

Substantial Amendment to the City of Brockton FY2009 Annual Plan for CDBG and HOME funds.

The City of Brockton's FY2009 Annual Plan approved by the U.S. Department of Housing and Urban Development (HUD) is to be amended as described herein and only to the extent described herein. The following shall replace the prior Annual Plan sections on the pages noted.

Page 23

Economic Development: Brockton has taken major steps to attract new job generating business to the community by such means as financial participation in the development of a new desalinization plant (which came on line in mid-2008), clean-up of brownfields with state and local assistance, the designation of five districts under Chap 40R of the Massachusetts General Laws, through the use of Tax Increment Financing, and through planning for major roadway improvements to facilitate access to development sites. Brockton has also targeted major downtown buildings for mixed re-use and major industrial/commercial sites for various types of growth industries such as food services and distribution. A variety of economic development Incentives and mechanisms at the state level are being accessed for this purpose. There is currently a major initiative underway to revitalize the downtown core and stem disinvestment occurring there. One need in this area is the construction of more off-street parking facilities in the downtown core to both encourage greater use of mass transit facilities and to support economic development. The City of Brockton may seek to use CDBG funds to meet design costs and/or matching fund requirements for parking facilities to be constructed with state Public Works Economic Development or Transit Related Development grants. The City of Brockton has also established a commercial Area Revitalization District [CARD] for the downtown center pursuant to Chapter 40D of the Massachusetts General Laws. Among other things, this designation makes for-profit businesses within the district eligible to receive tax-exempt Industrial Development Bond financing. The City is also an Economic Target Area pursuant to Massachusetts Economic Development Investment Program [EDIP] statute and under that designation has created 12 "Economic Opportunity Areas" in the downtown and other parts of the City. Such designations permit for-profit developments therein to seek state investment tax credits for substantive new job-generating physical plant investment. To compliment these initiatives, the Mayor's Economic Advisors group has recommended the establishment of a loan pool for downtown business facade and signage upgrades and for other business expansion enhancement purposes. In the second year Annual Plan, \$241,378 will be allocated for this purpose. This program will be administered by Building a Better Brockton, Inc in conjunction with Brockton 21st Century Corporation. It is anticipated that ten or more business improvement financings will be provided through these funds. It is hoped that bank funds will supplement the CDBG allocation.

2. Façade Improvements/Business Assistance

Priority: Economic Development

Objective: Economic Opportunity [EO-2.1]

Funding: \$241,378 plus leveraged funds to be determined

Working through the nonprofit community-based Brockton 21st Century Corporation, BBB will utilize funds to provide patient, interest free declining balance forgiveness loans for façade improvements in the downtown central business district and if funding allows, in other neighborhood business districts including the Campbello and Montello sections of the City. Annual declining balance loans will be for a term of five/ten years and CDBG funds will provide up to 50% of the cost of improvement projects; CDBG funds must be matched dollar for dollar by bank and/or private funds. It is anticipated that most individual CDBG declining balance forgiveness loans will be in the range of \$2,500 - \$5,000 per business property but the minimum loan amount shall be \$2,500; a waiver to increase the amount per business property to \$10,000 may be granted by BBB's Board of Directors in individual cases where the Board determines such action will materially improve conditions in the surrounding business district. Larger investments may be made to upgrade key anchor business properties in the districts above described. Short term subordinate loans of up to \$250,000 in CDBG funds may be made for major building acquisition and/or rehabilitation that will leverage substantial private investment and/or financings from other public and private sources. In cases where the benefit to the City of Brockton is judged to be substantial in terms of leveraged investment and job creation/retention, the Board of Directors may grant a waiver to convert such short term debt to permanent subordinate debt on commercially reasonable terms. All code violations will be corrected in assisted business properties. Any program income (loan repayments) will be utilized for future loans under these programs. Brockton 21st Century Corporation will monitor the loans to determine that at least one full-time equivalent job has been created or retained for each \$35,000 of CDBG funds advanced. Brockton 21st Century Corporation may use a portion of these funds for reasonable program delivery costs. With these CDBG funds, to the greatest extent possible, BBB and Brockton 21st Century Corporation will strive to leverage private investment in the form of equity or credit investments in these businesses. CDBG funds may also be used at the discretion of the city for Special Economic Development activities consistent with Sec. 570.203 and Sec. 570.209 including acquisition, construction, reconstruction, rehabilitation or installation of commercial or industrial buildings, structures, and other real property equipment and improvements, related infrastructure and other improvements that will encourage and support longer term business expansion efforts and job creation/retention. Consistent with Sec. 570.203, CDBG funds may be provided as grants, loans, loan guarantees, or interest supplements; funds may also be used to provide economic development services including program marketing and technical assistance as more fully described in Sec. 570.203 (c).

August 31, 2009

James E. Harrington, Mayor
City of Brockton, Massachusetts