

## ORDINANCE 2024-4

### AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND TO PROVIDE HOUSING ASSISTANCE WITHIN THE CITY OF BUFFALO

Be it ordained by the City Council (the "Council") of the City of Buffalo, Minnesota (the "City"):

#### **Section 1. Preamble.**

1.01. Pursuant to Minnesota Statutes, Section 462C.16, the City of Buffalo (the "City") is authorized to establish a local housing trust fund.

1.02. The City has determined to create an Affordable Housing Trust Fund to encourage the creation of affordable housing for rental housing and owner-occupied housing, and to promote the preservation of existing affordable housing and naturally occurring affordable housing.

#### **Section 2. Definitions.**

2.01. "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 Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.02. "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 Metropolitan Statistical Area, as adjusted for smaller and larger families.

2.03. "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.

#### **Section 3. Establishing the Affordable Housing Trust Fund.**

3.01. Pursuant to the authority granted to the City under Minnesota Statutes, Section 462C.16, an affordable housing trust fund is established to provide the following:

- a) Grants, loans, and loan guarantees for the development.
- b) Rehabilitation or financing of housing.
- c) Match other funds from federal, state, or private resources for housing projects.
- d) Rental assistance to people of very low, low, and moderate-income.
- e) Payment of administrative expenses of the Affordable Housing Trust Fund in the maximum amount of ten percent of the balance of the Affordable Housing Trust Fund.

#### **Section 4. Funding Sources.**

4.01. The Affordable Housing Trust Fund shall be funded initially by funds received from the Minnesota Local Affordable Housing Aid and Statewide Affordable Housing Aid. The City Council may also pledge other sources of funding, which may include, but are not limited to:

- a) Private cash donations from individuals and corporations designated for the Affordable Housing Trust Fund.
- b) Payments in lieu of participation in current or future affordable housing programs.
- c) Grants or loans from a state, federal or local government or private sources.
- d) The sale of real and personal property.
- e) Local government appropriations, development fees, and other funds as designated from time to time by the City Council.
- f) Investment earnings from the Affordable Housing Trust Fund.
- g) Tax Increment Finance (TIF)-pooled funds.
- h) Housing and Redevelopment levy funds.
- i) Other sources of funding approved by the City Council.

#### **Section 5. Administration of Affordable Housing Trust Fund.**

5.01 The Housing and Redevelopment Authority in and for the City of Buffalo (the "Authority") shall administer the Affordable Housing Trust Fund on behalf of the City.

5.02. The Authority shall report annually to the City on the use of the Affordable 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.

This Ordinance shall take effect and be in full force from and after its passage and publication.

Passed by the City Council on the 19<sup>th</sup> day of August 2024.

Teri Lachermeier, Mayor

ATTEST:

Susan Johnson, City Clerk