

AFFORDABLE HOUSING TRUST FUND

§ 40.40 CREATION, MANAGEMENT AND ADMINISTRATION.

(A) There is hereby established the Affordable Housing Trust Fund, to be held as a separate fund, for the purpose of advancing Affordable Housing opportunities. The fund shall be governed by an Affordable Housing Trust Fund Board as set out in § [40.45](#) of this subchapter.

(B) The funding objective is to lay the foundation for an Affordable Housing Trust Fund (“the Fund”) that annually invests \$10 million dollars into affordable housing projects. A multi-year approach will be necessary to achieve full and adequate funding for the Affordable Housing Trust Fund. The Fund shall be established as a separate, nonprofit, exempt organization under the provisions of KRS Chapter 273 and Title 26, Section 501(c)(3) of the United States Code.

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008; Lou. Metro Am. Ord. No. 149-2009, approved 9-29-2009)

§ 40.41 PURPOSE.

The purpose of the Affordable Housing Trust Fund is to receive monies and disburse monies to organizations dedicated to addressing the affordable housing needs of individuals and families of low- and moderate-income households by promoting, preserving, and producing long-term affordable housing and providing housing-related services to low- and moderate-income households. The Affordable Housing Trust Fund may provide financial support for a wide variety of eligible activities to organizations serving persons in low- and moderate-income households, including, without limitation:

- (A) Seniors on fixed incomes;
- (B) Persons with disabilities who require accessible affordable housing;
- (C) Persons employed in Louisville Metro but financially unable to live in Louisville Metro;
- (D) Single-parent families; and
- (E) Households with incomes as defined in §40.42. A needs assessment shall be done as determined by the Affordable Housing Trust Fund Board and staff within the first year of operation and shall occur at least every three years.

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008)

§ 40.42 HOUSEHOLDS SERVED BY THE AFFORDABLE HOUSING TRUST FUND.

All funds shall be used for eligible activities benefiting households according to the following allocations. For the purposes of the Affordable Housing Trust Fund the term “household” includes one-person households as well as households of a larger number.

(A) Any funds from a public source, such as general revenue, whether state or local, taxes, fees or other public sources shall be allocated so that:

(1) Fifty percent of any public dollars allocated to the Trust shall be dedicated to serving households at or below 50% Area Median Income (AMI); and

(2) The remaining 50% shall serve households at or below 80% AMI (this includes households below 50% AMI).

(B) The Trust shall be authorized to accept private gifts, grants, donations, and other contributions and may use these funds to serve households at or below 110% AMI (this includes households below 80% AMI or 50% AMI).

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008)

§ 40.43 DISTRIBUTION AND USE OF HOUSING TRUST FUND.

(A) *Revenue source.* In addition to the initial deposit of funds, the Mayor and Metro Council will endeavor to establish revenue sources and appropriate funds for deposit in the Fund from time to time. Other private monies and or donations may be accepted, however the Affordable Housing Trust Fund Board shall work to create a dedicated, renewable source of public revenue.

(B) *Distribution.* The Affordable Housing Trust Fund Board will establish the policies and governance of the Trust Fund. Distribution of funds from the Affordable Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Affordable Housing Trust Fund. Any unexpended balance of the Affordable Housing Trust Fund remaining at the close of a fiscal year shall not lapse but shall continue into the succeeding fiscal year for future eligible activities, pursuant to the requirements of this subchapter.

(C) All revenues recaptured from loans or unfulfilled grants shall be returned to the Affordable Housing Trust Fund for future use.

(D) The initial startup grant from Metro Government together with any accumulated interest shall be deposited in account administered by the Trust and spent for its purposes as provided in this subchapter. The Affordable Housing Trust Fund Board may, in its discretion, encroach on the principal of the Affordable Housing Trust Fund when necessary to administer the Trust, in amounts not to exceed \$100,000 in any fiscal year. The Affordable Housing Trust Fund Board may request of the Louisville Metro Council, at any time, that this limit on administrative costs be modified or waived.

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008; Lou. Metro Am. Ord. No. 149-2009, approved 9-29-2009)

§ 40.44 TYPES OF ELIGIBLE ACTIVITIES.

Housing-related activities that may receive Affordable Housing Trust Fund resources include:

(A) Home ownership and rental

Acquisition

New construction financing

Rehabilitation construction financing

Emergency repair

Down payment assistance

Permanent financing

Temporary rental assistance

Production

Maintenance

Safety (lead based paint, weatherization, etc.)

(B) Technical assistance training

Developer service providers

Training for low-income housing consumer

(C) Support services

Developer service provider

Training for low-income housing

consumer

Accessibility rehabilitation and repair

activities

(D) Programs that directly impact stable, safe, affordable housing

Foreclosure intervention

Individual development accounts

(E) Any other activity that the Affordable Housing Trust Fund Board (described below in §40.45) determines would address the Louisville Metro's affordable housing needs and is approved by the Metro Council.

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008)

§ 40.45 AFFORDABLE HOUSING TRUST FUND BOARD.

(A) *Created.* There is hereby created an Affordable Housing Trust Fund Board consisting of 13 members appointed by the Mayor and approved by the Metro Council for a term of three years, except that of members first appointed, four shall be appointed for one-year terms, and four shall be appointed for two-year terms. The initial appointments shall be made by the Mayor within 90 days of the effective date of this subchapter. If the Mayor fails to make the initial appointments within this 90-day period, the mayoral appointments shall be made by the President of the Louisville Metro Council and are likewise subject to the approval of the Metro Council. Seven of the members appointed shall reside west of Interstate I-65 (Martin Luther King, Jr. Expressway), and six of the members appointed shall reside east of Interstate I-65 (Martin Luther King, Jr. Expressway). The members shall elect a chair of the Board. The members shall consist of:

(1) One member from the banking community, such as a Community Reinvestment Officer.

(2) One member at-large.

(3) One eligible or current affordable housing consumer, either owner or renter.

(4) One low income housing advocate.

(5) One Metro-Council member appointed by the Metro Council President.

(6) One neighborhood association representative.

(7) One member from the Metro Government directly reporting to the Mayor with housing expertise.

(8) One representative of a non-profit developer, such as New Directions, Habitat for Humanity, or The Housing Partnership.

(9) One social service provider.

- (10) One member from the Homebuilders Association of Louisville.
- (11) One member from the Apartment Association of Louisville.
- (12) One representative of homeless individuals.
- (13) One member from the Greater Louisville Association of Realtors.

(14) The Mayor, upon submitting a written statement to the Louisville Metro Council that appointments to the AHTF possessing these qualifications cannot be located within a required geographic area as set forth in this section, may appoint others with similar qualifications from such area.

(B) *Duties.* The Affordable Housing Trust Fund Board shall:

- (1) Establish and maintain an independent, professionally managed, fiscally accountable fund.
- (2) Establish policies and procedures for Trust operations including disbursement of funds.
- (3) Establish procedures for monitoring and evaluating the Trust's activities.
- (4) Develop responsibilities for reporting to the public and elected officials by producing an annual report to the community and Metro Council including audited financial reports.
- (5) Identify and pursue sources of revenue and financing for the Affordable Housing Trust Fund, leveraging local, state and federal funds with private sector investment.
- (6) Coordinate the Trust activities with community-wide approaches to meeting affordable housing needs.
- (7) Seek additional funds, both private and public, to support Trust activities.
- (8) Ensure a timely disbursement of funds subject to a timeframe to be determined by the governing board.
- (9) The Board may issue a public request for proposals [RFP] to solicit bids from agencies or businesses to administer the Trust.
- (10) The Board may enter into a contractual arrangement with an agency selected by RFP to provide administrative support and additional resources, expertise, and benefits to the Trust and its staff.

(C) *Staffing.* The Board shall employ staff, including an Executive Director of the Trust, to direct the daily activities and fulfill the purpose of the Trust. The Executive Director shall provide executive direction to and management of staff for the purposes of carrying out the responsibilities of the Trust, and shall:

- (1) Operate the corporation with fiscal discipline.
- (2) Develop and execute Trust operations to deliver funding grants and/or loans for affordable housing and related programs consistent with the Trust's mission and legislative mandates.
- (3) Develop new fund raising strategies to grow the balance of the Trust.
- (4) Prepare an annual report to the community on the Trust's activities.

(D) *Vacancies.* Vacancies shall be filled by the Mayor and approved by the Metro Council for the unexpired portion of the term.

(E) *Conflicts of interest.*

(1) No Affordable Housing Trust Fund Board member shall participate in the discussion of or vote upon any funding or grant request by an organization on which said Board member or family member is (a) a board member, trustee, director or officer; (b) a consultant or contractor to the organization; (c) actively involved in the formulation of the funding request; or (d) a management or executive employee of the organization. This includes a bar upon the Board member's participation in any issue relating to the grant or contract after it is entered into, such as a dispute regarding, or modification to, the terms of the grant or contract.

(2) While grants may be made to organizations that employ a Board Member, advisor, or family member of a Board Member, advisor, or staff member, or that contract for the provision of goods or services from any of those individuals, no grant to such an organization shall include funds designated to pay the compensation for such employment, goods, or services.

(Lou. Metro Ord. No. 82-2008, approved 5-28-2008; Lou. Metro Am. Ord. No. 149-2009, approved 9-29-2009)

§ 40.98 SEVERABILITY.

If any provision of this chapter as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

(1994 Jeff. Code, § 10.07) (Jeff. Ord. 36-1994, adopted and effective 12-20-1994; Lou. Metro Am. Ord. No. 56-2007, approved 4-9-2007)