



**2024-210**

**LCA grants deployed as loans**

**Community Development Committee**



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# LCA grants deployed as loans



## Background

- Grantees choose to deploy funds as loans to increase eligible basis for LIHTC housing investment
- Deferred, long-term loans from grantee to project; Council is not a party to any loans
- Typically, loans are reinvested in original project at maturity (15+ years after award)
- Council staff approve reinvestment requests administratively
- Practice is guided by Council policy but currently varies across programs/accounts: LHIA, LCDA, TBRA, IHA

# Proposed policy update



- New agreement for all grantees with outstanding loans to projects
- Original project must be successfully completed and grant closed out
- Two options, consistent for all LCA programs:
  - Repayments from loans can be reinvested into the original project
  - Repayments may be used to advance affordable and life-cycle housing goals
- Grantees must provide an informational report on use of funds
- Or, repayment to LCA program required

# Proposed Action



That the Council authorize Livable Communities Act (LCA) grantees with closed grants that were deployed as loans:

- to use any future loan repayments to continue to support the original project,

or

- to support other projects that will help the grantee (or the participating municipality within which the project is located) meet its affordable and life-cycle housing goals.



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