

ORDINANCE NO. 87

AN ORDINANCE ESTABLISHING A LOCAL HOUSING TRUST FUND IN THE CITY OF HACKENSACK, MINNESOTA

The City Council of the City of Hackensack, Minnesota, does hereby ordain as follows:

Section 1: GENERAL PROVISIONS

1.1. Findings and Authority. The City of Hackensack, Minnesota (the "City") finds that there is a shortage of residential housing units within the City and the surrounding community. Such shortage, and the existing funding sources for the construction and preservation of residential housing units, has demonstrated that an additional source of funding is required for the construction and preservation of residential housing units. This Ordinance is adopted pursuant to Minnesota Statutes, Section 462C.16 (the "Statute").

1.2. Establishment and Purpose. Pursuant to the Statute, there is hereby created and established for the City of Hackensack, Minnesota (the "City"), a "local housing trust fund", as defined by the Statute, to be known as the City of Hackensack, Minnesota, Local Housing Trust Fund (the "Trust Fund"), for the purpose of providing financial assistance to meet the housing needs of the City. Specifically, the Trust Fund shall provide financial assistance in the form of loans, grants, and loan guarantees to residential property owners, including individuals, non-profit and for-profit developers, and local units of government, for the development or rehabilitation of housing. The Trust Fund shall have one or more dedicated sources of funding, including but not limited to certain revenues, to be designated by the City Council herein and from time to time.

1.3. Administration. The Trust Fund, and the Trust Fund Account established therefor by Section 3.1 of this Ordinance, shall be administered and maintained by the Administrator. The City reserves the right to designate a nonprofit organization as a successor administrator, as permitted by subdivision 2(b) of the Statute.

Section 2: DEFINITIONS

2.1. "Administrator" means the City Clerk-Treasurer of the City, or his or her designee, and any successor;

2.2. "Assisted Unit" means any Unit that has received assistance from the Trust Fund;

2.3. "City" means the City of Hackensack, Minnesota;

- 2.4. "Project" means any development or rehabilitation of one or more Units;
- 2.5. "Recipient" means any residential property owner, whether an individual, non-profit or for-profit developer, or local unit of government, that receives financial assistance from the Trust Fund;
- 2.6. "Trust Fund" means the City of Hackensack, Minnesota, Local Housing Trust Fund; and
- 2.7. "Unit" means any single residential housing unit, whether rented or owned.

Section 3: TRUST FUND ACCOUNT; SOURCE OF TRUST FUNDS

3.1 Account. There is also hereby established a Trust Fund Account, to be maintained and administered by the Administrator. All funds received on behalf of the Trust Fund shall be deposited into the Trust Fund Account.

3.2 Sources. The Trust Fund Account shall be funded with any money available to the City and appropriated therefor, subject to state law, including, but not limited to:

- (a) donations;
- (b) bond proceeds;
- (c) grants and loans from a state, federal, or private source;
- (d) appropriations by a local government to the Trust Fund;
- (e) investment earnings of the Trust Fund; and
- (f) City and housing and redevelopment authority levies.

The Trust Fund Account shall also be funded with fees, and principal and interest payments due and payable under loans for Projects originating from the Trust Fund and provided to Recipients. The Administrator may also invest and reinvest any moneys held in the Trust Fund, subject to state law, and all earnings thereof shall be deposited in the Trust Fund Account to be used as provided herein.

Section 4: TRUST FUND DISTRIBUTIONS

4.1 Expenditures. The Administrator shall only expend money in the Trust Fund Account to:

- (a) make grants, loans, and loan guarantees for Projects;
- (b) match other funds from federal, state, or private resources for Projects;

(c) provide down payment assistance, rental assistance, and home buyer counseling services; and

(d) pay for administrative expenses (subject to the 10% limitation imposed by subdivision 3(1) of the Statute).

4.2 Approvals. No disbursements over \$10,000 may be made from the Trust Fund Account without the prior approval of the City Council. For any Project requesting an amount over \$10,000, the Administrator shall prepare a report and recommendations to the City Council for consideration at the next City Council meeting.

4.3 Agreements. Each Recipient shall enter into one or more agreements, which shall provide the terms and conditions of such assistance, whether in the form of a loan or grant, and provide for any collateral or security as such assistance may require. The Administrator shall develop forms of such agreements to be approved by City Council. The Administrator shall enforce the terms and conditions of any agreements entered into with Recipients.

4.4 Eligible Costs. Recipients may use the funds received to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted 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.

Section 5: REPORTING

5.1. Annual Reports. By January 31st of every year, the Administrator shall prepare and submit an annual report to the City of all activities of the Trust Fund occurring during the most recent period from January 1 to December 31, which shall include at a minimum:

- (a) the income and expenditures of the Trust Fund Account;
- (b) the beginning and ending balance of the Trust Fund Account;
- (c) all assets, obligations, and liabilities of the Trust Fund;
- (d) loans and grants made to Recipients, and the description of the Projects benefited, including the number of Assisted Units; and
- (e) any other information required by the Statute or other state law, or requested by the City.

5.2. Posting of Report. The City shall post the report prepared by the Administrator on its public website as required by the Statute.

Section 6: MISCELLANEOUS

6.1 Severability. If any provision of this Ordinance or the application thereof is held invalid, said invalidity does not affect the 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.

6.2 Effective Date. This Ordinance becomes effective from and after its passage and publication.

Passed by the City Council of the City of Hackensack, Minnesota, this 10 day of April, 2023.



Mayor

Attested:



City Clerk-Treasurer