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Benton County MN

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DOCUMENT COVER SHEET

A County of Benton Ordinance Establishing
A Local Housing Trust Fund

ORDINANCE NO. 498

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Benton County Admin

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Benton County Admin

**A COUNTY OF BENTON ORDINANCE ESTABLISHING A LOCAL HOUSING
TRUST FUND**

ORDINANCE NO. 498

Be it ordained by the Benton County Board of Commissioners, Benton County, Minnesota:

1. PURPOSE AND AUTHORITY.

- 1.1. **Purpose.** Benton County, Minnesota (the "County") has determined to create a Benton County Local Housing Trust Fund (the "Housing Trust Fund"). The Housing Trust Fund shall be a permanent source of funding and a continually renewable source of revenue to meet, in part, the housing needs of moderate, low-income, and very low-income households in the County. The Housing Trust Fund may also support the development, rehabilitation, or financing of housing, support housing projects, provide downpayment assistance, and home buyer counseling services, and for any other purposes authorized by law.
- 1.2. **Authority.** Pursuant to Minnesota Statutes, Section 462C.16, as amended, the County is authorized to establish a local housing trust fund.

2. DEFINITIONS. The following definitions apply to this Ordinance and Programs under the Housing Trust Fund, unless individual program criteria approved by the County Board specify otherwise:

- 2.1. "Affordable" means a housing unit that has an Affordable Housing Cost.
- 2.2. "Affordable Housing Cost" means an amount satisfied by:
 - 2.2.1 For owner-occupied housing, a housing payment inclusive of loan principal, loan interest, property taxes, property and mortgage insurance, and homeowner association dues which allows a moderate, low income or very low-income household to purchase a home while paying no more than thirty percent (30%) of their gross household income.
 - 2.2.2 For rental or cooperative housing, a housing payment, inclusive of a reasonable allowance for heating, which allow a moderate, low income or very low-income household to rent a unit while paying no more than thirty percent (30%) of their gross household income.
- 2.3. "Area Median Income" means the income guidelines established and published annually by the U.S. Department of Housing and Urban Development, as adjusted for smaller and larger families.
- 2.4. "Assisted Unit" means a housing unit that is Affordable because of assistance from the Housing Trust Fund.

- 2.5 "Low Income" means gross household income that is at or below eighty percent (80 %) of Area Median Income, but more than fifty percent (50%) of Area Median Income.
- 2.6 "Mixed Income Housing" means a residential structure that comprises differing levels of affordability, with some units at market rate and others available to low- and moderate-income households at below-market rates.
- 2.7 "Moderate Income" means gross household income that is at or below 115 percent (115%) of Area Median Income, but more than eighty percent (80%) of Area Median Income.
- 2.8 "Nonprofit Administrator" means a nonprofit organization that enters into a contract with Benton County to administer the Housing Trust Fund and the Trust Fund Account. The Nonprofit Administrator shall encourage private charitable donations to the fund.
- 2.9 "Permanent Source of Funding" means once funds are allocated to the Housing Trust Fund those funds can only be expended for purposes outlined in section (4) of this document.
- 2.10 "Project" may mean a single-family house (attached or detached) or a multifamily property, either as owner-occupied property or rental property.
- 2.11 "Recipient" means any homeowner, for-profit, non-profit, local unit of government, or housing developer that receives funds in the form of a loan or a grant from the Housing Trust Fund Account. A Recipient may be an individual, partnership, local unit of government, joint venture limited liability company or partnership, association, or corporation.
- 2.12 "Housing Trust Fund" means the Benton County Housing Trust Fund.
- 2.13 "Very Low Income" means gross household income that is at or below fifty percent (50%) of Area Median Income.
- 2.14 "Workforce Housing " means owner-occupied or rental housing units that are provided to households with at least one member per unit who is gainfully employed at the time of entry into the unit.

3. ELIGIBLE ACTIVITIES

- 3.1 Pursuant to the authority granted to the County under Minnesota Statutes, Section 462C.16, the funds collected for deposit in the affordable housing trust fund may be utilized for the following housing activities:
 - 3.1.1 Pay for administrative expenses, but not more than ten percent of the balance of any fund may be spent on administration;

- 3.1.2 Make grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing;
- 3.1.3 Match other funds from federal, state, county, or private resources for housing projects;
- 3.1.4 Provide rental assistance;
- 3.1.5 Provide downpayment assistance;
- 3.1.6 Provide homebuyer counseling services; and
- 3.1.7 Any activities otherwise authorized by law.

4. ESTABLISHING ACCOUNT, IDENTIFYING FUNDING SOURCES.

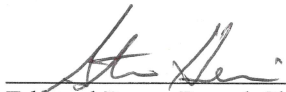
- 4.1 There is hereby established a Benton County Local Housing Trust Fund Account. All funds received by the County on behalf of the Housing Trust Fund shall be deposited into the Housing Trust Fund Account. Principal and interest from loan repayments, and all other income from Housing Trust Fund activities, shall be deposited in the Housing Trust Fund Account. All interest earnings from the Housing Trust Fund Account shall be reinvested and dedicated to the Housing Trust Fund Account.
- 4.2 The County Board may pledge to the Housing Trust Fund any money available, unless expressly prohibited by law, and such funding includes, but is not limited to, the following sources of funding:
 - 4.2.1 Private cash donations from individuals and corporations designated for the Housing Trust Fund;
 - 4.2.2 Payments in lieu of participation in current or future Affordable housing programs;
 - 4.2.3 Bond proceeds;
 - 4.2.4 Grants or loans from a state, federal, county, or local government or private sources;
 - 4.2.5 Local government appropriations and other funds as designated from time to time by the County Board;
 - 4.2.6 Investment earnings from the Housing Trust Fund;
 - 4.2.7 Housing and Redevelopment Authority levy funds;
 - 4.2.8 Local Housing Aid funds;
 - 4.2.9 Other sources of funding approved by the County Board.

5. ADMINISTRATION.

- 5.1 The Nonprofit Administrator shall administer the Housing Trust Fund and the Trust Fund Account on behalf of the County.
- 5.2 The Nonprofit Administrator will create and administer specific programs as authorized by this Ordinance or the County Board. Such programs will be directly administered by the Nonprofit Administrator or by third-parties under a contract with the Nonprofit Administrator, provided that such contract is approved by the County Board.
- 5.3 The Nonprofit Administrator will create an application for funding requests for individual projects that meet the requirements of Minn. Stat. § 462C.16, subd 3. but are not programs established pursuant to Section 5.2 of this Ordinance. Individual Project Applications must be approved or denied by the County Board.
- 5.4 The County Board shall determine the terms and conditions of repayment of loans and grants from the Housing Trust Fund, including but not limited to, the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be as established by the County Board from time to time or at the time of approval of a specific Project or program.
- 5.5 The Nonprofit Administrator shall report annually to the County Board on the use of the Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households provided rental assistance and down payment assistance. The annual report will be published on the County and the Nonprofit Administrator's public website.

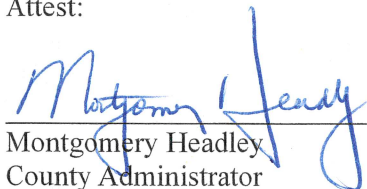
- 6. EFFECTIVE DATE.** This ordinance shall take effect from and after its passage by the Benton County Board of Commissioners and publication in accordance with state law. upon its passage and publication.

Adopted by the Board of Commissioners of Benton County, Minnesota, the 4th day of February, 2025.



~~Edward Popp, Board Chair~~
Steve Heinen, Vice-Chair

Attest:



Montgomery Headley
County Administrator