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# The Guaranty

Your information source for HUD's Section 108 Loan Guarantee Program

Welcome to the first edition of HUD's Section 108 Loan Guarantee Program's newsletter. We'll keep you informed of activities related to 108 financing, such as interesting projects using 108, upcoming events, and relevant Federal sources of financing!

## About Section 108

The Section 108 Loan Guarantee Program (Section 108) provides [HUD Grantees](#) with a source of low-cost, long-term financing for economic and community development projects. Section 108 financing provides an avenue for communities to undertake larger, more costly projects where they may have limited resources to invest in upfront. Section 108 can fund economic development, housing, public facilities, infrastructure, and other physical development projects.

## City of Cleveland Green City Growers

The City of Cleveland used Section 108 financing for the remediation and the redevelopment of over 10 acres of industrial and residential properties into an employee-owned cooperative greenhouse. The City owned 7.2 acres of the project site and assembled the remaining 3.6 acres. The City sold the site to a developer to carry out site preparation/remediation and construction of a 3.3 acre



greenhouse and 40,000 square feet of office and processing space. The facility consists of multiple bays and a packing house where produce is prepared for shipping. Green City Growers produces millions of heads of lettuce and hundreds of thousands of pounds of herbs each year. The developer leased the facility to the Green City Growers (GCG), who now operates the greenhouse as an Ohio employee cooperative. For more

information, visit [here](#).

## 108 Project Highlights

Cleveland, Ohio Green City Growers

Glendale, California Ascencia Access Center

Malden, Massachusetts Road Improvement Project

### Rates and Fees

- Variable Financing Rate = **0.37%**  
*Calculated by adding 35 basis points to the U.S. 3-month T-Bill Auction Rate as of May 3, 2021.*
- Fixed-rate Financing—Rates are set through a Public Offering of Section 108 obligations.
- A one-time, upfront 2.15% Credit Subsidy Fee is payable when loans are disbursed (and can be financed).  
*The fee is adjusted annually and was last updated in September 2020.*

## Glendale, California Emergency Shelter and Access Center

HUD provided a \$2 million Section 108 loan guarantee for the conversion of a two-story 10,867 square foot industrial building into a homeless shelter, named the Ascencia Access Center. The Center consists of an Emergency Shelter and the Access Center. The Emergency Shelter is a 4,600 square foot area located on the first floor and includes a kitchen, a dining/multi-purpose area, storage space and 40 beds for individuals and families. The Access Center is approximately 6,267 square feet and located on both the first and second floors. The Access Center includes administrative offices, children's play area, restrooms, a conference room, a laundry, and program space.

Ascencia Shelter Beds



Ascencia Shelter Dining Hall



## FYI Upcoming Events

CDFA Federal Programs for Affordable Housing Investment [Link](#)

Tuesday, May 11 at 2pm EDT

Novogradac webinar on HUD's Section 108 [Link](#)

Tuesday, June 15 at 2pm EDT

U.S. Green Building Council's Financing LEED for the Triple Bottom Line [Link](#)

Wed, June 16 at 12pm EDT

IDIS Training Sessions coming soon – stay tuned!

## FEDERAL InterSection

*Other Relevant Federal Programs*



**DOT:** The [Build America Bureau](#) is the U.S. Department of Transportation's hub for innovative finance in transportation infrastructure. The Bureau

The Center provides valuable case management, financial literacy courses, trauma therapy and art therapy for children. Additionally, the Center provides tele-psychiatry services and laundry and shower facilities. Currently, the organization's staff cares for 45 men, women and children in Ascencia's emergency shelter and 226 at-risk families in housing. To learn more, visit [here](#).

## The City of Malden Street Reconstruction

The City of Malden in Massachusetts used \$2.4 million in Section 108 guaranteed loan financing to support a citywide program to design and reconstruct deteriorated roadways through its subrecipient, the Malden Redevelopment Authority. This reconstruction effort is tied to an aggressive program to replace the city's aging water mains. The Massachusetts Water Resources Authority (MWRA) has identified the city as having the highest percent of lead service lines within its service area, estimating that 26 percent of the city's 11,682 service lines are lead. The replacement of these water mains has left miles of damaged roadways in need of assistance. For more information, please visit [here](#).

Before 108 Funding

After 108 Funding

administers USDOT's TIFIA and RRIF loan programs, which provide low-cost loans for a variety of transportation projects, including transit-oriented development and related infrastructure. The Bureau also provides technical assistance for public and private entities interested in using innovative finance tools, such as public-private partnerships (P3s), to deliver projects more efficiently.

Contact [buildamerica@dot.gov](mailto:buildamerica@dot.gov) for more information.



DOT's Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants and released its NOFO last month:

<https://www.transportation.gov/RAISEgrants>

*Applications are due 5pm EST on July 12, 2021.*

For more information on the Section 108 Loan Guarantee Program, go to <https://www.hudexchange.info/programs/section-108/>

Want to know **your** Section 108 Borrowing Capacity? Click [here](#) to learn more.

**For Application Assistance**, send an email to [Section108@hud.gov](mailto:Section108@hud.gov) or contact your [local HUD Field Office](#)

To subscribe to future mailings related to Section 108 program, please join our ListServ mailing list. You can subscribe or unsubscribe by clicking [here](#).