

Draft Section 108 Loan Guarantee Application

Sansé Project



March 6, 2025

Section 108 Loan Guarantee

Allows jurisdictions to borrow up to five times their Community Development Block Grant allocation

Funds can be used directly by jurisdiction, used as a loan pool, or loaned to a subrecipient

Funds must meet national objective such as housing for low-income households



Loan Request

Approximately \$5.5 million

Used for acquisition of land for portion of Sansé project

Acquisition was chosen because other uses of funds would trigger expensive federal requirements



Loan Terms

- ▶ Twenty-year term (maximum allowed by HUD)
- ▶ Interest only for the first five years
- ▶ Principal and interest for years six-twenty
- ▶ Loan repayment will be from future CDBG entitlement funds, City dedicated affordable housing funds, and/or residual receipts cash flow from the project



Questions?

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