

ORDINANCE NO. 794
AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND

The City Council of the City of Golden Valley hereby ordains as follows:

Section 1. City Code Chapter 2, is amended by adding Article VII to provide as follows:

ARTICLE VII. AFFORDABLE HOUSING TRUST FUND

Sec. 2-XXX. Definitions.

For the purposes of this article, the words below shall have the following meanings:

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 or the Area Median Income calculated annually by Minnesota Housing for establishing rent limits for the Housing Tax Credit Program, whichever is higher.

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 or the Area Median Income calculated annually by Minnesota Housing for establishing rent limits for the Housing Tax Credit Program, whichever is higher.

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 or the Area Median Income calculated annually by Minnesota Housing for establishing rent limits for the Housing Tax Credit Program, whichever is higher.

Sec. 2-XXX. Creation of Fund.

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).

Sec. 2-XXX. Funding.

The Affordable Housing Trust Fund shall be funded by any sources available to the city, including but are not limited to:

- (a) Donations designated for the Affordable Housing Trust Fund.
- (b) Bond proceeds.
- (c) Payments in lieu of participation in current or future affordable housing programs.
- (d) Grants, loans or matching funds from a state, federal or private source.
- (e) Principal and interest from Affordable Housing Trust Fund loan repayments and all other income from Trust Fund activities.
- (f) Investment earnings from the Affordable Housing Trust Fund.
- (g) The sale of real and personal property.
- (h) Local government appropriations, development fees and other funds as designated from time to time by the city council.
- (i) Tax Increment Finance (TIF) pooled funds.

Sec. 2-XXX. Authorized Expenditures.

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 grants, loans, and loan guarantees for the development, rehabilitation, remodeling, or financing of housing.
- b. Providing down payment assistance, rental assistance and homebuyer counseling services.
- c. Interim financing of public costs for affordable housing projects in anticipation of a permanent financing source (i.e. construction financing, bond sale, etc.).
- d. Matching other funds from federal, state, or private resources for housing projects.
- e. Other uses as permitted by law and approved by the city council.

Sec. 2-XXX. Loans and Grants.

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.

Sec. 2-XXX. Reports.

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.

Section 2. This ordinance shall take effect from and after its passage and publication as required by law.

Adopted by the City Council this 18th day of March 2025.

Roslyn Harmon, Mayor

ATTEST:

Theresa J. Schyma, City Clerk