

**State of Indiana  
Community Enhancement  
and Economic Development  
Loan Program**

**(Section 108 Guaranteed Loan Program)**

**Application Package**

**Indiana Office of Community and Rural Affairs**

**Indiana Housing and Community Development  
Authority**

**Purpose:**

To provide access to capital to assist units of local government that do not receive CDBG funds directly from the U.S. Department of Housing and Urban Development for projects that promote economic, housing and community development within the community.

**Eligibility:**

- Only units of local government that do not receive direct allocations of CDBG funds from HUD may apply to the CEED Fund.
- All activities funded with CEED funds will be evaluated in accordance with the *Criteria of National Objectives* found in the HUD Guidelines under 25 CFR Sub-Part C, 570.208 which include activities benefiting low-and moderate-income persons and activities which aid in the prevention or elimination of slums or blight.
- All eligible activities funded with Section 108 funds are those identified in 24 CFR Part 570.703 which include (but are not limited to): a) Acquisition of improved or unimproved real property, including acquisition for economic development purposes; (b) Rehabilitation of real property owned or acquired by the public entity or its designated public agency; (d) Relocation payments and other relocation assistance for individuals, families, businesses, nonprofit organizations, and from operations who must relocate permanently or temporarily as a result of an activity financed with guaranteed loan funds, where assistance is: (1) Required under the provisions of section 570.606(b) or (c); or (2) Determined by the public entity to be appropriate under the provisions of section 570.606(d); (e) Clearance, demolition and removal, including movement of structures to other sites, of buildings and improvements on real property acquired or rehabilitated pursuant to activities a and b of this section; (f) Site preparation, including construction, reconstruction, or installation of public and other site improvements, utilities, or facilities (other than buildings), which is related to the redevelopment or use of the real property acquired or rehabilitated pursuant to activities (a) and (b) of this section, or for an economic development purpose; (g) Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt obligations under the 108 program; (i) The following economic development activities: (1) Activities eligible under section 570.203; and (2) Community economic development projects eligible under section 570.204;

**Minimum/Maximum Loans:** \$500,000 minimum - \$7,000,000 maximum

**Interest rates:** The Interest rate on interim borrowing is priced at the 3 month London Interbank Offered Rate (LIBOR) plus 250 basis points (2.5%). The interest rate on Permanent financing is priced at Treasury's rate for similar maturity periods e.g. 5, 10, or 20 years, plus 250 basis points (2.5%).

## **CEED Application Checklist**

### **APPLICATION FORM AND EXHIBITS**

- Non-refundable underwriting fee of \$1000 payable to the Indiana Housing & Community Development Authority
- Completed Checklist
- Completed & signed Application
- Application Exhibit A: Information Disclosure
- Application Exhibit B: CEED Proposed Sources and Uses
- Application Exhibit C: CEED Proposed Job Category Form
- Application Exhibit D: Certification of Unavailability of Capital

### **ATTACHMENTS- SITE**

- Attachment 1: Market study and/or feasibility study
- Attachment 2: Site map
- Attachment 3: Real estate appraisals
- Attachment 4: Site control documentation- e.g. evidence of proper title to the property, purchase options, etc.
- Attachment 5: Survey of the property from a licensed land surveyor
- Attachment 6: Site plans and architectural drawings
- Attachment 7: Capital needs assessment if rehab project.
- Attachment 8: Historic determination, if applicable
- Attachment 9: Evidence of Blight determination, if applicable

### **ATTACHMENTS- TEAM EXPERIENCE & CAPACITY**

- Attachment 10: Written description of development team member firms including but not limited to, developer, architect, consultant, and contractor.
- Attachment 11: Personal resumes of all owners and key management personnel.
- Attachment 12: Copy of Certificate of Incorporation or Partnership Agreement, and the local business operating license if applicable.

### **ATTACHMENTS- FINANCIALS**

- Attachment 13: CEED Operating & Expense Proforma
- Attachment 14: Financial Statements & Bank Statements- Three most recent years of borrower's audited financial statements (balance sheet, income statement & statement of cash flows) and current year to date interims. For profit business must submit personal financial statements (90 days old or less) and three most recent months bank statements for all owners and guarantors (any person owning 20% or more of the business).
- Attachment 15: Tax returns: For-profit business must submit three most recent years of signed personal tax returns for all parties responsible for repayment and not-for-profit organizations must submit the three most recent years of 990s.
- Attachment 16: Credit release for all borrowers.
- Attachment 17: A written explanation of any past or present credit problems including judgments, collections, charge-offs, or bankruptcy by either the company or any guarantor.
- Attachment 18: Letter of Intent or commitment letter from other funding sources acceptable to CEED Administrator.

# CEED Application Form

Please see checklist for list of documents to submit for a complete application

## **Part I: General Information**

Project Name: \_\_\_\_\_

Date application completed: \_\_\_\_\_

### **1. Local Unit of Government Information**

Local Unit of Government: \_\_\_\_\_

Chief Elected Official: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_

### **2. Borrower Information**

Type of Organization: \_\_\_\_\_

Number of Years in Existence: \_\_\_\_\_ Number of FT Emp: \_\_\_\_\_ Number of PT Emp: \_\_\_\_\_

Organization Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

### **3. Grant Administrator Information**

\*Note: All non-housing CEED awards must use an OCRA approved certified grant administrator.

Organization Name: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Phone: \_\_\_\_\_ Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_



**6. Financing Request**

Total Development Cost: \$ \_\_\_\_\_

Amount of Loan Request: \$ \_\_\_\_\_

Proposed Use of Loan Funds (e.g. acquisition, construction, equipment purchase, etc.):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Source of Repayment: \_\_\_\_\_

**7. Project Type & Public Benefit**

Please check the appropriate box to indicate what type of project will be undertaken.

*Economic Development Project*    FTE jobs created: \_\_\_\_\_    FTE jobs retained: \_\_\_\_\_

*Housing Development Project*    Total # housing units: \_\_\_\_\_    # of units for low-mod: \_\_\_\_\_

*Community Development Project*    Infrastructure/Public Facility: \_\_\_\_\_% of low-mod: served: \_\_\_\_\_

**8. CDBG National Objective**

Low/Mod Benefit

- Job Creation/Retention
- Area Benefit
- Limited Clientele

Slum/Blight

- Area
- Spot

Urgent Community Need

If Urgent Need, please describe: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part II: Property Characteristics**

1. Is the property designated as historic (i.e. property is on State or National Historic Register)? \_\_\_\_\_

\*Note: If yes, must attach evidence as Attachment #8.

2. Is the property considered blighted? \_\_\_\_\_ If yes mark applicable condition below.

\*Note: If yes, must attach evidence as Attachment #9.

A property will be considered blighted if the site is conducive to ill health, transmission of disease, or crime in the immediate proximity of the property and presents at least one of the following conditions:

\_\_\_\_\_ Health and Hospital orders against structure or property;

\_\_\_\_\_ Code enforcement order on property or structure; or

\_\_\_\_\_ Local government resolution declaring the site blighted/in need of redevelopment under Indiana Code 36-7-14.

3. Will the loan funds for the proposed project redevelop a brownfield? If so, please describe the designation.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. Does the proposed project involve the acquisition of land and/or buildings? \_\_\_\_\_

a. If yes, is the land and/or building currently occupied? \_\_\_\_\_

b. If occupied, does project result in relocation\*? \_\_\_\_\_

\*Caution: If yes, project may be subject to the Uniform Relocation Act and related requirements.

**Part III: Previous Experience**

1. Has the potential borrower completed similar projects? \_\_\_\_\_

2. How many similar projects has the potential borrower completed? \_\_\_\_\_

3. How many of the projects counted above were funded in part by CDBG? \_\_\_\_\_

4. List most recently completed projects in the table below:

Project Name	Address	Project Type	Construction Type	# of Units	Total Development Cost

**Part IV: Certifications and Signatures**

**1. Applicant Certification & Signature (Local Unit of Government)**

I certify that submission of this application has been duly authorized by the governing body of the applicant and that all information contained in this application, to the best of my knowledge, is true and accurate.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**2. End Borrower Certification & Signature**

I certify that all information contained in this application, to the best of my knowledge, is true and accurate.

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**INFORMATION DISCLOSURE**

To the extent feasible and permissible by Indiana's Access to Public Records Law (IC 5-14-3), the State will honor the applicant's request that confidential information submitted to the State remain confidential. The State will treat the information as confidential only if: (1) the information is in fact protected confidential information, such as records required to be kept confidential by federal law or records containing trade secrets, (2) the information is specifically marked and identified as confidential by the applicant, (3) the information is segregated from other material submitted, and (4) no disclosure of the information is required by the law or judicial order. The honoring of the confidentiality of identified data shall not limit the State's right to disclose the details and results of the Project to the public.

By signing below, the applicant agrees to all of the foregoing.

Applicant (Local Unit of Government): \_\_\_\_\_

Date: \_\_\_\_\_ By: \_\_\_\_\_ Title: \_\_\_\_\_

Guarantor/Co-Borrower: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Guarantor/Co-Borrower: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

Guarantor/Co-Borrower: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Title: \_\_\_\_\_

**EXHIBIT B**  
**CEED Proposed Sources & Uses of Funds Form**  
**(Attach evidence of commitment for each source as Attachment #18)**

Project Name: \_\_\_\_\_

Use of Funds	All Sources of Funds						
Activity / Line Item	CEED (Section 108) Funds	Other Federal Funds	State Funds	Local Public Funds	Developer Cash Equity	Private Loan Funds	Totals
<b>Subtotals:</b>							



**EXHIBIT D**  
**CEED Certification of Efforts to Obtain Other Financing**

In accordance with 570.704.b.4, \_\_\_\_\_ hereby assures and certifies with respect to its application for a loan guarantee pursuant to Section 108 of the Housing and Community Development Act of 1974, as amended, that it has made efforts to obtain financing for the activities described herein without the use of such guarantee, it will maintain documentation of such efforts for the term of the loan guarantee, and it cannot complete such financing consistent with the timely execution of the project without such guarantee.

Documentation of such efforts include the following:

- 1) Unavailability of Capital: The project can afford the cost of financing, but is unable to obtain the funds from private debt and/or equity sources. The gap may be a result of a lender's loan to value requirements or the inherent risk of the project or the industry.
- 2) Cost of Capital: The project cannot support the interest rate, the loan term, and/or the collateral requirements of the lender.
- 3) Return on Equity Investment: The project's financial returns may be too low to justify the business or a third party investor to proceed with the project.

\_\_\_\_\_  
Name of Authorized Representative of End Borrower

\_\_\_\_\_  
Name of Authorized Representative of Local Unit of Government

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date