ORDINANCE 95-75

Establishing the Housing Trust Fund and its Board of Directors and Approving the Housing Trust Fund Endowment Agreement

WHEREAS, the City of Bloomington's Mayor, Common Council, and Affordable Housing Task Force Trust desire to establish a Housing Trust Fund; and

WHEREAS, the Fund will be established through the Bloomington Community Foundation; and

WHEREAS, the purpose of the Housing Trust Fund is 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; and

WHEREAS, the Fund will require oversight by a separate Board of Directors to guide the solicitation, use and disbursement of funds in the Housing Trust Fund Endowment;

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

SECTION I. That the Designated Housing Trust Endowment Fund Agreement between the Bloomington Community Foundation and the City of Bloomington, Indiana, Department of Redevelopment, as attached as exhibit A, be approved and incorporated herein by reference:

SECTION II. That the Board of Directors of the Housing Trust Fund be formed as follows:

HOUSING TRUST FUND BOARD of DIRECTORS

1. Creation The formation of the Housing Trust Fund Board of Directors is hereby authorized.

2. Appointments The Board will consist of eleven (11) members to be appointed by the following :

Mayor of Bloomington - 5 appointments
- One representative from a local banking institution
- One representative from the for-profit housing development sector
- One representative from City Government
- One representative from Indiana University
- One low-income resident

City of Bloomington Common Council - 4 appointments
- One representative from a local banking institution
- One representative from the not-for-profit housing development sector
- One representative from the Housing/Social Services sector
- One low-to-moderate-income resident

Monroe County Commissioners - 1 appointment
- One representative from County Government

Bloomington Community Foundation - 1 appointment
- One representative from the Bloomington Community Foundation Board of Directors or Advisory Board

All initial appointments and subsequent appointments for Government and the Bloomington Community Foundation representatives will be selected directly by the appointing authority.

All other appointments will be selected as follows:
The Board of Directors of the Housing Trust Fund through its administrative agent will publicly solicit applications for any vacancies. Recommendations for appointments will be specifically

requested from the banking community, for-profit and not-for-profit housing developers, and social service agencies depending upon the nature of the appointment. At least three recommendations will be solicited for each appointment. The appointing authority will review applications, conduct interviews, and select Board members from the list of applicants forwarded to them.

3. Membership The membership of this Board will consist of eleven (11) members appointed as described in section 2 and efforts will be made to reflect the racial, ethnic and demographic characteristics of the community. Board members shall represent six categories:

1. Two representatives from the banking sector
2. Two representatives from local government - 1 city and 1 county
3. Two representatives from the housing developer sector - 1 for-profit and 1 not-for-profit
4. One representative from the Bloomington Community Foundation
5. One representative from the Housing/Social Services sector
6. One low-income resident
7. One low-to-moderate-income resident
8. One representative from Indiana University

4. Terms of Members Each member will serve on the Board no more that two consecutive terms of two years each. The terms will be staggered initially to ensure future continuity. All subsequent appointments shall be for the unexpired vacancies which may occur, or for a two year term and are subject to the appointment procedures detailed in section 2.

5. Initial Terms Initial terms will be made as follows:

The five Mayoral appointments - 2 appointments with one year terms each and 3 appointments with two year terms

The four Common Council appointments - 2 appointment with a one year terms and 2 appointments with two year terms each

The one Foundation appointment - 1 appointment with a one year term

The one County Commissioners appointment - 1 appointment with a one year term

6. Duties of Board The Housing Trust Fund Board is formed and shall have joint responsibility with the Bloomington Community Foundation the holder of the Fund for:

A. soliciting on-going dedicated and one time funding sources;
B. developing by-laws to govern the Fund's operation and administration;
C. developing policies and guidelines for distribution of funds;
D. selecting an effective mechanism for public participation;
E. developing appropriate fiscal oversight policies of funds held in trust;
F. developing appropriate oversight policies for the day-to day administration of the Fund;
G. developing an effective evaluation standard for Fund distribution, investment, oversight, effectiveness, and administration;
H. reporting Fund operations and evaluations to the public;
I. developing policy with regard to Board composition and authority;
J. developing and reviewing any contractual relationships with respect to daily program and financial management;
K. developing policy with regard to the project selection for funding;
L. selecting recipients of grants and loans to be approved for funding;
M. any other activities consistent with the efficient and effective operation of the Fund.

7. *Initial Board Instructions* **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.

C. All housing developments created or preserved through use of the fund will include mechanisms that assure that the units will be permanently affordable. A covenant will run with the land stipulating that all units remain affordable into perpetuity. Projects that do not assure permanent affordability are not a priority at this time.

8. Administration The Bloomington Redevelopment Department or its successor will act as administrative staff to the Board.

The Board may elect its own President or Chair and such other officers as it deems necessary. The Board, through its administrative agent, the Redevelopment Department, will annually review any of the contracts with respect to administration and financial management and recommend changes as needed.

The Board shall promulgate and subscribe to its own Rules of Procedure. A record of its transactions shall be kept and a report thereof shall be made annually to the Mayor and City Council. The Board's records shall be public records pursuant to I.C. 5-14-3-1 et seq. and all Board meetings shall be open to the public pursuant to I.C. 5-14-1.5-1 et seq.

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 6th day of December, 1995.

Iris Kiesling

IRIS KIESLING, President
Bloomington Common Council

ATTEST:

Patricia Williams

PATRICIA WILLIAMS, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 13 day of December, 1995.

PATRICIA WILLIAMS, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 13th day of December, 1995.

Tomilea Allison

TOMILEA ALLISON, Mayor
City of Bloomington

SYNOPSIS

This ordinance ratifies the Designated Housing Trust Endowment Fund Agreement between the Bloomington Community Foundation and the City of Bloomington and establishes the Bloomington Housing Trust Fund Board of Directors. A series of amendments expanded the size of the Board, assured the public nature of the Board's activities, and most importantly, required that projects provide housing that was permanently affordable.

Signed copies to:
Redevelopment
Housing Network
Controller 3
Bl. Com Fd.
Mayor
Commissioners
Chamber / Commerce