

2010 Section 108 Guaranteed Loan Program Overview

In the fiscal year 2010, HUD approved thirty five Section 108 Guaranteed Loan commitments in the aggregate amount of \$165,880,000. 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

Approximately \$120,293,000 in Section 108 Loan Guarantee authority was committed to 23 economic development projects across the country. The size of the commitments ranged from \$633,000 to Radford, VA, to assist with a mixed-use economic development project, to \$30,000,000 to Los Angeles, CA, to carry out various economic development projects. Six of these projects were further assisted with BEDI grant funds.

California

Vineland Retail and Medical Office Project

Los Angeles, CA

Section 108 Guaranteed Loan - \$7,120,000

Los Angeles City will lend the Section 108 Guaranteed Loan to the developer Valenzuela Properties LLC to develop a mixed-use retail and medical office building on four parcels of land located at 7634 North Vineland Avenue in Los Angeles. Valenzuela Properties LLC will construct 11,000 square feet of retail on the first floor, 11,000 square feet of medical office space on the second floor and 66 on-surface parking stalls.

The Community Development Block Grant (CDBG) national objective met by the eligible activity is benefit to low- and moderate-income persons through area benefit activities. Public benefit standards will be met through the provision of goods and services worth \$241, per eligible person, to the low- and moderate-income population of 29, 539.

The Section 108 Guaranteed Loan proceeds will be used for land acquisition and development costs of the retail and medical office space. Project funding sources are 82% Section 108 loan guarantee funds and 18% private equity funds, respectively. The City will repay the Section 108 guaranteed loan over a 20-year period from the project subordinated net operating income, paying interest only in the first three years. To ensure repayment, the City pledges its future CDBG funds. Additionally, it will secure it with a first deed of trust during construction on all real and personal assets comprising the project, including assignment of leases and lease income. The first deed of trust may be subordinated to permanent financing.

Pico Houser Retail Project

City of Los Angeles, CA

Section 108 Guaranteed Loan - \$4,781,000

The City will re-lend the Section 108 Guaranteed Loan proceeds to a newly created, for-profit investment fund, which in turn will lend the loan proceeds to a Community Development Entity (CDE) as equity. The CDE will then make Qualified Low-Income Community Investment loans to Mr. George Amran as the developer. The developer will demolish two buildings and develop a two-story building with 12,827 square feet of leasable space and 35 parking spaces in the Mid City Recovery Redevelopment Project

Area. The Project will have between five and eight leasable retail pads, and is expected to attract national retailers such as Subway and Coffee Beans, as well as local businesses.

The Section 108 Guaranteed loan will finance the project's acquisition and remediation costs, its interest reserve, and other project-related costs. In addition, the developer will contribute \$1,433,100 in land value and \$269,278 in developer equity. \$1,800,000 in New Markets Tax Credits (NMTC) will be used for a total project cost of \$8,283,378.

The Community Development Block Grant (CDBG) national objectives for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. It is estimated the project will create 65 jobs.

The City will repay the loan over a 20-year period, paying interest only in the first two years. Repayment of \$4,400,000 will be from the Project's lease-generated revenues and \$381,000 from the Project's Site Specific Tax revenues. The City will secure the Section 108 Guaranteed Loan with a pledge of its future CDBG funds and the interest from its loan to the for-profit investment fund. The fund will require that the CDE provide a first lien on the Project to secure its loan to the developer. At the conclusion of the NMTC's seven-year compliance period, the fund and the CDE will be extinguished and the developer's loan, secured by a first lien, will be assigned to the City.

The Kodak Theatre Project

Los Angeles, CA

Section 108 Guaranteed Loan- \$30,000,000



The City will re-lend the Section 108 guaranteed loan proceeds to Theatre Dreams LA/CHI, LP to finance capital improvements on the existing Kodak Theatre at the Hollywood & Highland Center (H&H Center) located at 6801 Hollywood Boulevard. The guaranteed loan will be used to finance the project's equipment acquisition and installation costs, a debt service reserve, and

other eligible related costs. The H&H Center, a primary tourist destination, is an urban multi-purpose complex that offers retail, dining, hotel, entertainment, and parking. It is conveniently located in the center of Hollywood Boulevard and is adjacent to a Metro Rail subway station. The project is being undertaken to accommodate Cirque Du Soleil live entertainment shows which are a dramatic mix of circus arts and street entertainment. Cirque Du Soleil presence should increase foot traffic significantly at the H&H Center, which will ultimately lead to job creation.

Creation Meandres Inc., the owner of Cirque, and CIM/H&H Retail, the owner of the H&H Center, have entered into a performance agreement that they subsequently assigned to the project developer, Theatre Dreams LA/CHI, LP. The performance agreement dictates the terms of the Cirque Du Soleil live performances scheduled to begin in 2011 and continue for ten consecutive years. The Developer will make the necessary capital improvements to the Kodak Theater to accommodate the production of the highly acrobatic Cirque shows.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. No less than 51% of the projected 858 newly created jobs will be made available to low and moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 12-year period from the Cirque Du Soleil performance-generated revenues, paying interest only in the first two years. The Section 108 guaranteed loan will be secured by the City's pledge of future CDBG funds and a second deed of trust on all real assets comprising the H&H Center property. Additionally, the developer will pledge the "Cirque Du Soleil in the Kodak Theatre" performance net operating income as required by the performance agreement.

The Paul R. Williams Cultural and Historical Family Community Center

Los Angeles, CA

Section 108 Guaranteed Loans- \$1,700,000

The City will use the Section 108 Guaranteed Loan to rehabilitate a historic building designed and built in 1934 by famed architect Paul R. Williams. The former funeral home has remained vacant following a fire that occurred in the 1970's. The Community Redevelopment Agency (CRA) purchased the building and sold it to Community Enhancement Corporation (CEC), a California nonprofit corporation, for the development of an early childcare facility and a community health clinic, known as the Paul R. Williams Cultural and Historical Family Community Center. This center will provide services to the community with special emphasis on low- and moderate-income families and children with special needs.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The Project is expected to create 49 jobs.

In addition to the Section 108 Guaranteed Loan, the project will be additionally funded

by the following: New Markets Tax Credits (NMTC) equity of \$3,045,900 provided by US Bancorp Community Development Corporation (CDC), Historic Tax Credit (HTC) equity of \$1,700,000; CRA \$2,615,800; Section 108 Guaranteed Loan \$1,700,000, City CDBG funds \$1,000,000 Developer equity \$927,404; and CA Cultural History Endowment \$ 150,000. The total development cost of the center is \$11,139,104.

The City will re-lend the Section 108 Guaranteed Loan proceeds to an investment fund which in turn will make a Qualified Equity Investment into the Community Development Entity (CDE). The CDE will be established by the NMTC allocate, the Clearinghouse CDFI, to make low-income community investments in qualified active low-income businesses (QALICB) per the NMTC structure. The QALICB is the property owner/developer, CEC. The City will repay the Section 108 Guaranteed Loan over a 20-year period, using the Project's lease payments, paying interest only in the first 7 years. To secure the loan, the City will pledge its future CDBG funds and obtain a lien on the Project's real property.

Community Development Business Loan Program

City of Pomona, CA

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

The City of Pomona will use the Section 108 Guaranteed Loan to establish a Community Development Business Loan Program (CDBLG). The CDBLG will make individual loans to for-profit businesses within the City to assist them in carrying out economic development projects. These loans will finance working capital, inventory, land acquisition, new construction or renovations, machinery and equipment, and leasehold improvements.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The CDBLG economic development activities stimulated by the loans are expected to create at least 160 jobs.

The Section 108 Guaranteed Loan will be used in conjunction with \$4,000,000 in SBA 504 Funds and \$5,000,000 from the California Bank & Trust for a total project cost of \$10,000,000. The Section 108 Guaranteed Loan will be repaid from project-generated income over a 10-year period. To secure repayment, the City pledges its future CDBG funds and the City's interest in the third party loans secured by liens on real estate, machinery and equipment, receivables, inventories, and in some cases personal guarantees.

Connecticut

The Hartford Hilton Project

Hartford, CT

Section 108 Guaranteed Loan- \$7,000,000



The City will re-lend the Section 108 Guaranteed Loan proceeds to 315 Trumbull Street Associates, LLC, the developer, to satisfy the mortgage debt on the Hartford Hilton. This will prevent the closing of the Hilton and the subsequent loss of 145 jobs. The Hotel is a full-service hotel in downtown Hartford, featuring 393 guestrooms and suites, 15,000 square feet of meeting space, a tavern and a restaurant. The Hilton, owned and operated by 315 Trumbull Street Associates, LLC, experienced multi-years losses that threatened its continuity. Refinancing its mortgage held by GE Business Financial Servicer, negotiating concessions with the Hotel's labor union, and property tax abatements granted by the City of Hartford will enable the developer to continue operating the Hilton.

The City currently owns and leases the land on which the Hilton is located to the developer, who owns the Hilton. Beginning July 1, 2011, the City will own the land and the Hilton (excluding furniture, fixtures and equipment) and lease it to the developer through June 30, 2022, after which date ownership will revert to the current ownership status.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job retention. 145 jobs will be retained by keeping the Hilton in operation.

The City will repay the Section 108 Guaranteed Loan from the developer's lease and loan payments over a 20-year period, paying interest only in the first four years. The Section 108 loan will be secured by the City's pledge of future CDBG funds and the assignment of the City's interest in the first leasehold mortgage on the Hilton.

Economic and Community Development Loan Fund

Norwalk, CT

Section 108 Guaranteed Loan - \$2,850,000

The Norwalk Redevelopment Authority will use the Section 108 Guaranteed Loan to create an Economic and Community Development Loan Fund. The loan fund will lend to projects within the City's five Urban Renewal Areas that are expected to have positive economic and community development benefits. The Redevelopment Authority, on behalf of the City, will re-lend the Section 108 Guaranteed Loan proceeds to the various

projects. It will make both real estate and business loans of \$300,000 to \$400,000 each. Real estate loans will primarily be used to acquire strategic sites within the redevelopment area. Business loans will be made available to businesses located within the designated urban renewal areas.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The Fund loans are expected to create at least 57 jobs.

The City will repay the Section 108 Guaranteed Loan from the fund borrowers' debt service payments, paying interest only in the first three years. The Section 108 Guaranteed loan will be secured by the City's pledge of future CDBG funds and the assignment of its interest in the fund loans.

Florida

Economic Development Loan Fund

Palm Beach County, FL

Section 108 Guaranteed Loan - \$2,824,000

Brownfield's Economic Development Initiative (BEDI) grant- \$1,058,971

Palm Beach County will use the Section 108 Guaranteed Loan to create an economic development loan fund to assist existing businesses and bring new business development to the City of Pahokee, a municipality within Palm Beach County. The fund will lend to businesses operating within the boundaries of the Downtown Revitalization Project. Loans will be made for real estate acquisition, demolition and remediation, site preparedness, new commercial construction & tenant improvements, debt refinancing, and working capital.

The Community Development Block Grant (CDBG) national objective for the County's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The economic development activities stimulated by the fund loans are expected to create at least 130 jobs.

The Section 108 Guaranteed Loan will be used in conjunction with \$1,058,971 in BEDI funds, \$2,823,925 from the Bank of Belle Glade, and \$352,990 in business equity for a total project cost of \$7,059,886.

The County will repay the Section 108 guaranteed loan over a 20-year period from the business loan repayments to the Fund, paying interest only in the first three years. The Section 108 Guaranteed Loan will be secured by the County's pledge of its future CDBG funds and the assignment of its interest in the Fund loans. The Fund loans will be securitized by second lien mortgages, personal and/or corporate guarantees, equipment, accounts receivable and/or inventory.

Illinois

Prairie Street Brew House restoration Project

City of Rockford, Illinois

Section 108 Guaranteed Loan - \$1,500,000



The city will use the Section 108 Guaranteed Loan to restore the historic brew house building as part of the City's revitalization of the east bank of the Rockford riverfront area. The building is located in the East River Redevelopment Project Area tax increment financing (TIF) district and is a New Markets Tax Credit (NMTC) project. The restoration includes a mixed-use development featuring restaurant/banquet facilities, commercial and retail space, as well as loft-style residential condominiums. The Section 108 Guaranteed Loan proceeds will be targeted to assist the commercial portion of the building restoration.

The City will re-lend the Section 108 Guaranteed Loan proceeds to a for-profit investment fund which in turn will combine the Section 108 Guaranteed Loan proceeds with equity from a NMTC investor to make a qualified equity investment into a community development entity (CDE), pursuant to NMTC program requirements. The CDE will in turn, provide a qualified low- income community investment loan to Prairie Street Brewhouse LLC as the developer. The Section 108 Guaranteed Loan will be used in conjunction with \$2,327,057 in NMTC equity, \$2,030,750 historic tax credit equity, a \$2,423,501 bank loan, 1,031,675 in revenue from presold condominiums, \$138,265 from a geothermal grant for a total project cost of \$10,451,248.

The Community Development Block Grant (CDBG) national objectives for the City's use of guaranteed loan funds are benefit to low- and moderate-income persons through job creation and activities to address slums or blight on a spot basis. The economic development activities stimulated by the project are expected to create 47 jobs, 60% of which will be held by or made available to low- and moderate-income persons.

The Section 108 Guaranteed Loan will be repaid by the City over a 20-year period, paying interest only in the first four years. The sources of funds for its repayment during the first seven years will primarily be the East River Redevelopment Project Area TIF revenues and secondarily the proceeds from the future sales of condominiums units. In the remaining thirteen years, repayment will be made exclusively from the TIF revenues. The Section 108 Guaranteed Loan will be secured by the City's pledge of future CDBG funds and its interest in the third-party loan to the investment fund, which is secured by the Fund's partnership interest in the CDE.

Massachusetts

Lynn Waterfront Development Loan Fund

City of Lynn, MA

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

The City will re-lend the Section 108 Guaranteed Loan to create the Lynn Waterfront Development Loan Fund. This fund will be used to provide financial assistance to businesses and nonprofits. The City of Lynn is redeveloping a 305 acre section of the Lynn waterfront adjacent to the city harbor. It will be a diverse mix of residential, commercial/retail, hotel, office, and light industry, marina and community open space. The fund will provide financing for acquisition, equipment purchases and working capital. It will also be used for land assembly and site improvements to redevelop the waterfront property.

The Community Development Block Grant (CDBG) national objectives for the City's use of guaranteed loan funds are 1) benefit to low- and moderate-income persons through job creation and activities to address slums or blight on an area basis. The redevelopment activities are expected to create 150 jobs. The Lynn Waterfront Master plan designates blighted areas of the City needing improvement and investment. The project site has a population of over 75% low- to moderate-income persons and a poverty level over 20%.

The City will repay the loan over a 20-year period using repayments from the loan fund. To ensure repayment, the City pledges its future CDBG funds and assigned its interest in the fund loans, secured by liens on real property, equipment or accounts receivables. Additionally, the City will provide HUD with a lien on real property for City projects.

PharmaSphere, LLC

City of Worcester, MA

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

The City will re-lend the Section 108 Guaranteed Loan to PharmaSphere for the purchase of equipment necessary in cultivating medicinal plants. PharmaSphere will redevelop a vacant, 8-acre brownfield site located at 49 Canterbury Street in the South Worcester Industrial Park and construct and equip a 50,000 square foot bioprocessing facility. This facility is expected to create jobs, expand the tax base, and serve as a catalyst for revitalization of the area.

The Section 108 Guaranteed Loan will be used in conjunction with \$4,700,000 in New Markets Tax Credit, \$6,700,000 from Quarry Hill Partners, \$2,325,000 in an 8-year bond from the Massachusetts Development Finance Agency, and \$100,000 from the City of Worcester for a total project cost of \$16,325,000.

The Community Development Block Grant (CDBG) national objective met by the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation or retention, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The City estimates that the Project will create 58 jobs.

The City will repay the Section 108 Guaranteed Loan over an 8-year period from PharmaSphere's debt service payments, paying interest only in the first year. To ensure repayment, the City will pledge its future CDBG funds and its interest in the first lien on the equipment and its second lien on the real estate, other equipment, and second lien assignment of all contract rights.

Michigan

TechTown Project

Wayne County, MI

Section 108 Guaranteed Loan - \$2,100,000

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

The County will use the Section 108 Guaranteed Loan for renovation and retrofitting of the fourth and fifth floors of Tech I, a building within TechTown. TechTown is a research and development park located on a 12-block site in Detroit's new Center Area. It includes three buildings, Tech I, Tech II and Tech III that are owned by the developer, Wayne State University Research and Technology Park. The Park was designed to stimulate job growth and small business creation by serving as an incubator for small start-up companies in the emerging high-technology industries. At the time of application, Tech I housed 70 businesses, 30 of which are high-tech start-up companies, and had a waiting list for business tenants.

The Section 108 Guaranteed Loan will be used in conjunction with \$2,000,000 in BEDI grant funds and \$110,000 in Wayne State University Research and Technology Park equity for a total project cost of \$4,210,000.

The Community Development Block Grant (CDBG) national objective met by the County's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation or retention, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The County estimates that the TechTown Project will create 300 full jobs.

The County will repay the Loan over a 15-year period, paying interest only in the first year. To ensure repayment, the County pledges its CDBG funds and a guaranty by Wayne State University.

North Carolina

Small Business Loan Program

City of High Point, NC

Section 108 Loan Guarantee Program - \$3,907,000

The City will partner with Triad Economic Development Corporation to establish a small business loan fund to assist existing businesses and attract new businesses to the City's core-city area, defined as the Southside and Macedonia neighborhoods and portions of the City's downtown. The fund will re-lend the Section 108 Guaranteed Loan proceeds to businesses in the core-city area for acquisition of real property and machinery &

equipment, site preparation, new commercial construction and tenant improvements, and working capital. Additionally, the City may use the fund to assist the Triad Economic Development Corporation in establishing a small business incubator to provide technical assistance and job training. The loan fund will leverage financing from local banking institutions so that the loans will comprise 60% bank financing and 40% fund financing. Fund loans will be \$50,000 - \$300,000 unless unanimously agreed upon by the City's Loan Committee, established for fund oversight.

The Community Development Block Grant (CDBG) national objective met by the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through job creation or retention, where at least 51% of new jobs created will be held by or made available to low- and moderate-income persons. The City estimates that the Fund loans will create 112 jobs.

The City will repay the Section 108 Guaranteed Loan from the debt service on the Fund loans over a 20-year period. To ensure repayment, the City pledges its future CDBG funds and has assigning its interest in the fund loans, which in turn will be secured by second lien mortgages on real property, personal guarantees, equipment, accounts receivable and/or inventory.

Oregon

Rockwood Multi-Service Center (RMSC)

City of Gresham, OR

Section 108 Guaranteed Loan - \$ 1,373,000

Human Solutions, Inc., a non-profit Community Development Corporation, will construct a facility to serve eight social service agencies serving the Rockwood neighborhood of Gresham, characterized by very low incomes and a large immigrant population. The facility will be approximately 75,500 square feet. Included in the facility will be a shared reception, meeting, dining, kitchen and restroom area. The services that will be provided at the RMSC include, but are not limited to, homelessness prevention, rent and utility assistance, workforce training and employment services, Head Start classrooms, outpatient medical, and referral and mental health services.

The RMSC project will be financed using a New Markets Tax Credit (NMTC) leveraged financing structure. The City of Gresham will re-lend the Section 108 Guaranteed Loan to a for-profit NMTC investment fund owned by Bank of America, BOA Investment Fund III LLC which in turn will make a qualified equity investment into a community development entity (CDE). The CDE will provide a qualified low-income community investment loan to a Qualified Low Income Community Business (QALICB), an affiliate of Human Solutions, Inc. The for-profit QALICB will use the loan proceeds to construct the RMSC, which it will then own. The Section 108 Guaranteed Loan will be used only in the construction of the RMSC space to be utilized by the eight social service agencies and the shared common spaces previously mentioned. It will not be used in the residential construction.

The CDBG national objective met the City's use of guaranteed loan funds is benefit to low-and moderate-income persons on an area basis, where at least 51% of the residents

are low-and moderate-income persons. According to the service area and census data map provided by the City, the project is located in a primarily residential area where at least 70% of the residents are low-to moderate- income persons.

The City will repay the Section 108 Guaranteed Loan from lease revenues, over a 20-year period, paying interest only in the first seven years. To ensure repayment, the City pledges its future CDBG funds as well as a lien on the real property on which the RMSC will be constructed.

Pennsylvania



Coatesville Revitalization Project

Chester County, PA

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

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

The County of Chester will relend the Section 108 Guaranteed Loan proceeds to The Oliver Tyrone Pulver Corporation, the Developer, to construct a 125-room Marriott Hotel as part of the redevelopment of a 46-acre site. The Section 108 financing will be put toward Phase I of the redevelopment and the Chester County Industrial Development Authority (IDA) will act as the designated public agency. The existing site targeted for redevelopment currently holds a former trucking facility and gasoline station. Additionally, the site is surrounded by a solid waste landfill that was abandoned in 1978.

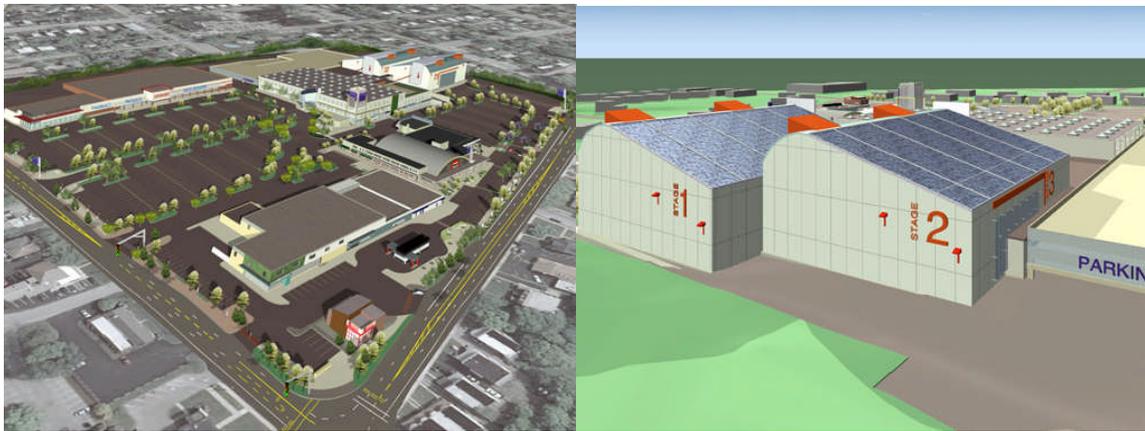
The IDA will loan Section 108 funds to the Developer for the development of a 125-room Marriott Hotel. When the hotel is completed, the developer will construct a four-story, 9,000 square foot office building that will be managed by the Waterford Group, LLC of Waterford, Connecticut. The property will remain under the ownership of the City of Coatesville Redevelopment Authority. The Redevelopment Authority will convey all air rights of the property to the Oliver Tyrone Pulver Corporation for a one-time fee in lieu of payment.

The projected cost of the hotel construction will be \$23,320,000. Section 108 financing will be use in part to cover construction costs and a \$1,000,000 Brownfields Economic Development Initiative (BEDI) grant will be used to establish a debt service reserve for the project. Additional financing will include \$2,400,000 in Pennsylvania Department of Community and Economic Development (PA DCED) funds, \$1,500,000 in Tax Increment Financing (TIF), \$5,750,000 in Redevelopment Assistance Capital Program

(RACP) funding, \$7,000,000 in debt financing from US Bank Mortgage, and \$1,670,000 in developer's equity.

The Community Development Block Grant (CDBG) national objective will be met by providing benefit to low-to moderate-income persons through job creation. It is projected that the new hotel will generate 143 full time or equivalent jobs, of which, at least 51% will be made available to low-to moderate-income person.

The County is proposing a 20-year repayment schedule with interest only payments being made the first three years. The County's loan to the Developer will be secured by a mortgage on the Hotel and Office Building. Additionally, the City of Coatesville is pledging \$1,500,000 from the Coatesville Tax Increment Financing District.



Studio Center Project

Montgomery County, PA

Norristown, PA

Section 108 Guaranteed Loans - \$15,000,000

Brownfields Economic Development Initiative (BEDI) grant - \$1,500,000

The Montgomery County Redevelopment Authority (RDA) will utilize a Brownfields Economic Development Initiative (BEDI) grant of \$1,500,000 and a Section 108 Guaranteed Loan of \$10,000,000 in conjunction with a Municipality of Norristown Section 108 Guaranteed Loan of \$5,000,000 to assist with Phase I of the Studio Center Project. The Section 108 Guaranteed Loan proceeds and BEDI grant funds will be provided to the Developer, Johnson & Markley Redevelopment, LP, to fund the Sears Condo portion of the project.

The developer previously purchased a 25-acre former Logan Square Shopping Center site, located within the Municipality of Norristown's state-designated Enterprise Zone and has since set about redeveloping the site into the Studio Center Project. For Phase I of the project, the developer will substantially renovate the vacant 191,000 square foot Sears Building into a 214,000 square foot structure, demolish an existing parking garage and construct a new 545-space parking garage, and provide site and infrastructure improvements. The developer has

already lined up USM, Inc. as a tenant for 103,000 square feet of LEED-silver office space, pursuant to a recently-executed 10-year lease—USM, Inc. has an option for an additional 30,000 square feet for future expansion. The developer is currently marketing an additional 112,000 square feet of leasing space that will come online as part of the Sears Condo.

In addition to the Section 108 loans and BEDI grant funds, the project will be funded with \$6,421,268 in New Markets Tax Credits (NMTC) equity, \$14,146,980 in senior debt financing, a \$7,000,000 State Redevelopment Assistance Capital Program (RACP) grant, a \$1,900,000 Montgomery County Stimulus Grant, a \$2,000,000 Montgomery County RDA Loan, \$6,200,000 in Recovery Zone Facility bonds, and a \$599,859 developer loan.

The Community Development Block Grant national objective will be met by the eligible activities benefit to low-to moderate-income persons through job creation. The project is expected to create 532 full-time or equivalent jobs, of which, at least 51% will be made available to low-to moderate-income persons.

The RDA will repay the \$10,000,000 Section 108 loan over a 20-year term, the first seven years being interest-only. The developer will use the Sears Condo's leasing revenues to make payments to ultimately repay the Section 108 loans. To secure repayment, the borrowers will pledge their interest in the third-party loans and utilize a personal guaranty from the developer.

Rhode Island

Providence Economic Development Partnership Revolving Loan Fund

Providence, RI

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

The City of Providence will recapitalize its existing revolving loan fund, which has issued loans to 59 different small businesses within the past seven years. The loan fund will target its assistance to small businesses -100 employees or less -throughout the City of Providence and will feature three different types of loans: (1) a revolving loan fund for loans of up to \$125,000; (2) the Innovative Start-Up Fund, which will comprise deferred loans of up to \$5,000 for start-ups in the technology and bio-medical sector; and (3) loans of up to \$20,000 for creative businesses and the City's arts community.

The City will utilize the Section 108 loan proceeds to recapitalize its loan fund, which will provide loans to business borrowers throughout the City of Providence. Business borrowers will utilize the loan funds towards acquisition of real property and equipment, site preparation activities, new commercial construction & tenant improvements, and for working capital. The Community Development Block Grant (CDBG) national objective will be met by providing benefit to low-to moderate-income persons through job creation. The City estimates that the loan fund will create at least 286 full-time or equivalent jobs, of which, at least 51% will be made available to low-to moderate-income persons.

While the City will service the Section 108 debt with its annual CDBG allocation, the City will require a substantial equity contribution from its business borrowers. To secure repayment, The City will assign its interest in the business loans secured by mortgages on real property, personal and/or corporate guarantees, equipment, accounts receivable, and/or inventory.

Tennessee



Pyramid Redevelopment Project

Memphis, TN

Section 108 Guaranteed Loans - \$9,914,000

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

The Section 108 Loan Guarantee commitment will be relented to the developer, Bass Pro Shops, Inc, for renovation of the Memphis Pyramid, a 21,000-seat facility that was once home to the City's professional basketball team. The redeveloped site will include the Developer's 150,000 square foot retail store, a 335-room hotel, a 1,200-seat entertainment venue, three separate restaurants, a museum, an aviary in addition to other attractions. The City, which currently owns the Pyramid, will enter into a 50+ year lease with the Bass Pro Shops before redevelopment begins.

The project, which sits on a site that has environmental contaminants (spills from petroleum products, insecticides, mold, and other hazardous materials), will also be supported by the construction of interior improvements (seismic upgrades, water cooling systems, et al) within the Pyramid, along with other ingress and egress improvements around the Pyramid.

The Section 108 Loan Guarantee funds will be used to finance structural improvements and supporting infrastructure. The Brownfields Economic Development Initiative (BEDI) grant will be used to fund environmental remediation costs. Additional financing for the project includes \$39,500,000 in development partner debt financing, \$38,086,000 in Tourist Development Zone (TDZ) bonds, \$30,500,000 in Bass Pro Shop debt financing and \$25,000,000 in Bass Pro Shop and development partner equity.

The Community Development Block Grant (CDBG) national objective will be met by providing benefit to low-to moderate-income persons through job creation. The City estimates that the Loan Fund will create at least 566 full-time or equivalent jobs, of which, at least 51% will be made available to low-to moderate-income persons.

The City will repay the Section 108 loan over a 20-year term, with revenues from the project. To ensure repayment, the City will pledge its interest in the third-party loan, which will be secured by a first priority leasehold on the mortgaged property.

Virginia

Radford Renovation for Mixed-Use

Radford, VA

Section 108 Guaranteed Loan- \$633,000

The City will lend the Section 108 Guaranteed Loan to the for-profit developer Taylor Hollow Companies for the historic renovation of the former Radford Fitness Center Building into a two-story mixed-use building with commercial space on the first floor and eight low-moderate income affordable rental apartments on the second floor. The renovation will create approximately 6,500 square feet of leasable commercial area on the first floor and 5,100 square feet of rental space on the second floor. The building, located in the east end historical district, was purchased in 2001 and has remained vacant. The building contains approximately 11,600 square feet and is currently in deteriorated condition. The developer has acquired an option on the property from the current owners.

Of the requested \$633,000 amount, \$208,000 is for the commercial component of the development while the balance of \$425,000 is allocated to the housing component. In addition to the Section 108 funds, the City will use \$153,949 in developer equity and \$521,531 from a private loan for a total project cost of \$1,308,480.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons through the provision of improved residential structures, which upon completion will be occupied by low and moderate income households housing. At least 51% (five of the eight) of the rental units will be occupied by low and moderate income households. Also, the provision of a loan to a for profit business to carry out an economic development activity that will cause the creation of new jobs for which at least 51% of the jobs created will be held by or be available to, low and moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a 20-year term. The City's annual CDBG allocation will be used to make the loan repayments. To ensure repayment, The City pledges its full faith.

Vermont

Moran Center

Burlington, VT

Section 108 Guaranteed Loan- \$2,091,000

Brownfields Economic Development Initiative (BEDI) Grant - \$1,040,000

Burlington, VT will use the Section 108 Guaranteed Loan to assist with redeveloping the former Moran Plant and surrounding areas into the Moran Center, which will provide free and fee-based educational and recreational services to residents and visitors. The City currently owns the site; however, to comply with New Market Tax Credit (NMTC) requirements, the site will be conveyed to the Moran Plant Development Corporation. The site is vacant and is located both within a HUD-designated Renewal Community and

a HUD-approved Neighborhood Revitalization Strategy Area (NRSA).

Once completed, space will be leased to the following three tenants:

- 1) Lake Champlain Community Sailing Center (non-profit) – provides sailing camps to at-risk and physically challenged youth. In addition, it provides adult instruction, non motorized boat rental, and boat storage;
- 2) Ice Factor (for-profit) – an adventure center with indoor ice and rock climbing, play area for children, café and restaurant, and outdoor seasonal ice skating rink; and
- 3) Lake Champlain Maritime Museum (LCMM) – will develop a satellite center called the Shipwreck Center, which will include theater space and interactive exhibits including recovered artifacts and full-sized replica vessels.

In addition, the development of the Moran Center will include year-round public access to an observation deck over-looking the lake, public rest rooms, a skate board park, renovated bike trail, and new public park space.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is job creation/retention as a low and moderate income area benefit. The project will result in the creation of 80 full-time equivalent jobs.

The City will use the Section 108 and BEDI funds in conjunction with \$28,000 in Community Development Block Grant funds, \$100,000 in BED Settlement, \$548,610 in City funds, \$25,000 from the EPA Brownfields Sustainability Program, \$64,000 in EPA Environmental Assessment Funds, \$95,000 from the Vermont Brownfields Program, \$105,000 from the CCRPC Brownfield Initiative, \$6,024,346 in New Market Tax Credits, \$1,140,876 in Historic Preservation Tax Credit, and a \$4,545,349 bank loan for a total project cost of \$15,807,190.

The City will repay the Section 108 Guaranteed Loan over a 15-year term with interest only payments for the first 9 years. The City will use existing tax increment revenues to repay the loan obligation. To ensure repayment, the City pledges revenues from its existing Tax Increment Financing District.

Washington

Westbury, Inc.

Kitsap County, WA

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

Kitsap County will lend the proceeds of the Section 108 Guaranteed Loan to Westbury, Inc. to establish a manufacturing facility in unincorporated Kitsap County to finance an economic development activity. Formed in 2004, Westbury, Inc. holds worldwide patents on security and safety barrier systems, otherwise known as Passenger Inhibitor Guides. The Passenger Inhibitor Guide was developed for the outdoor market, principally for airports. The company's first 300 prototype units were purchased by airport authorities, airline companies, and air service providers. Secondary outdoor market segments include stadiums, theme parks, and oil and gas installations. Worldwide market launch potential is estimated at \$1.5 billion.

Westbury, Inc. has optioned an existing light industrial building in Twelve Trees Business Park, approximately three miles north of Poulsbo, WA. The company intends to create 100 full time jobs within 24 months of commencing operations. A majority of the jobs will be for assembly and material handling, which will require on the job training but no special skills or higher education degrees. The Section 108 Loan will be used in conjunction with \$500,000 from Westbury, Inc for working capital and to purchase inventory, machinery, and equipment. The total projected cost is \$2,500,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefit to low- and moderate-income persons by complying with job creation criteria.

The City will repay the Section 108 Guaranteed Loan over a 10-year term. The payments will be made using revenue generated from product sales. To secure repayment, Westbury, Inc. has established a debt service reserve in an amount equal to one full year's repayment obligation that will be maintained until the loan is fully repaid. Additionally, Westbury, Inc. offers a first lien position on worldwide patents being valued and expected to exceed \$8 million, a first lien position on inventory, machinery and equipment valued at approximately \$2 million, and a corporate guarantee.

Housing Projects

HUD approved a total of \$7,550,000 in Section 108 commitments in the fiscal year 2010 for 3 housing projects in Springfield, OR, Lebanon, PA, and Carolina, PR.

Oregon

NEDCO Mixed-Use Building

Springfield, OR

Section 108 Guaranteed Loan- \$450,000

The City of Springfield will lend the proceeds of the Section 108 Guaranteed Loan to the Neighborhood Economic Development Corporation (NEDCO), through a subrecipient agreement, to acquire a historic, mixed-use building located on Main Street in downtown Springfield. Originally built as a theater in 1911, the building currently consists of vacant, ground floor space and four occupied, affordable housing units on the second floor. NEDCO plans to lease the front half of the ground floor space to small, locally owned businesses as commercial space. The rear portion of the ground floor will be used as classrooms and office space for NEDCO to conduct homeowner education, housing counseling, and financial literacy classes primarily for low- and moderate-income persons. The four residential units on the second floor will be maintained as permanent, affordable rental housing with the current tenants remaining in their units. The project will address several community objectives for the City of Springfield including maintaining affordable housing units and filling long standing vacant storefront space in the downtown core. The variety of classes being taught by NEDCO is also expected to

bring people downtown on weekends and in the evenings.

The Section 108 Guaranteed Loan will be used for the acquisition of the property in conjunction with \$205,000 from the City's 2009 HOME allocation, \$120,000 from its CDBG allocation, and \$28,000 from NEDCO. The total acquisition cost, including closing costs, is estimated to be \$803,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is benefiting low- to moderate-income persons. The project will house low-to moderate- income persons, provide services for limited clientele, and is expected to initially create four jobs.

The City will repay the Section 108 Guaranteed Loan over a 20-year term with payments generated from leasing space in the building. To ensure repayment, the City will place a first lien position on the real property. In addition, the community will agree to allow HUD to use existing pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the standard pledge of future Community Development Block Grant funds is insufficient to assure payment of amounts due.

Pennsylvania

Lebanon Blueprint Initiative Project

City of Lebanon, PA

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

The City will use the Section 108 Guaranteed Loan proceeds in three components of the Blueprint Communities Program (BCP): Rental Rehabilitation Loan Program, Façade Improvement Loan Program, and Homeownership Reinvestment Program. The BCP sponsored by the Pittsburgh Federal Home Loan Bank and administered by the Redevelopment Authority of the County of Lebanon, serves as a catalyst to revitalize older communities by supporting community development through a collaborative, capacity building approach involving bankers, developers, community representatives and local elected officials. The City will use the loan proceeds in the three components of the BCP, targeting the City's Northwest neighborhood area that has a low- and moderate-income population in excess of 70 percent.

The Community Development Block Grant (CDBG) national objective met by the eligible activity is housing for low and moderate-income persons.

The City will repay the Section 108 Guaranteed Loan over a twenty-year period from the BCP income. It will secure it by pledging its future CDBG funds and its interest in the BCP loans.

Puerto Rico

Urban Center Mixed –Use Project

Carolina, PR

Section 108 Guaranteed Loan - \$6,100,000

The Municipality of Carolina will utilize the \$6,100,000 Section 108 Guaranteed Loan proceeds with \$1,424,009 in reallocated Section 108 funds from a prior commitment issued in 2000. The combined loan proceeds will be used to complete the acquisition of 22 parcels of land, which will constitute Phase I of the Municipality's Urban Revitalization Program. The goal of the Urban Revitalization Program, which began in 1987, is to revitalize the Municipality's urban center and its immediately surrounding areas. The urban center had seen dramatic changes over the years resulting in loss of businesses and an increased demand for affordable housing. The Urban Revitalization Program has been conceptualized to return planned, balanced, attractive and economically feasible uses to the urban center such as new housing developments, retail, recreation, multimodal transportation center, and cultural and tourist attractions.

Phase I of the project will consist of acquiring the residential and commercial properties currently both vacant and occupied in a targeted area. The existing buildings will be those that are extremely outdated, deteriorated or obsolete. In Phase 2, demolition of the existing buildings on these parcels will occur to make way for the construction of eight new three to five story mixed-use buildings. The construction of the new buildings will constitute Phase 3 of the project. Each of the new buildings will include a commercial area on the first floor and three bedroom residential units on the remaining floors. The entire 23,500 square feet in commercial space will be offered to businesses that can provide essential everyday services to the residents of the buildings.

In addition to the \$7,524,009 in funding from the two Section 108 Loan Guarantee commitments, a municipal appropriation of \$2,049,930 and \$255,000 in Community Development Block Grant (CDBG) funds will be put toward financing Phase I of the project. The CDBG national objective for the project will be met by providing benefit to low-to moderate-income persons through housing and area benefit. The project will create a total of 109 for-sale new residential units for low-income families and will be located in two census tracts that are 91.5% and 65.9% populated by low-to moderate-income residents, respectively.

The Municipality is requesting a 20-year repayment term for the \$6,100,000 Section 108 commitment. The source of repayment for the Section 108 Loan Guarantee will be the Municipality's annual CDBG allocation. Additional security for the \$6,100,000 request will be a first lien on real property. The Municipality must satisfy the additional collateral requirement for the reallocated Section 108 proceeds, which will also be a lien on real property.

Public Facilities

HUD approved a total of \$38,037,000 in Section 108 Loan Guarantee authority for nine public facilities projects. Guaranteed Loans between \$1,000,000 and \$15,000,000 were approved for communities to assist in financing a variety of public facility type projects. The project in Las Cruces, NM will also be assisted with BEDI grant funds.

Allen –Jemison Building Rehabilitation Project

City of Tuscaloosa, AL

Section 108 Guaranteed Loan - \$ 1,500,000

The City has leased the Allen-Jemison Building from the Christ Episcopal Church for a twenty-year period and is responsible for all renovations and maintenance of the building. The building is significantly deteriorated and the City will use the Section 108 Guaranteed Loan proceeds to stabilize and renovate the building to comply with health and safety codes. Upon completion of the ground floor renovations, the City will convert it into the Dinah Washington Cultural Arts Center. The City will then sub-lease the center to non-profit entities, which may include the Arts Council, The Tuscaloosa Children's Theatre, the Alabama Blues Project and the Tuscaloosa Community Dancers. These tenants will be charged below market rate rents that the City will use to maintain the building. The second through fourth floors will be developed at a later time.

The Community Development Block Grant (CDBG) national objective met by the eligible activity is elimination of slums and/or blight on a spot basis.

The City will repay the Section 108 Guaranteed Loan over a twenty-year period using its future CDBG funds. Additionally, it will provide a pledge of the full faith and credit of the City.

California

Public Facilities Projects

Anaheim, CA

Section 108 Guaranteed Loan- \$15,000,000

The City of Anaheim, in partnership with the Anaheim Redevelopment Agency, will use the Section 108 Guaranteed Loan to finance the following four projects: 1) Miraloma Park and Community Center; 2) Thornton Brady Storm Drain Facility; 3) the Anaheim Family Justice Center; and 4) Renovation of the former Packinghouse. The City will directly carry out the Miraloma Park and Community Center, Thornton Brady Storm Drain Facility, and Anaheim Family Justice Center projects. The Anaheim Redevelopment Agency (ARA) through a subrecipient agreement will carry out the Packinghouse project. Each activity is detailed below

1. Miraloma Park and Community Center (\$2,000,000)

The City will finance the acquisition of a one acre site with an existing 3,400 square foot building for the development of a neighborhood park and community center. The park will include playground equipment, picnic tables and grills, and landscaping. In addition, the existing building will be converted into a community center and may include the following amenities: basketball/volleyball courts, multi-purpose rooms, classrooms, an exercise room, a computer lab, offices, and restrooms. The project is located in the Park Lane neighborhood and is meant to serve the community within a half mile radius, of which 91 percent of the residents are low-to moderate- income persons.

The Community Development Block Grant (CDBG) National Objective met by the eligible activity is to benefit low- to moderate- income persons on an area basis.

2. Thornton Brady Storm Drain Facility (\$3,200,000)

The City will finance the construction of a new storm drain system in the Thornton Brady neighborhood. The new drain system will replace the existing surface flow system with a new underground system. The service area for this project is primarily residential and 55% of the residents are low -to moderate-income persons. The Community Development Block Grant (CDBG) National Objective met by the eligible activity is to benefit to low- to moderate-income persons on an area basis.

3. Anaheim Family Justice Center Project (\$4,600,000)

The City will acquire a 1.6 acre site with an existing 18,240 square foot building, which is used for the Anaheim Family Justice Center. The site is located at 150 West Vermont Avenue. The Center provides a variety of services such as counseling, legal aid, emergency housing assistance, childcare, and transportation to battered spouses, elderly persons, and abused children. The City currently leases the building with an option to purchase and will use the Section 108 Guaranteed Loan to exercise its purchase option under the terms of the existing lease/purchase agreement. The Community Development Block Grant (CDBG) National Objective met by the eligible activity is to benefit low- to moderate-income persons through limited clientele activities.

4. Historic Renovation of Former Packinghouse (\$5,200,000)

The City will transfer the Section 108 funds, through a subrecipient agreement, to the Anaheim Redevelopment Agency (ARA), to finance historic preservation and rehabilitation of the former 42,000 square foot orange packing facility. In addition, the ARA will use a portion of the funds to assist with public infrastructure such as streets, sidewalks, curbs, and gutters. The facility is owned by the ARA and will be leased out for retail and restaurant use once completed. The Community Development Block Grant (CDBG) National Objective met by the eligible activity is the elimination of slums and/or blight on an area basis.

In addition to the Section 108 Guaranteed Loans, the projects will use \$5,263,000 in Anaheim Redevelopment Authority (ARA) funds for a total project cost across all 4 projects of \$20,263,000.

The City is requesting two separate notes and contracts for its projects. The first note will be in the amount of \$9,800,000 and will be for the Miraloma Park, Thornton Brady Storm Drain Facility and Anaheim Family Justice Center projects. The second note will be in the amount of \$5,200,000 and will be for the Packinghouse project. Each note will be structured with a 20-year repayment term. The additional security for the note in the amount of \$9,800,000 will be secured by a first lien in the name of the Secretary on Miraloma Park, the Anaheim Family Justice Center, and other City owned properties. The total value of these properties is estimated to be \$12,775,000. For the note in the amount of \$5,200,000, the City will assign its interest in the loan to the ARA for the Packinghouse project, which is secured by a first lien on the Packinghouse property and

other properties owned by ARA.

Joe Balderrama Recreation Center

Oceanside, CA

Section 108 Guaranteed Loan- \$6,400,000

The City of Oceanside, CA will use the Section 108 Guaranteed Loan for the demolition and total reconstruction of the 40 year old Joe Balderrama Recreation Center. The 3-acre Center currently consists of a separate 11,000 square foot recreation building and 4,000 square foot resource building along with park amenities such as ball courts, picnic tables and a multi-use field. However, the center's buildings are old, limited in available space, have a blighted appearance, and do not promote ease of access from the sidewalks. A separate resource and recreation center currently demands cost-ineffective duplicate staffing. Additionally, the multi-use field has an outdated irrigation system that regularly floods the field, preventing optimal use. The reconstruction of this center will positively contribute to ongoing efforts to lift the adjacent neighborhoods out of blight and criminal influence.

The Section 108 Guaranteed Loan will be used to provide matching funds for a competitive state grant that the City expects to receive in the amount of \$5,000,000. Additionally, \$100,000 in CDBG funds will be used for a total project cost of \$11,500,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit to low- to moderate- income persons on an area-benefit basis. The service area for the Center is primarily residential and includes the Crown Heights, Eastside and Town site neighborhoods of Oceanside. Each of these neighborhoods has a low-moderate-income population of at least 75%, according to the most recent census data.

The City will repay the Section 108 Guaranteed Loan over a 20-year period using its annual CDBG entitlement allocation. To secure repayment, the City will pledge a first lien on the land and building comprising the Center.

Senior Center Project

San Leandro, CA

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

The City of San Leandro will use the Section 108 Guaranteed Loan to complete the construction of a new 20,000 square foot senior center facility. The City has already acquired the 0.85-acre parcel on which the project will be located, constructed 170 parking spaces, and developed sidewalks and other infrastructure improvements in support of the facility. The City will own and operate the facility, which will allow for the consolidation of the City's existing senior services into one central and accessible location. The facility will be located within one of the City's major public transit and commercial corridors. Additionally, the facility will be adjacent to San Leandro Hospital, which will work with the City for coordination of the facilities senior programs and activities.

The City will use the \$2,500,000 from the 108 Guaranteed Loan for the construction on the facility. These funds will be used in conjunction with \$673,500 in Community Development Block Grant funds, \$341,224 from the HUD Economic Development Initiative, \$11,916,022 in Tax Increment Bond financing, and \$34,000 from the City Capital Improvement Program Fund for a total project cost of \$15,454,746.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to benefit to low- to moderate-income persons through limited clientele. The facility will provide services to elderly persons, 51% of whom are low- to moderate-income.

The City will repay the Section 108 Guaranteed Loan over a 20-year period using its annual CDBG entitlement allocation. To secure repayment, the City will pledge a first lien position on the facility's real property. In addition, the community 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 Community Development Block Grant funds is insufficient to assure payment of amounts due.

Connecticut

Factory H Brownfield Site

Meriden, CT

Section 108 Guaranteed Loan- \$1,500,000

The City of Meriden is requesting a Section 108 Guaranteed Loan to fund the demolition of abandoned structures on a 7-acre Factory H Brownfield site as a precursor to the installation of flood control infrastructure and creation of an open/green space public facility. The blighted buildings are known to be contaminated with both lead and asbestos. After demolition is complete, the city will create flood control infrastructure to prevent future flooding in low and moderate income neighborhoods surrounding Factory H. The plan is designed to improve the immediate area from one that can currently only contain water from a 25 year storm to one that can contain water from a 100 year storm.

The City will use the Section 108 Guaranteed Loan funds to demolish structures on the 7-acre Brownfield. These funds will be used in conjunction with \$1,000,000 from the CT Department of Environmental Protection, \$80,000 from City of Meriden Grant funds, and \$2,300,000 in grant funds from the Environmental Protection Agency for the overall environmental assessment, remediation/abatement work, and flood control planning. These activities will allow for other public improvements to be undertaken.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is to provide area benefit to low-to moderate- income persons. The City estimates that 61% of the residents in the surrounding neighborhoods are of low- to moderate-income.

The City will repay the Section 108 Guaranteed Loan over a 15-year period with its annual CDBG allocation. To secure repayment, the City pledges its full faith and credit.

New Mexico

Museum of Nature and Science

Las Cruces, NM

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

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

The City of Las Cruces is requesting Section 108 Guaranteed Loan funds to assist with the conversion of the former Rio Grande Bank into the new location for the Museum of Nature and Science. The project is located in the Metropolitan Redevelopment Area and meets the definition of slum and blight in accordance with New Mexico State law. Specifically, the project will use the Section 108 Guaranteed Loan for acquisition, rehabilitation, and public improvements. The Section 108 funds will be used in conjunction with the City's Fiscal Year 2009 Brownfield Economic Development Initiative (BEDI) grant in the amount of \$2,000,000. The BEDI money will be used to assist with rehabilitation and related costs and environmental remediation. Additionally, the project will use \$45,000 in City funds and \$800,000 in Department of Energy funds for a total project cost of \$5,250,000.

The Community Development Block Grant (CDBG) national objective for the City's use of guaranteed loan funds is the elimination of slums and/or blight on an area basis. The project meets the definition of slum and blight in accordance with New Mexico State law.

The City will repay the Section 108 Guaranteed Loan over a 20-year period. The State will use its general funds for repayment of the loan. Additional security will be a first lien in the name of the Secretary on the Museum. Also, language will be included in the Contract for Loan Guarantee Assistance that permits HUD to use existing pledged grants to repay the guaranteed obligation if HUD determines that the pledge of future Community Development Block Grant entitlement is insufficient collateral.

Oklahoma

Eugene Field Early Childhood Education Center

Tulsa, OK

Section 108 Guaranteed Loan- \$1,602,000

The City of Tulsa, in collaboration with a developer, has constructed the Eugene Field Early Childhood Education Center. This center is one of 3 early childhood education centers that were built in Tulsa for the start of the 2008-2009 school year. The Community Action Project of Tulsa County lent the developer \$2,640,000 from its limited reserves with an understanding that a part of the loan would be reimbursed by a successful Section 108 loan application. The developer is a non-profit network of coordinated early childhood educators through Tulsa neighborhood elementary schools.

The Section 108 Guaranteed Loan will be used to repay \$1,602,000 of a \$2,640,000 loan from the Community Action Project of Tulsa County. Additional funds for the education center were \$1,543,897 from a State of Oklahoma Pilot Early Childhood Program Grant and \$360,000 in CDBG funds.

The Community Development Block Grant (CDBG) national objective is to benefit to low-to moderate –income persons through limited clientele activities, where at least 51% of the clientele to be benefited are low-to moderate-income. The borrower has demonstrated that at least 51% of clientele served are persons whose family income does not exceed the low and moderate income limit.

The source of repayment for the Section 108 Guaranteed Loan will be the Borrower’s annual CDBG allocation over 5 years. The loan will be collateralized by a first lien position on Eugene Fields Early Childhood Education Center. An October 2008 appraisal determined the in-use value of the property to be at \$4.35 million.

Pennsylvania

Delaware Terrace Community Recreation Building

Easton, PA

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

The Housing Authority of the City of Easton with work with the Redevelopment Authority (RDA) of the City of Easton to use Section 108 Loan funds for the redevelopment of the Delaware Terrace Community Recreation Building. The redevelopment will increase the square feet of the Boys & Girls club from 11,826 to 17,000 square feet- an increase of 5,174 square feet. The added space will also allow for the addition and/or expansion of a cafeteria, game room, computer room, multi-purpose room etc.

This project is to be completed as part of a larger HOPE VI redevelopment of the Delaware Terrace and Delaware Terrace Annex public housing development. Delaware Terrace and Delaware Terrace Annex is a public housing development constructed in 1953 in the Southside neighborhood of the City of Easton. In 2006 the Housing Authority of the City of Easton was awarded a \$20 million HOPE VI grant to revitalize the housing complex by demolishing the existing 250 housing units and replacing them with 96 new rental units and 48 homeownership units for a total of 144 new housing units.

The Community Development Block Grant (CDBG) national objective for the City’s use of guaranteed loan funds is to provide area benefit to low-to moderate- income persons. The service area of the Recreation Center is city-wide and the City of Easton has a low income population of 56%.

The City will repay the Section 108 Guaranteed Loan over a 15-year period. The City will use its annual CDBG allocation to repay the loan. To ensure repayment, the City pledges the full faith and credit of the City of Easton.

Virginia

Fairfax County Neighborhood Improvement

Fairfax, VA

Section 108 Guaranteed Loan- \$6,535,000

Fairfax County will use the Section 108 Guaranteed Loan to reimburse the Fairfax County General Loan Fund for pre-award costs used to preserve 5 residential neighborhoods. The 5 primarily residential areas that were targeted for neighborhood improvements fit the criteria for the term “Conservation Area” per the Virginia State Code in that they are neighborhoods that have experienced blight and deterioration and are targeted for preservation and improvement. These five Fairfax County communities are: Bailey’s, Fairhaven, Gum Springs, James Lee, and Jefferson Manor. The County’s goal is to continue to preserve the residential character of these older, lower income neighborhoods by upgrading public facilities and improving the existing housing stock.

This section 108 loan is a continuation of an original Section 8 loan of 9,300,000 made in 1996 for neighborhood improvements in the 5 listed areas. The County only drew down \$2,765,000 on Section 108 funds for the project while spending County general funds for the remainder of the costs. The remainder amount of the original 1996 loan expired and thus the County is now seeking a Section 108 loan for reimbursement of the general funds used for the approved Section 8 project.

The Community Development Block Grant (CDBG) national objective for the City’s use of guaranteed loan funds is to benefit low-to moderate- income persons on an area-benefit basis. Each of the five target areas served in this urban county contains less than 51% low-and moderate income residents; however the proportion of such persons in the areas is within the highest quartile of all areas in the County, in terms of the degree of concentration of such persons.

The County will repay the Section 108 Guaranteed Loan over a 20-year period with interest only payments for the first 3 years. The County’s annual CDBG allocation will be used to make the loan repayments. To secure repayment, the Fairfax County board of supervisors pledges to pay any cash flow deficiencies in CDBG debt service payments.