

ORDINANCE NO. 2019-07
AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND
CHAPTER 2

THE CITY COUNCIL OF EDINA ORDAINS:

Section 1. Chapter 2, of the Edina City Code is amended by adding Article X to provide as follows:

Article X. AFFORDABLE HOUSING TRUST FUND

2-790. Definitions. The following definitions apply in this Article.

Persons of very low income means families and individuals whose incomes do not exceed 50 percent of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for smaller and larger families.

Persons of low income means families and individuals whose incomes do not exceed 80 percent of the area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for smaller and larger families.

Persons of moderate income means families and individuals whose incomes exceed 80 percent, but do not exceed 120 percent, of area median income, as median income was most recently determined by the United States Department of Housing and Urban development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for smaller and larger families.

Buy-in Fee mean the cash payment made by developers in lieu of providing affordable housing units per the Edina Affordable Housing Policy.

2-791. Pursuant to the authority granted to the city under Minnesota Statutes Section 462C.16, an affordable housing trust fund is established to provide loans and grants to for-profit and non-profit housing developers for the acquisition and capital and soft costs necessary for the creation of new affordable renter and owner-occupied housing, and for the acquisition, rehabilitation and preservation of existing multi-family residential rental housing including Naturally Occurring Affordable Housing (NOAH).

2-792. The Affordable Housing Trust Fund shall be funded from multiple sources including:

- (a) Buy-in funds from Developers.
- (b) Private cash donations from individuals and corporations designated for

the Affordable Housing Trust Fund.

- (c) Payments in lieu of participation in current or future affordable housing programs.
- (d) Matching funds from a federal or state affordable housing trust fund; or a state program designated to fund an affordable housing trust fund.
- (e) Principal and interest from Affordable Housing Trust Fund loan repayments and all other income from Trust Fund activities.
- (f) The sale of real and personal property.
- (g) Local government appropriations, development fees and other funds as designated from time to time by the city council.
- (h) Tax Increment Finance (TIF) pooled funds.

2-793 The city may use money from the Affordable Housing Trust Fund to assist proposed projects or programs to develop or preserve affordable housing for persons of very low, low and moderate income to include:

- (a) Making loans at interest rates below or at market rates in order to strengthen the financial feasibility of proposed projects.
- (a) Guaranteeing of loans.
- (b) Providing gap financing for affordable housing developments.
- (c) Financing the acquisition, demolition, and disposition of property for affordable housing projects.
- (d) Financing the rehabilitation, remodeling, or new construction of affordable housing.
- (e) Funding to facilitate affordable homeownership opportunities including down payment assistance, second mortgages, closing costs, etc.
- (f) Interim financing of public costs for affordable housing projects in anticipation of a permanent financing source (i.e. construction financing, bond sale, etc.)
- (g) Other uses as permitted by law and approved by the city council.

2-794. The city shall determine the terms and conditions of repayment of loans and grants from the Affordable Housing Trust Fund including the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the city from time to time or at the time of approval of a specific project or program.

2-795. The Affordable Housing Trust Fund shall report annually to the city on the use of the Affordable Housing Trust Fund account including the number of loans and grants made, the number and types of residential units assisted through the account, and the number of households for whom rental assistance payments were provided. The city shall post the report on its Web site.

2-796. This Ordinance shall take effect upon passage and publication.

First Reading: March 5, 2019

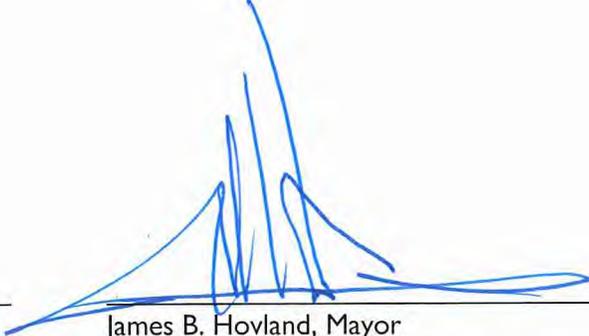
Second Reading:

Published:

ATTEST:



Sharon Allison, City Clerk



James B. Hovland, Mayor

Please publish in the Edina Sun Current on:

Send two affidavits of publication.

Bill to Edina City Clerk