

ORDINANCE NO.1034

AN ORDINANCE AMENDING NORTHFIELD CITY CODE, CHAPTER 2 – ADMINISTRATION, ESTABLISHING A LOCAL HOUSING TRUST FUND

THE CITY COUNCIL OF THE CITY OF NORTHFIELD DOES ORDAIN THAT:

SECTION 1. Northfield Code, Chapter 2 – Administration, Article I. – Generally, is hereby amended to add a new Division 4. – Local Housing Trust Fund, as follows:

Sec. 2-26—2-49. - Reserved.

DIVISION 4. - LOCAL HOUSING TRUST FUND

Sec. 2-50. – Definitions. The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

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.

Sec. 2-51. – Establishment.

Pursuant to the authority granted to the city under Minnesota Statutes, Section 462C.16, a Local Housing Trust Fund is established to provide loans and grants to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to persons of very low income, low income, and moderate-income.

Sec. 2-52. – Funding sources.

Pursuant to Minnesota Statutes, Section 462C.16, subd. 4, as determined by the city council, the Local Housing Trust Fund may be funded from multiple sources, which may include, but are not limited to the following:

- (a) Budgeted allocation of funds from the city's Housing and Redevelopment Authority (HRA) levy as approved by the city council.
- (b) Private cash donations from individuals, organizations, and businesses designated for the Local Housing Trust Fund.
- (c) Grants and loans from a federal, state or local government or other private sources.
- (d) Bond proceeds.
- (e) Payments in lieu of participation in current or future affordable housing programs.
- (f) Matching funds from a federal or state Local Housing Trust Fund; or a state program designated to fund a Local Housing Trust Fund.
- (g) Principal and interest from Local Housing Trust Fund loan repayments and all other income from Local Housing Trust Fund activities, including but not limited to investment earnings.
- (h) The sale of real and personal property as approved and as designated by the city council.
- (i) Local government appropriations, development fees and other funds as designated from time to time by the city council.
- (j) Tax Increment Finance (TIF) pooled funds.
- (k) Other sources of funding approved by the city council.

Sec. 2-53. – Use of funds.

Pursuant to Minnesota Statutes, Section 462C.16, subd. 3, funds in the Local Housing Trust Fund may only be used for the following:

- (a) Making grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing.
- (b) Matching other funds from federal, state, or private resources for housing projects.
- (c) Providing down payment assistance, rental assistance and home buyer counseling services to persons of very low, low, and moderate-income.

- (d) Payment of administrative expenses of the Local Housing Trust Fund in the maximum amount of ten percent of the balance of the Local Housing Trust Fund.
- (e) Financing the acquisition, demolition, and disposition of property for housing projects.
- (f) Financing construction of public improvements and utilities to aid proposed residential developments.
- (g) Financing the rehabilitation, remodeling, or new construction of housing.
- (h) Interim financing of public costs for housing projects in anticipation of a permanent financing source (i.e., construction financing, bond sale, etc.)
- (i) Other uses as permitted by law and approved by the city council.

Sec. 2-54. – Administration of Local Housing Trust Fund.

- (a) The Housing and Redevelopment Authority in and for the City of Northfield (the “HRA”) shall administer the Local Housing Trust Fund on behalf of the city.
- (b) Terms and Conditions of Repayment. The HRA shall determine the terms and conditions of repayment of loans and grants from the Local Housing Trust Fund, including but not limited to, the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the HRA from time to time or at the time of approval of a specific project or program.
- (c) Annual Report. The HRA shall report annually to the city on the use of the Local Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households provided rental assistance and down payment assistance. The city shall post the report on its Web site.

Sec. 2-55—2-65. - Reserved.

SECTION 2: This Ordinance shall take effect thirty days after its publication. Passed by the City Council of the City of Northfield, Minnesota, this 19th day of April, 2022.

ATTEST:



City Clerk



Mayor

First Reading	April 5, 2022
Second Reading	April 19, 2022
Date of Publication	April 27, 2022
Date Ordinance takes effect	May 27, 2022

VOTE: Y POWNELL Y GRABAU Y NAKASIAN Y NESS
Y PETERSON WHITE Y REISTER Y ZUCCOLOTTO