Passed 9-0

ORDINANCE 16-41

TO ESTABLISH THE HOUSING DEVELOPMENT FUND

WHEREAS, as evidenced by high occupancy rates and apartment rents and home prices among the highest in the state, Bloomington, Indiana has a strong real estate market, which shows the interest that people have in investing and living here, and their confidence in the strength of the future here; and

WHEREAS, a challenge presented by that strong real estate market is ensuring affordable housing is available for the diverse population essential to Bloomington's character and values; and

WHEREAS, innovative approaches are necessary to address the affordability of housing in a manner that is sustainable over the long haul; and

WHEREAS, there is evident interest in the community in financially supporting the City of Bloomington's ("City's") efforts to investigate and implement innovative approaches that encourage sustainable, long-term affordability of real estate; and

WHEREAS, the City therefore wishes to establish a fund to accept monies in support of affordable housing initiatives, and

WHEREAS, Indiana Code § 36-1-4-10 authorizes the City to "accept donations of money or other property and execute any documents necessary to receive money or other property" from any source; and

WHEREAS, a "restricted donation" is one to which the donor has attached terms, conditions, or purposes; and

WHEREAS, if a donation is a restricted donation, the Common Council of the City of Bloomington, Monroe County, Indiana, as the governing body of the City, must agree, in writing, to the terms, conditions, or purposes attached to the proposed donation; and

WHEREAS, the Indiana State Board of Accounts requires that restricted donations be placed into a separate fund after such fund is established by the legislative body of the unit, and further requires that such funds may be expended only for the purpose and under the terms and conditions agreed to on accepting the donation; and

WHEREAS, pursuant to Attorney General Official Opinion No. 68 of 1961 and the Indiana State Board of Accounts, no further appropriation is required for expenditure of a restricted donation for the designated purpose, but accounts payable vouchers must be filed and approved in the regular legal manner before disbursements may be made from the fund; and

WHEREAS, in order to provide a repository for monies and restricted donations dedicated to innovative housing in the City, the City wishes to establish a Housing Development Fund, to be governed by the terms of this Ordinance;

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

SECTION 1. Establishment of Fund. There is hereby created a Housing Development Fund (Fund) in the Office of the Controller. The Fund shall be administered by the Housing and Neighborhood Development Department.

SECTION 2. Source of Revenues. The Fund shall consist of:

(a) gifts and grants to the Fund;
(b) investment income earned on the Fund's assets; and
(c) other monies permitted by law to be deposited into the Fund.

SECTION 3. Purpose of Fund. The Fund shall be used only to:

(a) provide financial assistance to support individuals and families whose income is at or below one hundred thirty percent (130%) of the county's median income for individuals and families, respectively, to enable those individuals and families to purchase, lease, or otherwise acquire or occupy residential units within the City;
(b) purchase property within the City to be used for affordable housing, and develop that property as affordable housing serving individuals and families whose income is at or below one hundred thirty percent (130%) of the county's median income for individuals and families, respectively;
(c) pay expenses of administering the Fund;
(d) make grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing serving individuals and families whose income is at or below one hundred thirty percent (130%) of the county's median income for individuals and families, respectively, including the elderly, persons with disabilities, and homeless individuals and families within the City; and
(e) provide technical assistance or other support to nonprofit developers of affordable housing.

SECTION 4. Separate Accounts. If the volume of restricted donations is sufficient, the City Controller may create separate accounts for each restricted donation to account for receipt and distribution associated with each donation. The total activities of the separate accounts (i.e., receipts, disbursements, and total balances) shall be reflected in a control account.

SECTION 5. The terms, conditions, or purposes attached to a proposed restricted donation shall be approved in writing by the Common Council.

SECTION 6. Expenditures from Fund. Expenditures of restricted donations that have been accepted by the Common Council may be made without further appropriation. Expenditures of other monies in the Fund shall be made only after appropriation by the Common Council. Claims for payment from the Fund shall be subject to approval of the Redevelopment Commission. The Fund shall not revert into any other fund.

SECTION 7. The money in the Fund not currently needed to meet the obligations of the Fund may be invested in the same manner as other public funds may be invested.

SECTION 8. Reporting. The persons responsible for administering the Fund shall annually report to the Common Council on how the Fund is being used to address the affordability of housing.

SECTION 9. Amendment and Termination. The Fund shall continue in this form until amended or terminated by ordinance. Unless indicated otherwise by ordinance, the proceeds of the Fund at termination shall be deposited into the General Fund.

SECTION 10. Severability. If any section, sentence, or provision of this Ordinance, or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any other section, sentence, provision or application 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 11. This Ordinance shall be in full force and effect from and after its passage by the Common Council and approval of the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 16 day of November, 2016.

ANDY RUFF, President
Bloomington Common Council

ATTEST:

NICOLE BOLDEN, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 18 day of November, 2016.

NICOLE BOLDEN, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 21st day of November, 2016.

JOHN HAMILTON, Mayor
City of Bloomington

SYNOPSIS

This Ordinance creates a Housing Development Fund. The Fund may be used to provide financial assistance to individuals and families whose income is at or below 130% of Monroe County's median income to enable those individuals and families to purchase or lease residential units within the City, to purchase and develop property as affordable housing for individuals and families whose income is at or below 130% of Monroe County's median income, and to make grants, loans, and loan guarantees for the development, rehabilitation, or financing of affordable housing for individuals and families whose income is at or below 130% of Monroe County's median income. Monies from the Fund will either be accepted by the Common Council (in the case of restricted donations) or appropriated by the Common Council (in the case of other monies). Claims will be approved by the Redevelopment Commission. The Fund shall not revert to any other fund.

Distributed to: Office of the Mayor, Office of the City Clerk, Council Administrator, Legal, HAND