



Overview

As a recipient of Community Development Block Grant (CDBG) funding, the City of Hammond is eligible to participate in the Section 108 Loan Guarantee program administered by the U.S. Department of Housing and Urban Development (HUD). Under this program, the City is able to leverage up to five times its annual CDBG allocation for large community development investments.

In its 2022-2026 Consolidated Plan, the City identified the expansion of community facilities to ensure availability of services and programs as one of its goals. In an effort to meet this goal, the City of Hammond is proposing to apply for a Section 108 Loan Guarantee to fund the expansion of the wellness and recreational facility called the “Hammond Sportsplex and Community Center”. This project will increase the quality of life for the entire City, including its low- and moderate-income population. Specifically, expansion of the Sportsplex and Community Center would improve the overall health and quality of life for City residents by providing additional recreational opportunities.

Eligible Activities

If approved, the City would use the Section 108 Loan proceeds to expand an existing public facility that serves as a community recreation and wellness center. Under the CDBG regulations, this activity is considered eligible at 24 CFR 570.703 (I) as follows:

- (I) Acquisition, construction, reconstruction, rehabilitation or historic preservation, or installation of public facilities (except for buildings for the general conduct of government) to the extent eligible under §570.201(c), including public streets, sidewalks, other site improvements and public utilities, and remediation of known or suspected environmental

Hammond Section 108 Loan Guarantee Application

contamination in conjunction with these activities. Remediation may include project-specific environmental assessment costs not otherwise eligible under §570.205.

The City expects to use all funding available through this application for the specific purpose of expanding the wellness facility and does not expect any funds to be made available to non-profits or other interested parties to carry out eligible activities.

National Objective to Be Met

The expansion of the Sportsplex and Community Center would benefit the City as a whole. According to the latest Low- and Moderate-Income Data released by HUD, the City as a whole meets the qualification as a Low Mod Area (24 CFR 570.208(a)(1)). Based on this data set, the City's overall population is 75,165 and the City's low and moderate-income population is 41,280, which equates to a low-moderate income percentage of 55 %.

Location

The expansion of the Sportsplex and Community Center would comprise of a roughly 150' x 168' large volume component that would occupy the outdoor space to the east of the existing indoor turf space at 6630 Indianapolis Blvd, Hammond, IN 46323. The location is central to all neighborhoods within the City.



Hammond Section 108 Loan Guarantee Application



Hammond Section 108 Loan Guarantee Application



Hammond Section 108 Loan Guarantee Application



Financing

The cost of the expansion of the facility is estimated to be \$9,037,253. This estimate does not include the financing fee associated with the Section 108 Loan Guarantee. The breakdown is as follows:

Interior Renovation	\$4,037,253
Soccer Addition	\$4,800,000
Sand Volleyball Relocation	\$200,000
TOTAL	\$9,037,253

Section 108 loan proceeds would form a key component of the financing for this proposal. After accounting for the existing outstanding 108 balance of \$5,627,000., the total amount available via the Section 108 Loan Guarantee program will be \$4,816,330 based on the City's 2024 allocation of \$2,395,923.

Hammond Section 108 Loan Guarantee Application

In order to access Section 108 financing, the City proposes to pledge a portion of its future CDBG grants (Program Years 2025 – 2044) as collateral for repayment. The City proposes to use the maximum repayment period allowable, twenty years, in order to minimize the potential reduction of any given year.

The City will request Section 108 loan proceeds in the amount of \$4,816,330. The remainder of funding would come from local bond proceeds, CDBG Entitlement, and general funds.

SOURCE	EXPECTED AMOUNT
CDBG 108 Loan Guarantee	\$4,816,330
CDBG Entitlement	\$1,825,000
Local Bond Proceeds	\$2,395,923
TOTAL	\$9,037,253

The City will leverage the 108 funds with local bond proceeds that will be financed based on tax revenues from the Food and Beverage tax. The facility has identified other potential sources of funding, such as Tax Increment Financing, that may be made available for the project.

The City does not expect the facility to generate net income. This is based on the revenues and costs recorded to date. Any revenue generated over and above operating costs would be dedicated to meeting the debt service for the Section 108 loan. The City is estimating the following financing terms for the Section 108 funds:

- 1.64% Financing fee, equal to \$78,988
- 20 Year term with variable rate interest based on the 20 Year Treasury note, currently at 4.71%
- Interest only payments for the first five years
- The facility would serve as collateral for the loan. The Section 108 loan would be in first position with no other loans secured by the facility.

A proposed debt service schedule will be prepared once the terms of the loan are finalized.

Hammond Section 108 Loan Guarantee Application

Additional Information

The City will follow its adopted Citizen Participation Plan to receive citizen input on this proposal. The City will undertake the following activities that will allow citizens to participate and comment on the proposal.

Public Hearing

The City held a public hearing regarding this proposal at City Hall on February 24, 2025, at 6:00 PM in City Council Chambers. A Spanish-speaking City staff person will attend to provide Spanish translation, if necessary. The City will attempt to accommodate translation for other languages and persons with disabilities if a request is made at least three days in advance. If the City cannot accommodate translation, the City will make alternative opportunities available for non-English speaking persons and persons with disabilities to participate.

Public Comment Period

The City accepted written public comments regarding this proposal from January 28th to February 28th, 2025. All comments received were considered when preparing the final application to HUD and are included as an attachment.

Comments may be emailed to millero@gohammond.com or submitted in writing to:

City of Hammond Community Development
ATTN: Ms. Owana Miller
5925 Calumet Avenue
Hammond IN 46320

For additional information regarding this proposal, please contact Ms. Owana Miller, Community Development Director, at 219-853-6358 ext. 2.

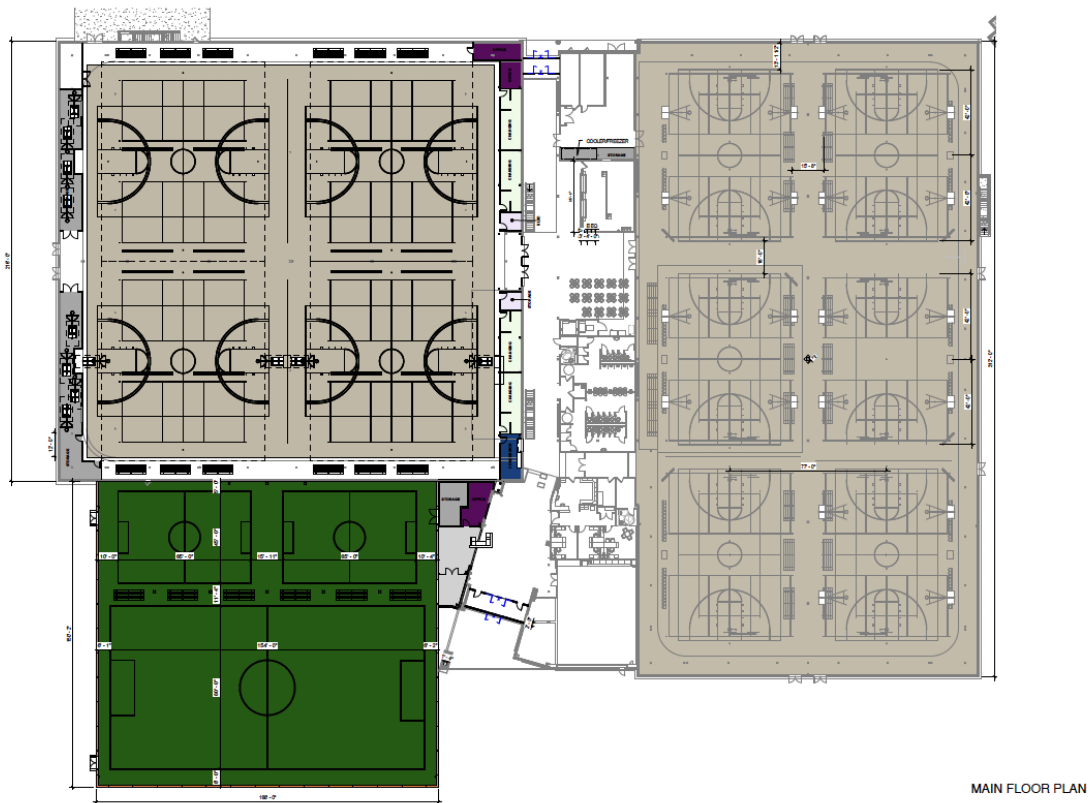
Upon completion of the public participation process, the City will consider the input received, amend the application accordingly, and publish the final application before submittal to HUD for review.

Attachment 1: Additional Underwriting Information

Detailed Description of Expansion

The expansion portion of the project will comprise of a roughly 150' x 168' large volume component that will contain synthetic turf for flexibility in use, however primarily planned for different soccer programming. This expansion will occupy the outdoor space to the east of the existing indoor turf space. There will be a small "connector" space between the new turf space and the existing lobby that will be used for access to the new space, a control position and office/storage space.

The interior renovation portion of the project will repurpose the existing turf space into additional hardwood for basketball and volleyball use. Additional changing rooms and a small concessions space will be developed adjacent to the new hardwood. Two additional offices will be in line with the concession and change room spaces. All the spaces are underneath the new viewing platform area that will tie the East and West walls of the track together. There are also storage spaces underneath the existing track on the south wall. A conceptual floorplan is included below.



Market Need for Facility

For the original development of the Sportsplex, the City procured a market assessment in 2016. The market analysis concluded that the proposed development would fill an existing market need, would serve to strengthen civic pride, and provide a measured increase in the quality of life for residents. Since opening, the Hammond Sportsplex has become an attractive destination for youth sports. Prior to the Sportsplex, Hammond residents did not have an organized youth soccer program run by the city, nor did it have an organized club team like it does now. The nearest youth volleyball organization was in Hobart nearly 15 miles away. Volleyball has exploded at the facility, allowing local residents to now have volleyball coaching and club teams available to them in Hammond. Similarly, the nearest local university, Purdue Northwest, where many hundreds of Hammond residents attend, train at the Sportsplex facility and it is constantly used by local athletes. The community rooms and walking track are used by thousands of residents. The expansion will allow these amenities to expand and further enable access to high quality youth sports to Hammond residents.

The expansion of the facility would similarly serve the whole of the City. The expansion will provide more access for residents and meet the growing demand for activities such as volleyball. The nearest comparable indoor fields of this type are in Lynwood (7 miles), Hobart (16 miles), Portage (20 miles), and Crown Point (25 miles).

The expansion will also benefit Hammond residents in the following ways:

- The Sportsplex will be able to offer additional basketball and volleyball programs in house at a more affordable rate to Hammond residents, rather than the existing travel programs that usually come with a charge.
- The City has received requests from residents for indoor baseball and softball practices at the Sportsplex, but they have been reluctant to have them due to the glass walls. Local residents will be able to train year-round in the expanded and repurposed building.
- The new space in front of the building can serve as an exposition space for community-based programs because it will be a flat turf floor with no walls.
- There will be one full youth soccer field and two new small practice fields so residents will be able to train younger children safely.
- There is an opportunity to host four parties in the new space due to the fields can be split up. Which This offers a non-for-profit rate in the new building in the summer months.
- Flat flooring with no walls allows to host other youth sports for Hammond residents. Dance, Gymnastics, Cheerleading, Wrestling, Flag Football and youth football practices that are currently not offered.
- Additional basketball courts will allow for more local court rentals. Basketball court rental (the most popular local resident rental) revenue has decreased each of the last three years because of the lack of space based on the growth of the volleyball program.

Hammond Section 108 Loan Guarantee Application

Next Steps

The City currently owns the property. Next steps include the preparation and approval of the design work for the expansion and finalization of the financials.

Summary of Work Completed to Date

The City of Hammond has completed a number of preliminary tasks already and is ready to proceed to the next stage of feasibility once it has firm commitments from its funding sources, including the Section 108 loan.

- Staff has received preliminary design work for the expansion and has developed solid cost estimates based on the design.
- As part of the Section 108 application process, the City has designed a public outreach campaign to gauge resident interest in such a project.

Projected Timeline

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| January 2025 | <ul style="list-style-type: none">• Public Participation |
| February 2025 | <ul style="list-style-type: none">• Submit initial application for Section 108• Complete Design Work• Finalize Budget |
| April 2025 | <ul style="list-style-type: none">• Procurement of construction team |
| May 2025 | <ul style="list-style-type: none">• Start of construction |
| August 2025 | <ul style="list-style-type: none">• Completion of construction |
| October 2025 | <ul style="list-style-type: none">• Opening of Facility Expansion |