

Goodhue County Trust Fund Ordinance

1.00 SEMMCHRA GOODHUE COUNTY AFFORDABLE HOUSING TRUST FUND

(1) Purpose and Intent.

There is hereby created and established for the County of Goodhue a fund to be known and denominated as the SEMMCHRA Goodhue County Affordable Housing Trust Fund (AHTF). This fund shall include a preference for the creation of Workforce and Elderly Housing units, which shall include moderate, low, and very low-income households. The Trust Fund shall be a permanent endowment and continually renewable source of revenue to meet, in part, the housing needs of Moderate, Low Income and Very Low Income households of the County. The Trust Fund is to provide loans and grants to homeowners, and for-profit and non-profit housing developers for the acquisition, rehabilitation, emergency housing, capital and soft costs necessary for the creation of new Affordable rental and owner-occupied housing. Preference shall also be given to those projects that ensure that the Assisted Units remain Affordable for the longest period possible. Projects funded by the Trust Fund shall be disbursed throughout the County so no single area experiences a disproportionate concentration of housing units for Low Income and Very Low Income households.

(2) Definitions.

In this section:

(a) "Affordable" means a housing unit that has an Affordable Housing Cost.

(b) "Affordable Housing Cost" means an amount satisfied by:

1. For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowners association dues which allows a Moderate, Low Income or Very Low Income household to purchase a home, while paying no more than thirty (30%) of their gross household income; and,

2. For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allows a Very Low Income household to rent a unit, while paying no more than thirty (30%) of their gross household income.

(c) "Area Median Income" means the median income for the Goodhue County area adjusted for family size, as published by the United States Department of Housing and Urban Development.

(d) "Assisted Unit" means a housing unit that is Affordable because of financial assistance from the Trust Fund.

- (e) "Commission" means the SEMMCHRA Board of Commissioners.
- (f) "Elderly Housing" means owner-occupied or rental housing units that at least one household member is 55 or older.
- (g) "Emergency Housing" means a short-term accommodation for people who are homeless or in crisis.
- (h) "Grants Supervisor" means the SEMMCHRA Housing and Redevelopment Authority Executive Director, or his or her designee.
- (i) "Low Income" means gross household income adjusted for family size that is at or below eighty percent (80%) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
- (j) "Moderate Income" means gross household income adjusted for family size that is at or below 115 percent (115%) of Area Median Income, but more than Eighty percent (80%) of Area Median Income.
- (k) "Project" means a single-family house or a multifamily apartment complex, either as owner-occupied property or rental property.
- (l) "Recipient" means any homeowner, for-profit or non-profit housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, joint venture, limited liability company or partnership, association or corporation.
- (m) "SEMMCHRA" means Southeastern Minnesota Multi-County Housing & Redevelopment Authority (HRA).
- (n) "Tax Incremental Financing Equity Participation Payment" means an equity payment received by the County from a developer pursuant to a TIF Development Agreement in which the tax incremental district has been dissolved.
- (m) "Trust Fund" means the SEMMCHRA Goodhue County Affordable Housing Trust Fund.
- (n) "Very Low Income" means gross household income adjusted for family size that is at or below fifty percent (50%) of Area Median Income.
- (o) "Workforce Housing" shall mean owner-occupied or rental housing units that are provided to households with at least one member per unit who is gainfully employed at the time of entry into the unit.
 - (i) Workforce housing may be designed for households that make 50% to 115% of Area Median Income, but shall be inclusive of all income levels households who meet the definition of gainful employment and can meet the Affordable Housing Cost as defined in Subpart b (1) and (2).

(ii) Gainful Employment is defined as an employment situation where the head of household receives consistent work and payment from an employer at 30 hours or more per week.

(3) Trust Fund Account; Sources of Trust Fund Moneys.

(a) There is also hereby established a SEMMCHRA Affordable Housing Trust Fund Account, to be maintained by the SEMMCHRA (HRA). All funds received by the HRA on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.

(b) The Trust Fund shall consist of funds derived from the following, but not limited to:

1. Private cash contributions designated for the Trust Fund;
2. Payments in lieu of participation in current or future affordable housing programs;
3. Matching funds from a federal affordable housing trust fund;
4. Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.
5. Budgeted payments made by the HRA Tax Levy fund as approved by County Board.
6. Matching funds from a State affordable housing trust fund or a State program designated to fund an Affordable Housing Trust Fund.
7. Employer based funds and matches.

(c) The Trust Fund may consist of funds derived from any other source, including but not limited to the following, subject to approval by the County Board, upon notification from the Finance Director that funds are available.

1. Amounts from the Operating Budget equivalent to County fees collected from dedicated uses related to housing, such as reinspection fees;
2. Tax Incremental Financing Equity Participation Payments;
3. Any other appropriations as determined from time to time by action of the County Board.

(4) Trust Fund Distributions.

- (a) The Trust Fund is to function as an endowment fund to fund loans and grants in accordance with this Section. The Trust Fund program shall be administered by the HRA Executive Director. No disbursements may be made from the Trust Fund Account if the project amount is \$20,000 or greater without the prior recommendation of the HRA and authorization by the County Board.
- (b) Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted Units; preserving affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.
- (c) Trust Fund moneys may not be used for operating expenses of any program, or supporting services such as childcare or any other social program.
- (d) At least 25% of the funds eligible for disbursement annually (July 01 – June 30) shall be used to create Assisted Units for Low Income households.
- (e) Funding for Rental Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below eighty percent (80%) of Area Median Income at time of entry into the unit.
- (f) Owner-occupied Assisted Units shall be available to households who are Moderate, Low Income or Very Low Income.
- (g) The HRA shall periodically review the terms of assistance, and structure these terms to encourage the longest period of affordability possible.
- (h) Loans or grants from the Trust Fund shall be used to develop Assisted Units within a project. The Trust Fund may assist up to one hundred percent (100%) of the units within a building or development of one (1) to nine (9) total units, up to fifty percent (50%) of the units within a building or development of ten (10) to fifteen (15) units, and up to twenty-five percent (25%) of the units within a building or development of sixteen (16) or more units.
- (i) Assisted Units shall be distributed throughout the building or development so as to avoid a disproportionate concentration in any one area.
- (j) The HRA shall give preference to projects not located in any Tax Incremental District whose project expenditure period has not expired.
- (k) Notwithstanding the stated purpose in subsection (1) herein to create the Fund as a continually renewable source of revenue, the Commission may, in its

discretion, recommend that disbursements from the Trust Fund Account may be made as grants at any time that the Trust Fund Account balance exceeds \$50,000. The Commission will revisit this amount from time to time to ensure that the objectives of the AHTF are being met and the amount is set at the proper level to achieve the objectives.

(5) HRA Powers and Responsibilities.

- (a) The HRA shall have the following powers and duties as regards to the Trust Fund:
 - 1. Recommend policies, goals and objectives for the Trust Fund program to the Administrator and County Board;
 - 2. Review project funding requests and reports to the Administrator and County Board all disbursements from the Trust Fund quarterly;
 - 3. Investigate and recommend to the Administer and County Board additional sources of money for deposit to the Trust Fund Account; and
 - 4. Publish and distribute requests for proposals and notices of funding availability.
 - 5. Take no more than ten percent (10%) fee for project administration.
- (b) All projects considered for funding will be reviewed prior to HRA action by the HRA staff, and the Executive Director shall submit to the Commission for comments and recommendations.
- (c) The HRA shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the County Board on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.

(6) Term of Affordability.

- (a) The minimum term of affordability for any Assisted Unit shall be fifteen (15) years. The Commission shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longest period possible.
- (b) Assisted Units shall be deed restricted to ensure long term affordability.
- (c) The HRA will utilize loan agreements with the recipients of the Trust Fund. The loan agreement will clearly state the conditions and requirements for recipients use of Trust Fund monies, including the term of compliance, transfer or sale requirements and other requirements as specified.

- (d) In those cases where an Assisted Unit is sold or transferred, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the Trust Fund the original loan amount, plus a pro-rated percentage of the appreciated value of the Assisted Unit as determined by the HRA.
- (e) The HRA Staff shall enforce all debt and lien instruments to the fullest extent of the law. The HRA may recommend to the County, debt settlement offers, if it is determined to be in the best interest of the County.

(7) Exception Authority.

- (a) The County Board may make exceptions to any part of this memorandum if it is determined to be in the best interest of the County.

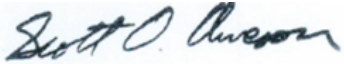
Dated this 15 day of August, 2023.

GOODHUE COUNTY BOARD OF COMMISSIONERS

By:  _____

Linda Flanders, Chair
Goodhue County Board of Commissioners

ATTEST:

By:  _____

Scott Arneson County Administrator

NOTICE OF PUBLIC HEARING AND INTENT TO ENACT GOODHUE COUNTY HOUSING TRUST FUND ORDINANCE

NOTICE IS HEREBY GIVEN that the County of Goodhue, Minnesota will hold a public hearing on Tuesday, August 15, 2023, to consider the Goodhue County Housing Trust Fund Ordinance.

The public hearing will be conducted during the regularly scheduled County Board Meeting, which will begin at 9:00 a.m. in Room 308, 3rd floor of the Goodhue County Government Center, 509 W 5th Street, Red Wing, MN 55066. A meeting link may also be found on the Goodhue County website.

Additionally, interested persons may submit written comments by letter addressed and mailed to Andrea Benck, Goodhue County Administration, 509 West 5th Street, Red Wing, MN 55066; or dropped off at Goodhue County Administration Monday through Friday during the hours of 8:00 AM to 4:30 PM, excluding holidays; or via email andrea.benck@co.goodhue.mn.us. All written submissions must be received by 4:30 pm on Friday, August 11, 2023, and will be read into the record during the public hearing, including name and address.

A copy of the proposed Goodhue County Trust Fund Ordinance can be viewed at the Goodhue County Administration, 509 West 5th Street, Room 309, Red Wing, Minnesota 55066; or online at <https://co.goodhue.mn.us/DocumentCenter/View/26054/-Draft-Housing-Trust-Fund-Ordinance> If you have questions, you may call Goodhue County Public Works at 651-385-3251.

Agenda items may be subject to change. Please visit us on the web at www.co.goodhue.mn.us for the most current agenda.

Dated this 13th day of July, 2023.

GOODHUE COUNTY
Scott Arneson
County Administrator



Printer's AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA

8/15 Public Hearing- Housing Trust Fund Ordinance

Goodhue County Administration

Jean Hoeft, being duly sworn, on oath says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as the Republican Eagle, and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statute 331A.02, or 331A.07, and other applicable laws, as amended.

(B) The printed Notice, which is attached, was cut from the columns of said newspaper, and was printed and published once each week, for 1 successive issue(s); it was published on:

Saturday, July 29, 2023

Printed below is a copy of the lowercase alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxy

By: Jean Hoeft

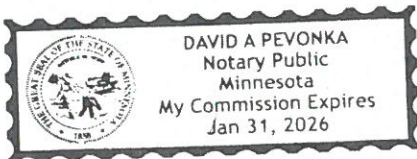
Title: Customer Service Representative

Subscribed and sworn to before me on this 29th day of July, 2023.

Notary Public: David A Pevonka

Printed Name: David A Pevonka

My Commission Expires: Jan 31, 2026



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[https://co.goodhue.mn.us/DocumentCenter/View/26054/Draft Housing Trust Fund Ordinance](https://co.goodhue.mn.us/DocumentCenter/View/26054/DraftHousingTrustFundOrdinance)

If you have questions, you may call Goodhue County Administration at 651 385 3001.

Agenda items may be subject to change. Please visit us on the web at www.co.goodhue.mn.us for the most current agenda.

Dated this 21st day of July, 2023.

GOODHUE COUNTY

Scott Arneson

County Administrator

(July 29, 2023) 212524

**BOARD OF COUNTY COMMISSIONERS
GOODHUE COUNTY, MINNESOTA**

August 15, 2023

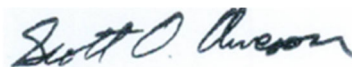
Moved by C/Anderson, seconded by C/Betcher, and carried to approve the Goodhue County Housing Trust Fund Ordinance as presented.

State of Minnesota
County of Goodhue

Majerus	Yes <u>X</u>	No <u> </u>
Betcher	Yes <u>X</u>	No <u> </u>
Greseth	Yes <u>X</u>	No <u> </u>
Anderson	Yes <u>X</u>	No <u> </u>
Flanders	Yes <u>X</u>	No <u> </u>

I, Scott O. Arneson, duly appointed, County Administrator of the County of Goodhue, State of Minnesota, do hereby certify that I have compared the foregoing copy of a resolution with the original minutes of the proceedings of the Board of County Commissioners, Goodhue County, Minnesota at their session held on the 15th day of August, 2023, now on file in my office, and have found the same to be a true and correct copy thereof.

Witness my hand and official seal at Red Wing, Minnesota, this 15th day of August, 2023.



Scott O. Arneson
County Administrator
