

## 3.50 – Housing Trust Fund

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### 3.50.010 – Definitions

- A. Rules of interpretation. The words and phrases used in this Chapter shall be interpreted to have the meanings ascribed to them herein. To the extent that words or phrases not defined herein are defined in the Zoning Ordinance (Title 17 of the St. Charles Municipal Code), such words or phrases shall be deemed to have the meanings set forth therein. Otherwise, words and phrases shall be interpreted in their commonly used sense as set forth in Webster’s Third International Dictionary (most recent edition), unless the context reasonably requires another construction.
- B. Definitions. The following words and phrases, when used in this Chapter, shall have the following meanings:
  - 1. Affordable Housing: Housing that has a sales price or rental amount that is within the means of an “Eligible Household” as defined herein. In the case of dwelling units for sale, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.
  - 2. Applicant: An applicant is any individual or entity, including but not limited to developers, not-for-profit organizations, housing owner/operators, and units of government that applies for a grant, loan, or other resources from the Housing Trust Fund.
  - 3. Eligible Activities: Eligible Activities shall include those activities that are eligible to receive funding or other resources from the Housing Trust Fund, as set forth in section 3.50.040 (B) of this Chapter.  
  
(Ord. 2010-M-16 § 1.)
  - 4. Eligible Household: A household with in income at or below eighty percent (80%) of the Area Median Income (AMI) for for-sale units and at or below sixty percent (60%) of the AMI for rental units.

### **3.50.020 – Housing Trust Fund Established**

A. Creation; Management and Administration. There is hereby established a Housing Trust Fund, to be held as a separate fund within the City, for the sole purpose of providing and preserving Affordable Housing opportunities within the City of St. Charles. The City, by and through its Director of Finance, shall be responsible for the day-to-day investment and fiscal maintenance and management of the Housing Trust Fund. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by the City for other similarly held funds. Except for disbursements and other actions taken as part of the day-to-day fiscal maintenance and management of the Housing Trust Fund, the Director of Finance shall not disburse funds held by the Housing Trust Fund except upon the written direction of the City Council, by resolution duly adopted, or otherwise pursuant to the provisions of an approved program. The St. Charles Housing Commission, established by Section 2.25.010 of the St. Charles Municipal Code, shall assist the City Council with the organization, operation, and implementation of the Housing Trust Fund as set forth in Section 3.50.030 of this Chapter.

(Ord. 2010-M-16 § 1.)

- B. Purpose. The purpose of the Housing Trust Fund is to provide sustainable financial resources to address the Affordable Housing needs of Eligible Households in St. Charles by preserving and producing Affordable Housing, providing housing-related financial support and services to Eligible Households and providing financial support for not-for-profit organizations that actively address the Affordable Housing needs of Eligible Households.
- C. Distribution and Use of Housing Trust Fund. Distribution of funds from the Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Housing Trust Fund. Any Housing Trust Fund money unused at the end of any year shall remain in the Housing Trust Fund for future Eligible Activities, pursuant to the requirements of this Chapter.

(2010-M-16 : § 1)

### **3.50.030 – Housing Commission Responsibilities**

The Housing Commission shall make recommendations to the City Council regarding the following:

1. the goals for the use of Housing Trust Fund resources;
2. the Housing Trust Fund's annual budget including projected expenditures and revenues;
3. the procedures for reviewing applications and awarding Housing Trust Fund resources to Applicants;
4. the criteria to be used by the Housing Commission, the City Council, and City staff in reviewing applications and programs that utilize Housing Trust Fund resources;
5. the procedures to be used for disbursing Housing Trust Fund resources;
6. the review of applications and programs for Housing Trust Fund awards;
7. the procedures to be used to monitor Eligible Activities funded by the Housing Trust Fund to ensure that Housing Trust Fund resources are used in conformance with all applicable requirements; and
8. the evaluation of Housing Trust Fund activities.

(2010-M-16 : § 1)

### 3.50.040 – Eligibility Requirements

- A. Purpose of Eligible Activity. Each Applicant shall be required to demonstrate that the requested Eligible Activity will advance and support the purpose of the Housing Trust Fund, as set forth in this Chapter.
- B. Eligible Activities. The use of Housing Trust Fund resources shall be limited to the following, which shall be considered Eligible Activities:
1. Production of Affordable Housing including, without limitation, new construction, rehabilitation, and adaptive re-use.
  2. Acquisition and disposition, including, without limitation, vacant land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or part to provide Affordable Housing.
  3. Grants or loans to not-for-profit organizations that are actively engaged in addressing the housing needs of Eligible Households.
  4. Retention of a third-party organization to administer and track Housing Trust Fund programs and payment of a management fee as agreed upon between the City and the third-party organization.
  5. Payments to a third-party organization to reimburse costs incurred in connection with a Housing Trust Fund program. Such costs shall include construction/rehabilitation costs, administrative costs such as property title searches and recording fees, and similar costs that are incurred in connection with an eligible project. No costs shall be reimbursed except pursuant to a written agreement between the City and the third-party organization.
  6. Financial assistance to Eligible Households in renting dwelling units. Financial assistance to Eligible Households in purchasing dwelling units.
  7. Financial or in-kind assistance to preserve and/or maintain existing Affordable Housing.
  8. Weatherization of dwelling units occupied by Eligible Households.
  9. Emergency repairs to dwelling units occupied by Eligible Households.  
(Ord. 2010-M-16 § 1.)
- C. Criteria for Award of Housing Trust Fund Resources. Among applications for funding for Eligible Activities that otherwise meet established program requirements and eligibility criteria, priority shall be given (a) to applications that provide for leveraging of funds for projects, i.e., that yield a larger amount of housing provided or a larger dollar value for the level of funding being sought (b) to applications that provide the longest term of permanent affordability, and (c) to applications that provide housing to serve the needs of households with the lowest incomes. All Housing Trust Fund resources shall be applied exclusively to Eligible Activities within the City of St. Charles.

The City may approve additional criteria and priorities in connection with a specific program, as set forth in the document establishing that program.

(2010-M-16 : § 1)

### 3.50.050 – Review and Approval of Applications and Programs

The City Council shall be solely responsible for the approval of all programs and applications that utilize the expenditure of Housing Trust Funds. Applications for Housing Trust Fund awards shall be submitted to the Director of Community Development (or his or her designee). Applications/programs that comply with the applicable requirements shall be forwarded to the Housing Commission, and any applications/programs that do not comply shall be returned to the applicant with a written explanation of why the application will not be considered. The Commission shall review and make recommendations to the City Council as to which applications/programs are awarded Housing Trust Funds

The City Council may, at its discretion, approve a program that delegates the approval of applications and the dispersal of Housing Trust Fund moneys to the Housing Commission or Community Development Director (or His/Her Designee), provided that provisions for the disbursement of Housing Trust Fund moneys are specifically set forth within the scope of that program, and the program complies with the provisions of this Chapter.

(2010-M-16 : § 1)

### **3.50.060 – Conditions**

As a condition of any Housing Trust Fund award for any Eligible Activity, the Applicant shall execute and record such agreements, conditions, restrictive covenants, and other similar instruments, as may be required by the City to ensure that Housing Trust Fund resources will be used efficiently and for the intended purposes (“Conditions”). Among other requirements, the Conditions may bind the applicant and the property, if applicable, to the requirements of this Chapter and provide that all awards shall be used in strict compliance with the requirements of the City Code and the Conditions. The Conditions may also include a requirement that if the property or development is no longer being used for Affordable Housing pursuant to the requirements of the specific award, the Applicant or successor owner of the property or development shall be required to reimburse the Housing Trust Fund for up to 100 percent (100%) of the award, plus applicable interest.

### **3.50.070 – Sources of Funds**

The City Administrator, for the benefit of the Housing Trust Fund, is authorized to accept funds, property, and other resources from all proper and lawful public and private sources including, without limitation, cash payments in lieu of constructing some or all of the on-site Affordable Units as required by Chapter 17.18.050 of the Inclusionary Housing chapter of the St. Charles Zoning Ordinance. The City Council, at its sole discretion, may make funds available to the Housing Trust Fund from the Corporate Fund, as it deems necessary and appropriate.

(2010-M-16 : § 1; 2008-M-17 : § 2)