Passed: 7-0

# ORDINANCE 97-12

## TO AMEND ORDINANCE 95-75 ENTITLED ESTABLISHING THE HOUSING TRUST FUND AND ITS BOARD OF DIRECTORS AND APPROVING THE HOUSING TRUST FUND ENDOWMENT AGREEMENT
## (Changing the Initial Instructions to the Board)

WHEREAS, in Ordinance 95-75, the Common Council approved the Housing Trust Endowment Fund Agreement between the Bloomington Community Foundation and the City of Bloomington, Indiana, and established the Board of Directors of the Housing Trust Fund; and

WHEREAS, said ordinance gave the Board of Directors of the Housing Trust Fund the ability to adopt minimum standards to increase benefit to the target population by including mechanisms that assure that all housing units developed under the fund would permanently affordable; and

WHEREAS, the Board of Directors of the Housing Trust Fund believes that in order for the Housing Trust Fund to remain viable as a economic development tool in the development of affordable housing that the permanently affordable criteria needs to be deleted;

NOW THEREFORE, BE IT HEREBY ORDAINED BY THE COMMON COUNCIL OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA, THAT:

SECTION I. Ordinance 95-75 shall be amended by deleting Section 7 in its entirety and replacing it with the following:

7. Initial Board Instructions. The purpose of the Fund shall be to provide financing for the creation and preservation of affordable housing for the low-income population of the community through acquisition of land and structures, and the construction and rehabilitation of affordable housing. The Fund shall be used primarily to provide long term affordable housing.

The Board shall adopt a series of minimum standards to be included in the by-laws and policies. These standards can be changed only by Board action to permit increased benefit to the target population and include the following:

A. 50% of the Fund allocations are to be made to projects providing housing/services to residents earning 50% or less of area median income;

B. At least 50% of the funds available per funding round will be set-aside for not-for-profit organizations. In the event that these funds are not allocated to a not-for-profit developer those remaining funds will be made available generally to any qualified applicant; and

C. At least 50% of the allocations from the Fund shall be made for housing proposals where the units will be affordable in perpetuity. And, no more than 50% of the allocations from the Fund shall be used for housing proposals where the units have a limited period of affordability. However, no units supported by the Fund shall have a period of affordability for less than ten (10) years. Penalties and disincentives shall be employed to assure compliance with the specified period of affordability. All the units supported by the Fund shall have covenants running with the land which assure the specified period of affordability.

SECTION II. Section 8 of Ordinance 95-75 shall be amended by replacing the words "Redevelopment Department" with the words "Department of Housing and Neighborhood Development" wherever they appear in that section.

SECTION III. Severability. If any section, sentence, or provision of this ordinance, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of the other sections, sentences, provisions, or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

SECTION IV. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington and approval of the Mayor.

PASSED and ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 19 day of March, 1997.

ANTHONY PIZZO, President
Bloomington Common Council

ATTEST:

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 20 day of March, 1997.

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 20 day of March, 1997.

JOHN FERNANDEZ, Mayor
City of Bloomington

SYNOPSIS

This ordinance makes two amendments to Ordinance 95-75, which established the Housing Trust Fund and its Board of Directors and approved the Housing Trust Fund Endowment Agreement. The first amendment changes the initial instructions to the Board by reducing the minimum period of affordability for projects served by the Fund. And, the second amendment recognizes that the newly established department of Housing and Neighborhood Development will provide support for the Board.

Signed copies to:
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