POPE COUNTY
MINNESOTA

POPE COUNTY ORDINANCE No. 202401

ESTABLISHING THE POPE COUNTY HOUSING TRUST FUND

WHEREAS, the Pope County Board of Commissioners desires to provide Pope County with additional tools to support the rehabilitation and preservation of existing affordable housing within the County, promote the development of affordable and workforce housing within the County, and to assist individuals with rental and down payment assistance; and,

WHEREAS, the County Board finds that the establishment of a Pope County Housing Trust Fund would further these housing goals within Pope County; and,

WHEREAS, the Pope County Housing and Redevelopment Authority – Economic Development Authority (the "HRA-EDA") would be willing and able to maintain the trust fund account for this purpose and deposit all such funds received on behalf of the Housing Trust Fund into the Trust Fund Account.

NOW, THEREFORE, the Pope County Board of Commissioners does hereby ordain:

AN ORDINANCE ESTABLISHING THE POPE COUNTY HOUSING TRUST FUND

Section 1: GENERAL PROVISIONS

1.1 Authority. This Ordinance is adopted pursuant to Minnesota Statutes, Section 462C. I 6.

1.2 Purpose. Pursuant to Minnesota Statutes, Section 462C.16, there is hereby created and established for the County of Pope a fund to be known and denominated as the Pope County Housing Trust Fund (the "Housing Trust Fund"). The Housing Trust Fund shall be a permanent source of funding and a 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 Housing Trust Fund shall provide loans and grants to property owners, homeowners, local units of government, for-profit housing developers, and non-profit housing developers for the following purposes: (1) acquisition, capital and soft costs necessary for the creation of new Affordable and Workforce Housing (both rental and owner• occupied), (2) the acquisition, rehabilitation and capital and soft costs necessary for the preservation of existing Affordable and Workforce Housing; (3) acquisition, capital and soft costs necessary for the creation of new Mixed Income Housing (both rental and owner• occupied); and (4) the rehabilitation of the existing housing stock.

Section 2: DEFINITIONS

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

2.2 "Affordable Housing Cost" means an amount satisfied by:

2.2.1 For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowner association dues which allows a moderate, low income or very low-income household to purchase a home while paying no more than thirty percent (30%) of their gross household income.

2.2.2 For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allow a moderate, low income or very low income household to rent a unit while paying no more than thirty percent (30%) of their gross household income.

2.3 "Area Median Income" means the income guidelines established and published annually by the U.S. Department of Housing and Urban Development.

2.4 "Assisted Unit" means a housing unit that is Affordable because of assistance from the Housing Trust Fund.

2.5 "Grants Supervisor" means the Pope County Housing and Redevelopment Authority Executive Director, or his or her designee.

2.6 "HRA" means the Housing and Redevelopment Authority in and for the County of Pope.

2.7 "Low Income" mean s gross household income that is at or below eighty percent (80 %) of Area Median Income, but more than fifty percent (50%) of Area Median Income.

2.8 "Mixed Income Housing" means a residential structure that comprises differing levels of affordability, with some units at market rate and others available to low and moderate income households at below-market rates.

2.9 "Moderate Income" means gross household income that is at or below 115 percent (115%) of Area Median Income, but more than eighty percent (80%) of Area Median Income.

2.10 "Permanent Source of Funding" means once funds are allocated to the Housing Trust those funds can only be expended for purposes outlined in section (4) of this document.

2.11 "Project" may mean a single-family house (attached or detached) or a multifamily property, either as owner-occupied property or rental property.

2.12 "Recipient" means any homeowner, for-profit, non-profit or local unit of government housing developer that receives funds in the form of a loan or a grant from the Housing Trust Fund Account. A Recipient may be an individual, partnership, local unit of government, joint venture limited liability company or partnership, association or corporation.

2.13 "Housing Trust Fund" means the Pope County Housing Trust Fund.

2.14 "Very Low Income" means gross household income that is at or below fifty percent (50%) of Area Median Income.

2.15 "Workforce Housing " means 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.

Section 3: HOUSING TRUST FUND ACCOUNT; SOURCE OF TRUST FUNDS

3.1 There is also hereby established a Pope County Housing Trust Fund Account, to be maintained by the 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.

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

3.2.1 Private cash contributions designated for the Housing Trust Fund;

3.2.2 Payments in lieu of participation in current or future Affordable housing programs;

3.2.3 Grants or loans from the federal or state government;

3.2.4 Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities.

3.2.5 Budgeted payments made by the HRA ' s tax levy fund as approved by County Board.

3.2.6 Employer based funds and matches.

3.2.7 Other sources to be considered; local or regional utility companies, specific county departments, specific county program funds (revolving loan fund).

3.2.8 Application Fees - Projects applying for funds.

3.3 The Trust Fund may consist of funds derived from any other source, including but not limited to the following:

3.3.1 Tax Increment returned to the County after decertification of a TIF district.

3.3.2 Any other appropriations as determined from time to time by action of the HRA or County Board.

Section 4: TRUST FUND DISTRIBUTIONS

4.1 The Housing Trust Fund is to function as a resource to fund loans and grants in strict accordance with this Section. The Housing Trust Fund shall be administered by the Grant Supervisor of the HRA. No disbursements over $50,000 may be made from the Housing Trust Fund Account without the prior approval of the HRA's Board of Commissioners.

4.2 Disbursements from the Housing Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units and administrative fees not to exceed 10 percent. 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.

4.3 All projects exceeding $50,000 considered for funding will be reviewed by the HRA staff, and the Executive Director shall submit staff comments and recommendations to the HRA's Board of Commissioners, prior to HRA action.

4.4 The HRA shall within thirty (30) days following the close of each fiscal year prepare and submit an annual report to the County on the activities undertaken with funds from the Housing 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 Un its.

4.5 Projects funded by the Housing Trust Fund shall be dispersed throughout the County, with the

exception of the Pope County HRA Special Benefit Levy. In the case where HRA Special Benefit Levy funds are deposited into the Housing Trust Fund, said funds may not be spent within the jurisdiction of the City of Glenwood because the jurisdiction has established a housing and redevelopment authority.

Section 5: TERM OF AFFORDABILITY

5.1 The minimum term of affordability for an Assisted Unit shall be fifteen (15) years. The HRA shall give preference to those projects that ensure that the Assisted Units remain Affordable for the longest period possible.

5.2 Assisted Units shall be deed-restricted to ensure long term affordability.

5.3 The HRA will enter into loan agreements with the Recipients of the Housing Trust Fund monies. Each loan agreement will clearly state the conditions and requirement for the Recipient's use of Housing Trust Fund monies, including the term of compliance, transfer or sale requirements and other requirements as specified.

5.4 In those cases where an Assisted Unit is sold or transferred prior to the expiration of the agreed-upon term, 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 amount of the loan or grant.

5.5 The HRA shall enforce all debt and lien instruments to the fullest extent of the law. The HRA may recommend debt settlement offers, if it is determined to be in the best interest of the Housing Trust Fund.

Section 6: SEVERABILITY

6.1 If any provision of this Ordinance or the application thereof is held invalid, said invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application and for this purpose, the provisions of the Ordinance are severable.

Section 7: EFFECTIVE DATE

7.1 This Ordinance shall be in effect from and after the date of its passage by the Pope County Board of Commissioners and publication according to Minnesota Statutes.

ADOPTED by the Pope County Board of Commissioners this 16th day of January, 2024.

Paul Gerde, County Board Chair

ATTEST:

Kersten Kappmeyer, County Administrator
Pope County, Minnesota

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