



CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID

Caption

Resolution to add ARPA funding to the Affordable Housing Revolving Loan Program

Staff/Department Responsible for Legislation

Planning, Development and Assessment

Requestor of Legislation

Diane McGinnis Casey

Location, if applicable

Summary/Purpose

City council approved resolution 22-0259 to commit \$1,025,000 to expand the Affordable Housing Revolving Loan Program to incentivize both new construction and rehabilitation of affordable rental units. This resolution includes the approval of the implementation policy.

Background

The city created the Affordable Housing Revolving Loan Program with as TIF 6 was ending. This policy provides developers with resources targeted to primarily developing or improving affordable housing, but also market rate housing. This policy has been amended to include additional funds from ARPA. The ARPA portion of assistance would be granted to the developer while the CDBG and/or TIF source funds would be a loan. This assists developers with gap financing because when affordable units are created the developer cannot charge more than 30% of tenants income for rent. Developers that are targeting units to lower incomes struggle to cash flow projects due to lower rents. These funds will assist financing these types of projects.

Fiscal Impact

\$1,025,000 - Currently allocated to this program from Resolution 22-0259

Staff Recommendation

Staff recommend approval of this resolution. These policy changes incorporate the ARPA funding as directed by Council in resolution 22-0259.