



**OFFICE OF THE
CHIEF FINANCIAL OFFICER**
Office of Development and Grants

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June 4, 2025

The Honorable Detroit City Council
ATTN: City Clerk Office
200 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Authorization to submit an application to the U.S. Department of Housing and Urban Development to establish an affordable housing loan pool under the Section 108 Program

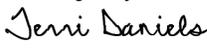
The Housing and Revitalization Department is hereby requesting authorization from Detroit City Council to submit an application to the U.S. Department of Housing and Urban Development for \$75,000,000 in Section 108 loan authority, per 24 CFR 570 Subpart M. The requested amount is within Detroit's maximum borrowing capacity of five times its most recent CDBG application of \$32,759,210, established per 24 CFR 570.205 (2)(i). This authority will allow the City to establish a Loan Pool to support affordable housing development through low-interest loan products. If awarded, individual loans will be approved by City Council before being issued.

The Loan Pool will enable the City to:

- Issue loans at low interest rates to improve viability of development projects including deeply affordable, mixed-income, mixed-use, affordable housing developed with low income housing tax credits (LIHTC), and affordable housing developed with the City's updated Payment In Lieu of Taxes (PILOT) program.
- Reduce demand on other sources of local and federal gap funds.
- Advance housing development in Neighborhood Revitalization Strategy (NRSA) and Targeted Multifamily Housing Areas.

We respectfully request your approval to submit the Loan Pool application by adopting the attached resolution.

Sincerely,

DocuSigned by:

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Terri Daniels
Director of Grants, Office of Development and Grants

CC:
Sajjiah Parker, Assistant Director, Grants



Office of Development and Grants

RESOLUTION

Council Member _____

WHEREAS, the City of Detroit (“City”) is an entitlement grantee for Community Development Block Grant (“CDBG”) funds through the U.S. Department of Housing and Urban Development (“HUD”); and

WHEREAS, 24 CFR 570 Subpart M allows CDBG grantees to leverage CDBG to utilize the Section 108 Loan Guarantee Assistance Program (“Section 108”) to support CDBG-eligible activities; and

WHEREAS, the City has satisfied all outstanding debts to HUD on prior Section 108 loans through defeasance payments and funded debt service reserves; and

WHEREAS, the City’s maximum borrowing capacity is up to five times its most recent CDBG award of \$32,759,210, established per 24 CFR 570.205 (2)(i); and

WHEREAS, HUD has solicited applications from grantees for new Section 108 loan authority under its Housing Opportunities Focus Initiative; and

WHEREAS, the City, through its Housing & Revitalization Department (“HRD”), has requested authorization from City Council to submit a Section 108 loan pool application to HUD under the Housing Opportunities Focus Initiative in the amount of \$75,000,000.00 to support the development of affordable housing in the City; now

THEREFORE BE IT RESOLVED, HRD is hereby authorized to submit a loan application to HUD for the Section 108 loan program.