



SECTION 108

LOAN GUARANTEE

PLAN (FINAL)

PUBLIC HEARING
Community Presentation
September 18, 2024

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SECTION 108 LOAN

A HUD Section 108 Loan is a powerful financing tool available to communities under the Community Development Block Grant (CDBG) program. It allows local governments to leverage their CDBG funds to secure loans for large-scale community and economic development projects that can have a transformative impact.

In accordance with federal regulations, Section 108 loans can be used for a variety of activities that promote community revitalization. These include the development of affordable housing, infrastructure improvements, rehabilitation of public facilities, and economic development projects that create jobs and increase economic opportunities, particularly for low- to moderate-income residents. Additionally, Section 108 loans can be utilized to address slum and blight or to meet urgent community needs.

By enabling cities to borrow against future CDBG allocations, Section 108 provides the flexibility needed to support impactful projects that may otherwise be financially unattainable, while ensuring compliance with HUD regulations and promoting long-term community growth.

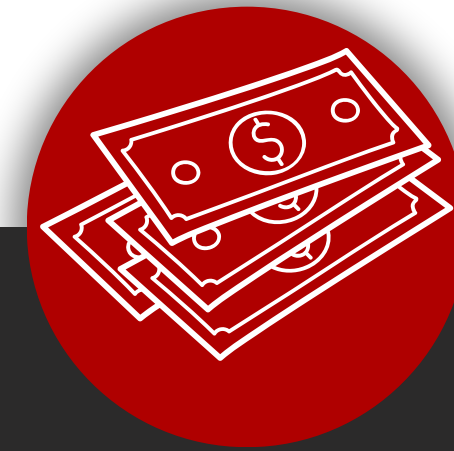
CITY OF CAMDEN

ALLOCATION



DETERMINATION

Entitlement communities are eligible to apply for Section 108 loan guarantees equal to five times their most recent CDBG award, and communities in non-entitlement areas may receive loan guarantees, in the aggregate, equal to five times the State's grant under the CDBG program.



TOTAL ALLOWABLE AMOUNT

under the Section 108 Loan Guarantee Program, the city can apply for a maximum loan amount of up to five times its most recent annual CDBG allocation. In this case, based on a CDBG allocation of \$2,477,953 the city is eligible to apply for a loan guarantee of up to \$12,390,000.

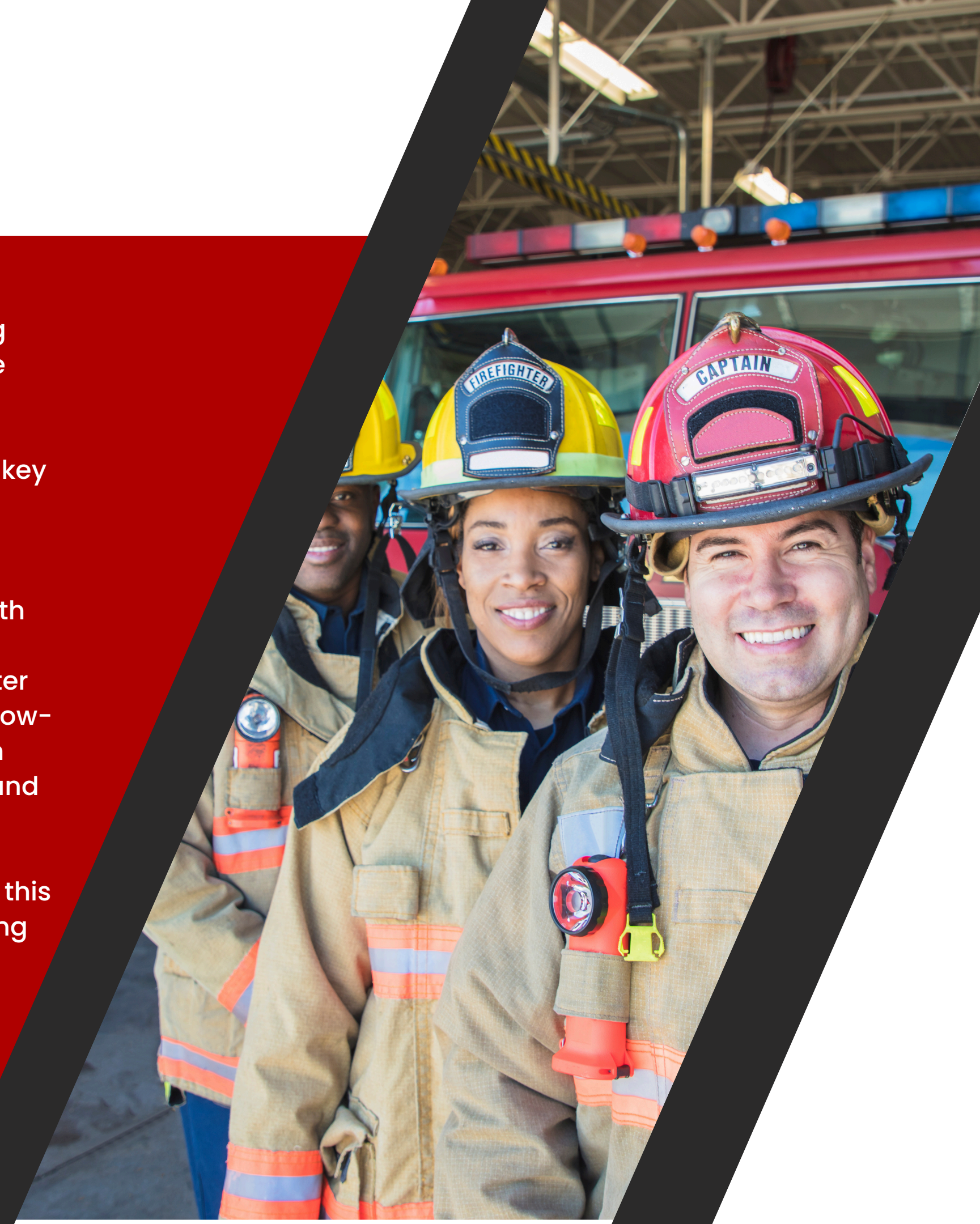
PROJECTED USE

The City of Camden seeks to apply for a HUD Section 108 Loan to rehabilitate its aged firehouses and upgrade its fire truck fleet. These improvements are critical for enhancing public safety and ensuring that Camden's emergency services can continue to serve the community efficiently.

Under federal regulations, Section 108 loans are an eligible financing mechanism for rehabilitating public facilities and infrastructure, which includes firehouses that serve as key public safety facilities. By modernizing these essential buildings, the City will improve operational efficiency, extend the service life of the facilities, and create a safer working environment for firefighters. Additionally, replacing the outdated fire truck fleet will significantly enhance the City's ability to respond to emergencies, thereby protecting both lives and property.

For the Camden community, these upgrades will bring long-term benefits, including faster emergency response times and improved safety standards for residents, particularly in low-to moderate-income neighborhoods. The rehabilitation and fleet replacement also align with HUD's goals of fostering community development, improving public infrastructure, and supporting economic development by creating construction jobs and boosting local services.

Through the Section 108 loan program, Camden can leverage its CDBG funds to invest in this critical infrastructure, ensuring compliance with federal regulations while providing lasting benefits to the community.



PROPOSED PLAN

The City is endeavoring to amend its 2024 Annual Plan and apply for the Section 108 Loan Guarantee in the amount of \$6,461,940 for the purpose of rehabilitating six (6) Camden City Firehouses (identified below) and to replace and purchase two new apparatus vehicles (Squad Pumper and Heavy Rescue) for firefighting purposes in the City of Camden. No program income will be generated for this project. Specific details of work to be performed at the firehouses and/or vehicle specification can be obtained by calling Grants Management (856) 757-7689



FIREHOUSE REHAB

- 901 N 27th Street (Engine 11) - \$762,990.00
- 2500 Morgan Boulevard (Engine 10) - \$549,700.00
- 1 North 27th Street (Engine 9) - \$271,700.00
- 1115 Kaighn Avenue (Squad 7) - \$863,200.00
- 1300 Broadway - (Engine 8) - \$165,260.00
- 4 North 3rd Street (Engine 1) - \$320,600.00



FIRE TRUCKS

- Squad Pumper - \$1,100,000.00
- Heavy Rescue - \$1,400,000.00

(engineer specification, change order/unforeseen cost: \$1,028,490.00)



24 CFR § 570.705 – Loan requirements. (g) Issuance, underwriting, servicing, and other costs & National Objective



Additional Cost

In accordance with 24 CFR 570.705(g), the City of Camden will cover the fees associated with the Section 108 Loan Guarantee from the same source used to repay the loan—specifically, the City’s Community Development Block Grant (CDBG) funds. To ensure full compliance, Camden will amend its 2024 Annual Action Plan to include these costs, which will encompass loan fees and any related expenses required to secure the financing. This amendment will reflect the City’s commitment to transparency and compliance with HUD regulations




National Objective

this project meets one of the national objectives outlined in 24 CFR 570.208 by addressing the urgent need for improved public safety services in Camden, particularly in low- to moderate-income areas. By rehabilitating the firehouses and upgrading the fire truck fleet, the project supports the national objective of benefitting low- to moderate-income individuals through improved access to critical emergency services, thus fostering community resilience and enhancing public safety.

PUBLIC COMMENT

In accordance with the City's Citizens' Participation Plan, we invite all residents to provide feedback and comments regarding the proposed Section 108 Loan application for the rehabilitation of Camden's firehouses and the replacement of the fire truck fleet. This project is vital for improving public safety and enhancing emergency response services in our community. Your input is essential in ensuring that the needs and priorities of our residents are addressed. We encourage you to share your thoughts during the public comment period, either in writing or at this public hearing in the comment section or by sending an email or letter utilizing the information provided below no later than Thursday, September 19, 2024 to Dr. Edward Williams, Director of Planning and Development. Your voice matters as we work together to build a safer, stronger Camden.

 856-757-7214

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Thank You

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