



February 5, 2014

Amy Jacobson
Interim Assistant Director
Maricopa County Human Services Department, Community Development Division
234 N. Central Avenue
3rd Floor
Phoenix, AZ 85004

RE: Goodyear 2014-15 CDBG Application

Dear Ms. Jacobson,

In response to your letter dated January 30, 2014, below are Goodyear's responses to your questions regarding the 2014-15 CDBG Application for Commercial Rehabilitation.

Clarification –

The City will require that 25% match be provided by businesses. The budget on page 7 includes a typo. It should indicate that \$125,000 in local funds will be provided. On page 8, it states that 25% match is required, but the value should be listed at \$125,000. Attached is a revised page 7 and 8.

Brief Outline of Proposed Program Design –

- **Eligibility:** Any property located within the City's Redevelopment Area and used for a non-residential and non-governmental purpose is eligible to apply for a Façade Improvement Loan. It should be noted that the grant application keeps the possibility open to use grant funds in areas that are designated as a Slum and Blight property on an individual basis as well. No sites of this nature currently exist in the City today.
- **Marketing:** The program would be marketed by first targeting those properties whose rehabilitation would have the most significant impact to eliminating slum and blight in the Redevelopment Area. These properties include:
 - Southwest Goodyear Center
 - Former Bank Building
 - Former Fry's Marketplace
 - Western Avenue buildings

Additional marketing would be done by working with the Southwest Valley Chamber of Commerce and utilizing the City's economic development team to provide outreach to the community. A Rehabilitation Review Committee will be established to review applications and prioritize projects. The Rehabilitation Review Committee will be made of up City staff and the Chamber of Commerce (if they wish to participate).

- How much assistance per site would be available:
There will be two different types of sites: Large Sites and Individual Sites. Large sites include large commercial centers such as a strip mall. There are two of these sites the City is targeting for redevelopment. Individual sites include individual businesses on single sites or owned within a strip center.

Large Sites Loan Terms

- A 25% match will be required
- 1% annual interest
- No penalties for early repayment
- No maximum loan amount, to be approved by the Rehabilitation Review Committee
- Project must be completed within 6 months of loan approval

Individual Sites Loan Terms

- A 25% match will be required
- 1% annual interest
- No penalties for early repayment
- Maximum City contribution up to \$10,000 per façade project
- Project must be completed within 6 months of loan approval

The loan interest will be paid annually to the City of Goodyear. The loan term will be due in 10 years or when the property is sold, whichever occurs first.

- How loans would be implemented and managed:
Loans would be implemented and managed by City of Goodyear staff. The city previously implemented a housing rehabilitation program which required similar accounting and records management procedures.

Applicants will submit a loan application to the City of Goodyear

Development Services staff will review the application for completeness.

The loan application will be forwarded to the Rehabilitation Review Committee for review and comment.

- If the site is one of the listed priority sites and there are funds available, the Rehabilitation Review Committee may approve the project.
- If the site is not one of the listed priority sites, the application must be evaluated based on location, impact to the Redevelopment Area, and funds needed.

Review may also be required by the State Historic Preservation Office

The applicant will need to obtain necessary building permits.

Program income will be kept in a separate account.

- Coordination with the Goodyear Economic Development:
The Economic Development division is housed within the Development Services Department, the same Department that manages all CDBG activity. Economic Development staff's involvement has been noted above. They will be the primary point of contact to the public for the program.

- Loan underwriting requirements and process:
Applicants will need to provide (amongst other requirements):
 - A title report
 - Estimated project cost
 - Loan amount requested
 - Property valueThe loan to value ratio shall not exceed 95%
- Program income:
Annual interest paid to the City may be used to cover the fees for required inspections. The rest of interest payments and any loan payoffs will be used for additional rehabilitations under the terms listed above.

So long as there is interest in this program, program income will be used to provide further rehabilitations. If the City finds there is no longer interest in continuing this program, program income will be returned to Maricopa County to be distributed to other projects.

Please let me know if you have any questions regarding this letter.

Sincerely,
THE CITY OF GOODYEAR



Katie Wilken, Planner III