Stillwater Mill Complex Redevelopment Project. The 22-acre Stillwater Mill Complex, currently jointly owned by the town and its redevelopment authority, is a former industrial center located in the Blackstone River Valley National Heritage Corridor of the Harrisville village Center within the town of Burrillville. The Stillwater Mill complex is located in the Main Street area of Harrisville village. The Mill complex was once one of the largest employers in Northwestern Rhode Island before it closed in 1963 and has since been placed on the National Register of Historic Places.

The redevelopment of the Mill Complex is to be completed in four phases, of which phases I and II have been completed. Phase I consisted of a Section 202, 52 unit senior citizen apartment building, while Phase II was the development of a new public library that opened in April of 2008. Phase IV, which is currently in the early planning stage, will be a retail component. Phase III, where the Section 108 funds will be used, involves the rehabilitation of

the Stillwater Mill Clocktower building into 47 mixed (36 affordable and 11 market rate) housing apartments along with a business center containing 5 office suites, which will create approximately 11 new jobs.

Clock Tower Associates will use the Section 108 Guaranteed Loan for rehabilitation, clearance, selective demolition and removal activity in and around the Clocktower building. \$910,000 in BEDI grant funds will also be used for site preparation. Interim financing will consist of the Section 108 funds and a \$11,323, 807 loan from Bank of America. Permanent financing will include the BEDI grant funds, \$5,007,390 in Low Income Housing Tax Credits, \$2,733,182 in Federal Historic Tax Credits, a \$400,000 HUD HOPE VI grant, a \$500,000 Affordable Housing Program (AHP) loan, \$125,000 from NeighborWorks America and \$6,980,356 in State and local funding for a total of \$16,655,928.

The Community Development Block Grant (CDBG) national objective for the Town's use of guaranteed loan funds is to benefit low-and moderate-income persons through residential structure rehabilitation and job creation. For the residential structure, at least 51% of its units will be occupied by low and moderate income households. Further, the Town estimates that the project will create 11 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The Town will repay the Section 108 Guaranteed Loan over a three year period, paying interest only for the first two years. Debt service payments from the developer will be used to repay the guaranteed loan. To secure repayment, the Town pledges its future CDBG funds and a second mortgage lien on the project during the interim/construction financing phase of the project.

Housing Projects

Four housing projects received \$12,601,000 in Section 108 commitments in the fiscal year 2008. Project assistance included funding for the construction of Olley Glen, a 90-unit affordable housing facility for low-to moderate-income senior citizens in Fairfax County, VA. One of the housing projects was further assisted with BEDI grant funds.

Illinois

Azzarelli Tower Apartment Rehabilitation

Kankakee, IL

Section 108 Guaranteed Loan- \$500,000

The City of Kankakee will provide the Section 108 proceeds to the Kankakee County Housing Authority to work with the Kankakee County Housing Development Corporation (KCHDC) to rehabilitate the 100-unit Azzarelli Tower Apartments building. The building is currently owned by the Kankakee County Housing Authority. Located in the Meadowview Neighborhood, the building is a part of the City's effort to preserve Kankakee's affordable housing stock for elderly and disabled citizens. The building will continue to be owned by the Kankakee County Housing Authority, which will donate the Building to KCHDC through a 99-year lease. KCHDC will then assign the lease to the developer, KCHDC-Azzarelli Tower, LLC, a wholly-owned subsidiary of KCHDC.

The City will re-lend the Section 108 loan proceeds to the developer for the building rehabilitation to meet federal Section 8 housing requirements, requirements under the Americans with Disabilities Act and requirements from the City of Kankakee's building code. The Section 108 funds will be used in conjunction a \$2,680,000 leasehold donation from the Kankakee County Housing Authority, \$1,325,000 from Centru Bank, \$1,179,200 in State Tax Credits and a \$179,064 AHP Grant from the Federal Home Loan Bank of Chicago for a total project cost of \$5,863,264.

The Community Development Block Grant (CDBG) national objective for the County's use of guaranteed loan funds is to benefit low-moderate income persons through housing activities. The City's assistance will benefit 100 apartment units through the rehabilitation project.

The City will repay the Section 108 Guaranteed Loan over a 10-year period, where the first nine years will be interest only. In year 10, the developer intends to refinance the senior debt and the Section 108 loan of \$500,000, thus assuming the City's Section 108 debt. To secure repayment, City pledges its future CDBG funds and a second leasehold mortgage on the building, which has an appraised value of \$2,750,000. Additionally, the City pledges its interest in the developer's debt service reserve of \$140,000.

New York

Business Loan Program & Neighborhood Stabilization and Improvement Fund

Rochester, NY

Section 108 Guaranteed Loan- \$4,000,000

The City will use the Section 108 proceeds to establish a Business Loan Program and a Neighborhood Stabilization and Improvement Fund.

a) Business Loan Program: the City will fund a business loan pool, which will provide direct financial assistance to existing businesses currently located in the City or businesses moving into the City to expand operations.

b) Neighborhood Stabilization and Improvement Fund: the City will establish a loan pool to fund housing rehabilitation activities and new housing construction assistance in four target areas. If new housing is determined to be needed within any of the four target areas, the City will use an existing non-profit, Community Based Development Organization or similar organization to oversee construction.

The City will use \$2,000,000 of the Section 108 loan to establish the Business Loan Program and \$2,000,000 for the Neighborhood Stabilization and Improvement Fund. The Business Loan Program will make loans to for profit entities for economic development activities. The Neighborhood Stabilization and Improvement Fund will help finance site preparation and public improvements or provide financing to eligible subrecipients for housing rehabilitation or new housing construction in community economic development projects.

The Community Development Block Grant (CDBG) national objective for the Business Loan Program is to assist low-moderate income persons through job creation where at least 51% of the jobs will be held by or made available to low-or moderate-income persons. The national objective for the Neighborhood Stabilization and Improvement Fund will be met by improving residential structures in a predominantly low-or moderate-income area.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and repayments from business borrowers and subrecipients will be used to service the guaranteed loan. To secure repayment, the City will pledge its future CDBG funds and various sources of collateral including first liens on real property, personal guarantees, equipment, accounts receivable and inventory based on individual third-party loans.

Virginia

Senior Facility Project

Fairfax County, VA

Section 108 Guaranteed Loan- \$8,350,000

Fairfax County will re-lend the Section 108 proceeds to the Fairfax County Redevelopment & Housing Authority (FCRHA). In order to increase the number of affordable housing structures in Fairfax County, the loan proceeds will be used by FCRHA for two separate activities, which are described below.

Olley Glen. The Borrower will lend \$2,050,000 of the Section 108 guaranteed loan proceeds to the FCRHA, which will utilize the loan proceeds towards acquisition of an unimproved 7-acre parcel. The FCRHA will lease this parcel to the FCRHA Olley Glen, LP, pursuant to a previously executed 65-year ground lease. FCRHA Olley Glen,

LP, will develop and own a 90-unit affordable housing facility for low- to moderate-income senior citizens.

County-wide Affordable Housing Projects. The Borrower will utilize \$6,300,000 of the Section 108 guaranteed loan proceeds in support of, and in conjunction with, future affordable housing projects throughout the County. Developing entities for these future affordable housing projects will submit applications for funding assistance to the Fairfax County Affordable Housing Partnership Program.

For the Olley Glen Project, the FCRHA will utilize the Section 108 loan proceeds towards the acquisition of real property. For the County-wide Affordable Housing Projects, the FCRHA will utilize the Section 108 loan proceeds to make loans to affordable housing developers, which will utilize such loans toward acquisition, site preparation, relocation assistance, and rehabilitation activities. The Section 108 funds will be used in conjunction with HOME funds of \$2,788,471, Tax Credit equity of \$7,409,162, Tax-exempt Bonds of \$4,765,000, FCRHA Little River Glen Capital Contribution of \$2,050,000, Housing Trust Fund proceeds of \$704,129, CDBG funds of \$650,000, Deferred Developer Fees of \$1,000,000 and a Penny Fund loan of \$4,990,422 for a total project cost of \$26,407,184. The Community Development Block Grant (CDBG) national objective for the County's use of guaranteed loan funds is to benefit low-moderate income persons through housing activities.

The City will repay the Section 108 Guaranteed Loan over a 20-year period and will use future CDBG funds to service the guaranteed loan. To secure repayment for the Olley Glen project, the City will pledge its interest in its subrecipient loan to the FCRHA, which will be secured by a line of credit from Bank of America. To secure repayment for the County-wide Affordable Housing Projects, each individual developer will apply for assistance from the FCRHA through the Fairfax County Affordable Housing Partnership Program. The FCRHA will underwrite each of its third-party loans, which will be assigned to the City and secured by real property as collateral. The City will then collaterally assign these loans to HUD.

Rhode Island

Stillwater Mill Redevelopment/Growth Center Project

Burrillville, RI

Section 108 Guaranteed Loan- \$1,820,000

Brownfields Economic Development Initiative (BEDI) Grant- \$910,000

The Town of Burrillville will re-lend the Section 108 proceeds to Clock Tower Associates, L. P. for Phase III of the Stillwater Mill Complex Redevelopment Project. The 22-acre Stillwater Mill Complex, currently jointly owned by the town and its redevelopment authority, is a former industrial center located in the Blackstone River Valley National Heritage Corridor of the Harrisville village Center within the town of Burrillville. The Stillwater Mill complex is located in the Main Street area of Harrisville village. The Mill complex was once one of the largest employers in Northwestern Rhode Island before it closed in 1963 and has since been placed on the National Register of Historic Places.

The redevelopment of the Mill Complex is to be completed in four phases, of which phases I and II have been completed. Phase I consisted of a Section 202, 52 unit senior citizen

apartment building, while Phase II was the development of a new public library that opened in April of 2008. Phase IV, which is currently in the early planning stage, will be a retail component. Phase III, where the Section 108 funds will be used, involves the rehabilitation of the Stillwater Mill Clocktower building into 47 mixed (36 affordable and 11 market rate) housing apartments along with a business center containing 5 office suites, which will create approximately 11 new jobs.

Clock Tower Associates will use the Section 108 Guaranteed Loan for rehabilitation, clearance, selective demolition and removal activity in and around the Clocktower building. \$910,000 in BEDI grant funds will also be used for site preparation. Interim financing will consist of the Section 108 funds and a \$11,323, 807 loan from Bank of America. Permanent financing will include the BEDI grant funds, \$5,007,390 in Low Income Housing Tax Credits, \$2,733,182 in Federal Historic Tax Credits, a \$400,000 HUD HOPE VI grant, a \$500,000 Affordable Housing Program (AHP) loan, \$125,000 from NeighborWorks America and \$6,980,356 in State and local funding for a total of \$16,655,928.

The Community Development Block Grant (CDBG) national objective for the Town's use of guaranteed loan funds is to benefit low-and moderate-income persons through residential structure rehabilitation and job creation. For the residential structure, at least 51% of its units will be occupied by low and moderate income households. Further, the Town estimates that the project will create 11 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The Town will repay the Section 108 Guaranteed Loan over a three year period, paying interest only for the first two years. Debt service payments from the developer will be used to repay the guaranteed loan. To secure repayment, the Town pledges its future CDBG funds and a second mortgage lien on the project during the interim/construction financing phase of the project.

Public Facilities

HUD approved a total of \$24,374,000 in Section 108 Loan Guarantee authority for eight public facilities projects. Guaranteed Loans between \$845,000 and \$6,000,000 were approved for communities to assist in financing a variety of public facility type projects. Two of these projects were further assisted with BEDI grant funds.

California

The Ed Roberts Campus Community Center

Berkeley, CA

Section 108 Guaranteed Loan- \$6,000,000

Brownfields Economic Development Initiative (BEDI) Grant- \$2,000,000



http://www.mtc.ca.gov/images/ed_roberts_campus.jpg

The City of Berkeley will re-lend the Section 108 proceeds to The Ed Roberts Campus (ERC), a non-profit consortium comprising seven non-profit organizations that provides social services for people with disabilities and their families. With the proceeds, The ERC will develop an 80,000 square foot facility that will house each of the ERC's seven non-profit consortium members along with meeting space, childcare space, a café, and a 154-space parking garage. The facility will enable the ERC to create a one-stop shop that will provide severely disabled, elderly, and homeless persons with employment services, housing assistance, and opportunities for economic self-sufficiency. The facility was at one time the site of a gas station and auto service garage, which utilized a spray booth that helped contaminate the soil with PCBs.

The City will use the Section 108 Guaranteed Loan for direct construction costs associated with the new Ed Roberts Campus facility. The City will also utilize \$2,000,000 in BEDI grant funds for soil remediation and site preparation. The Section 108 and BEDI funds will be provided in conjunction with \$4,643,755 in DOT grants, \$1,221,755 in HHS grants, \$10,181,000 Alameda County grants, \$5,950,000 in State grants, \$5,750,000 in private financing, \$9,399,490 in foundation grants and \$1,354,000 in Community Development Block Grant (CDBG) funds for a total project cost of approximately \$46,500,000.

The CDBG national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons for limited clientele. The facility will be providing services to severely disabled, elderly, and homeless persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only the first three years. The City will pay the debt service of the Section 108 loan with facility rental revenues from the ERC. Additionally, the ERC will utilize a portion of the BEDI funds to assist in paying interest during the first three years on the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and a second deed of trust on the facility's land and improvements.

Massachusetts

River's Edge Project

Everett, MA

Section 108 Guaranteed Loan- \$1,000,000

Brownfields Economic Development Initiative (BEDI) Grant- \$780,000

The City of Everett will re-lend the Section 108 proceeds to the Mystic Valley Development Commission (MVDC). In 1994, the Cities of Malden, Medford, and Everett formed the MVDC partnership to undertake the River's Edge development, which is located 5 miles north of Boston on both sides of the Malden River, where the Malden River joins the Mystic River. The City of Malden will assist with Phase I activities for the project and the City of Everett will assist with Phase II activities for the project.

The River's Edge Project is the redevelopment of a former 215 acre industrial site of which portions are located in the cities of Malden, Medford, and Everett. The site will be developed into a mixed-use complex known as River's Edge. River's Edge, a National Brownfields Partnership Showcase Community, is jointly being carried out by the Cities of Malden, Medford, and Everett, Massachusetts and will include 1.8 million square feet of new office and industrial space, 220 residential units, and recreational spaces along the Malden and Mystic riverfronts. The east side of the development is located in the City of Everett and the west side of the development is located in the Cities of Malden and Medford.

River's Edge will be carried out in several phases. Phase II, which will be carried out in Everett, is the focus of Everett's request. Phase II will be the redevelopment of 48 of the 215 acre site owned by General Electric into 86,000 to 200,000 square feet of warehouse and light industrial space. In addition, Phase II development will include acquisition of Airforce Road right-of-way, reconstruction of Norman Street and Airforce Road by MVDC to improve access to the site. MVDC will also carry out construction of sidewalks and gutters and business relocation.

The City will use the Section 108 Guaranteed Loan to finance the acquisition of a right-of-way, reconstruction of Norman Street and Airforce Road and related construction costs, construction of sidewalks and gutters, and business relocation. The Section 108 funds will be provided in conjunction with \$1,884,487 in MVDC funds and an additional \$2,000,000 Section 108 loan for the City of Malden and Medford for a total project cost of \$3,884,487. Additionally, the City of Everett received a Brownfields Economic Development Initiative (BEDI) grant in the amount of \$1,200,000 to make interest payments on the combined \$3,000,000 in Section 108 loans.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 1,324 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first eight years. As part of the MVDC partnership, the City of Everett will use its BEDI grant to make payments on interest. After the interest only period, Payments In Lieu of Taxes (PILOT), which MVDC will receive from the River's Edge development, will be used to pay the debt service on Section 108 obligation. To secure repayment, the City pledges its future CDBG funds and its full faith and credit.

Malden Senior Center and Home Rehabilitation Loan Program

Malden, MA

Section 108 Guaranteed Loan- \$4,000,000

The City of Malden will use the Section 108 proceeds funds to undertake two activities as part of the Malden Senior Center and Home Rehabilitation Loan Program project. The current senior center is housed in the basement of Malden's Government Center and no longer provides adequate programs space for its seniors. The City recently acquired a 22,000 square foot building, a former church, for the purpose of renovating and converting the 1970s structure into the new Malden Senior Center. The estimated cost to renovate the building is approximately \$4.3 million and the City plans to use Section 108 financing to fund \$2 million of that cost. The project site is located in downtown Malden, easily accessible by public transportation, and will serve the City's extensive elderly population. The site is located in census tract 3413, Block Group 2, and contains a population that is 54.2% low and moderate income.

The second activity is to use \$1,000,000 of the Section 108 loan funds to finance the City's Housing Rehabilitation Loan Program, which it has operated for over forty years and recycles program income to insure availability of funding. The program provides low interest financing primarily for the City's low and moderate income population to upgrade housing conditions.

The City will use the Section 108 Guaranteed Loan for renovations to the building for the senior center and to fund its existing loan program. The Section 108 funds will be provided in conjunction with \$3,888,580 from a City of Malden Bond Issue and \$700,000 in private grants from the Bayrd Foundation and the Cambridge Health Alliance for a total project cost of approximately \$7,588,580.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds for the senior center is met through benefit to a limited clientele, at least 51 percent of which are low-and moderate-income persons. The housing rehabilitation loan program will also meet a national objective by improving residential structures which will be occupied by low-and moderate-income households.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only the first five years. The City intends to use its CDBG grants to repay the guaranteed loan.

To secure repayment, the City pledges its future CDBG funds and a first-lien position on the new senior center.

Maine

Bayside Redevelopment Project

Portland, ME

Section 108 Guaranteed Loan- \$10,200,000

Brownfields Economic Development Initiative (BEDI) Grant- \$1,800,000

The City of Portland will use the Section 108 proceeds for the Bayside Redevelopment Project, a public/private initiative begun by the City to revitalize the Bayside area, the distressed area adjacent to downtown Portland with a poverty rate of 39.0%. This area is blighted with three metal recycling yards, inefficient transportation patterns, an abandoned rail line and disjointed land uses related to the rail line. The completed project is intended to revitalize the area through the development of a complex of mixed uses of an estimated 300,000 square feet in retail and office space, 64 new residential units and recreational uses.

The Project will be developed in five phases with Phase I (site acquisition, rebuild Somerset Street and extend Chestnut Street) completed and Phase II currently ongoing. The Section 108 loan funds and the BEDI grant will be used to carry out activities in Phases II, III and IV.

Phase II activities include: public infrastructure improvements (improving signalization at nearby intersection, widening the street at the intersection, including a turn lane extension, increasing sidewalk widths, and installing brick pavers) related to Whole Foods' development of 47,000 square feet of commercial space for a new Whole Foods Market; improvements of the infrastructure (curbing and tip downs) to facilitate the reopening of the Miss Portland Diner; and transfer of ownership of railroad parcels from the Downtown Portland Corporation (DPC) to the City of Portland. Phase III activities include: acquisition of the New England Metal Recycling (NEMR) site; relocation of NEMR to another site in the City and reconfiguration of parcel boundaries to establish six parcels suitable for development. Phase IV activities include; relocation of E. Perry Metal Recycling, which will sell its property to a commercial development entity; and conveyance by the City of the six parcels to ARC to develop in accordance with the Project plan, which includes a 700-space parking garage with 24,000 square feet of retail space on the first floor.

Whole Foods Market and The Miss Portland Diner have completed the public infrastructure improvements necessary for their new construction and will be reimbursed by the City. The total BEDI and Section 108 reimbursement, in the amount of \$307,000, is within the §570.200(h) pre-award limit of 25% of the grant amount without prior to HUD's approval of the Section 108 Loan Guarantee.

The City will grant the Section 108 loan and BEDI funds to the following entities; Whole Foods Market Group, Inc.; Miss Portland Diner; New England Metal Recycling; and E. Perry Scrap Yards. The City will make a loan to Atlantic Redevelopment Company (ARC) in the amount of \$9,048,000 dollars to carry out the development of the garage and retail structure. The Section 108 and BEDI grant funds will be provided in conjunction with \$19,700,000 in

private financing and \$658,500 in funds from the City and Economic Development Authority for a total project cost of \$32,358,500.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons through job creation. The City estimates that the project will create 240 full time or equivalent jobs of which at least 51% will be held by or made available to low-or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only for the first year. Tax Increment Financing (TIF) will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds, TIF revenues and its interest in the third-party loan to ARC, secured by a second lien position on the garage and retail structure.

Puerto Rico

Ideal Theater and Municipal Cemetery Project

Yauco, PR

Section 108 Guaranteed Loan- \$4,000,000

The Municipality of Yauco will use the Section 108 proceeds to finance the following two public facilities projects: 1) Rehabilitation of the Ideal Theater and 2) Construction of a Municipal Cemetery. These facilities will provide handicapped accessibility in accordance with the Americans with Disabilities Act (ADA) and will provide service to the entire Municipality.

1. Rehabilitation of the Ideal Theater (the "Theater") (\$2,500,000)

The Municipality will finance the rehabilitation of Phase II of the Theater, which is located at Comercio Street #17. The Theater is a two story, 12,600.90 square foot vacant building. Phase I included engineering and design, construction permits, and roofing. Phase II of the project consists of completely restoring the inside and outside of the Theater. Some aspects of the project include: site improvements, restoring the façade, rehabilitation of the mezzanine area to include a 2,009 square foot café/restaurant, rehabilitation of the bathrooms, installation of electrical, mechanical, air conditioning systems, and installation of an elevator and emergency generator. The Theater will serve as a multipurpose facility for a variety of events such as talent shows, concerts, and graduations and other educational activities.

The Theater will be available to low-and moderate-income persons free of charge for graduations and other educational activities. There will be admission fees for some events. The Municipality has determined that the fee structure is reasonable and will not preclude low-and moderate-income persons from attending any event. Yauco will adopt a public policy to ensure priority seating for low-and moderate income persons. According to the application, the total seating capacity of the Theater is 422 of which 130 seats will be available free of charge to low- and moderate-income persons for events that are not free. However, in the event that more than 130 low- and moderate-income persons want to attend any event, the Municipality will give them priority consideration in the remaining seats. Also, elderly and handicapped persons will receive a 10 percent admissions discount.

2. Acquisition and Development of a Municipal Cemetery (\$1,500,000)

The Municipality will finance the acquisition of an 83-acre vacant lot located at the intersection of 3372 Road and 375 Road in the Diego Hernandez Ward and construction of a Municipal Cemetery. The cemetery will include 5,000 niches and 6,000 spaces for the construction of tombs. The Municipality will also construct an administrative office building, which will include administrative offices, bathrooms, a gazebo, a warehouse, and a parking lot.

According to the application, the Municipality will develop a plan that will allow low-and moderate-income persons to acquire niches on a payment plan for up to five years. Low-and moderate-income persons will also have the option of renting niches for an annual fee of \$200 with a monthly payment of \$16.67. In addition, the Municipality will develop a 60-month and 72-month payment plan for those low-and moderate-income persons wishing to purchase land for the construction of tombs.

The Municipality will use the Section 108 Guaranteed Loan to acquire real property and for the rehabilitation and construction of public facilities. The Community Development Block Grant (CDBG) national objective for the Municipality's use of guaranteed loan funds is to benefit low-moderate income persons in the area served. According to the 2000 Census, 58 percent of the population of Yauco consists of low-and moderate-income persons.

The Municipality will repay the Section 108 Guaranteed Loan over a 20-year period, paying interest only the first two years. The Municipality will use funds generated from the two facilities along with CDBG funds to repay the Section 108 obligation. To secure repayment, the Municipality pledges its future CDBG funds and a first lien on the Ideal Theater and cemetery.

Rohde Island

Woonsocket Middle School Replacement Project

Woonsocket, RI

Section 108 Guaranteed Loan- \$2,500,000

The City of Woonsocket will use the Section 108 proceeds for gap financing to undertake the Woonsocket Middle School Replacement Project. The City will acquire a 20-acre vacant mill complex in the center of Woonsocket, known as the Hamlet Avenue Redevelopment Area, which has suffered two arson fires in the past five years, for the development of the Woonsocket Middle School and city recreational facilities. The project will preserve two historic buildings to be used for the school department's Alternative Learning Center and to house the technology department. The project will eliminate the blighting conditions from the fires and petroleum contaminated soil on the site. The City will also construct two new middle school buildings on the site providing students with a state-of-the-art educational facility and providing recreational facilities for the entire community, which is composed of predominately low-income households.

The nearby existing middle school building, which serves the entire City of Woonsocket, is nearly 100 years old, fails to meet numerous building, fire, and safety codes, and has lead paint and asbestos contamination throughout. The outdated structure is functionally obsolete, over crowded, and does provide students amenities necessary for a competitive education.

The City will use Section 108 Loan funds to assist with the construction costs associated with the construction of the new middle schools and recreational facilities. The Section 108 funds will be provided in conjunction with a \$20,326,014 municipal bond offering, \$53,400,000 in the State Housing Aid funds, \$940,000 in CDBG funds, \$300,000 from the Rhode Island Economic Development Corporation, \$600,000 in United States Environmental Protection Agency Brownfields Cleanup funds and \$2,000,000 in private contributions for a total project cost of \$80,066,014.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit low-moderate income persons in the area served. 63% of Woonsocket residents meet the CDBG definition for low- or moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 10-year period and CDBG entitlement grants will be used to repay the guaranteed loan. To secure repayment, the City pledges its future CDBG funds and a first-lien position on two separate unencumbered City owned properties.