

RESOLUTION NO. 4293

A RESOLUTION ENDORSING THE CREATION OF A HOUSING TRUST FUND TO PROVIDE AFFORDABLE HOUSING.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OXFORD, BUTLER COUNTY, STATE OF OHIO, THAT:

SECTION 1: The Housing Advisory Commission, in response to City Council's directive regarding affordable housing, recommends the formal endorsement of a directive to create a Housing Trust Fund, which will provide financial assistance to provide affordable housing units and to maintain affordability within the proposed developments in the City of Oxford.

SECTION 2: City Council hereby accepts the recommendations of the Housing Advisory Commission and authorizes the creation of the Housing Trust Fund to provide financial incentives to set aside affordable housing units and to maintain affordability within the proposed developments in the City of Oxford.

SECTION 3: This resolution shall take effect at the earliest date allowed by law.


MAYOR

ADOPTED: September 18, 2007

ATTEST:


DEPUTY CLERK OF OXFORD CITY COUNCIL

INTRODUCED BY: JEROME CONLEY

PREPARED BY: LAW (STAFF)

PROPOSAL TO ESTABLISH OXFORD HOUSING TRUST FUND

I. INTRODUCTION

The Housing Advisory Commission was established by the Oxford City Council adopting Ordinance # 2406 on July 25, 1995 “. . . to foster an environment, through education, research and advocacy, in which all residents of Oxford will have an opportunity to own or rent a home.”

II. NEED

The March 2006 League of Women Voters of Oxford Housing Study concluded that there is a serious lack of affordable housing in the City of Oxford. Their complete report is attached as Appendix A.

III. PURPOSE

The purpose of the Oxford Housing Trust Fund (hereinafter referred to as the HTF) is to assist in the creation and preservation of housing in the City of Oxford for the benefit of low- and moderate-income households.

Such housing is decent, safe, sanitary and appropriate housing that low- and moderate-income households can own or rent without having to devote more than approximately 30 percent of their gross income for monthly housing expenses.

Housing development activities for this purpose include new construction of sale or rental housing, rehabilitation of existing housing for sale or rent, new construction or rehabilitation of mixed-use buildings, acquisition of property, and adaptive reuse. Housing may be either single-family or multi-family. Eligible applicants include individuals, developers (for-profit and not-for-profit), owners or operators of housing developments, and units of government.

IV. DEFINITIONS

“Area median income” (AMI) is established for metropolitan areas or non-metropolitan counties by the U. S. Department of Housing and Urban Development (HUD) to establish local income classification levels. These classifications are also used in Butler County with respect to median income eligibility limits.

“Mile Square” is bounded and described as follows: Beginning at the intersection of Chestnut Street and Patterson Avenue; thence northwardly with the centerline of Patterson Avenue to a point, which was the 1976 North Corporate line; thence with the 1976 North Corporate line to a point in the centerline of Brown Road; thence southwardly with the centerline of Brown Road to a point in the centerline of Sycamore Street; thence westwardly with the centerline of Sycamore Street to a point in the centerline of Locust Street; thence with the centerline of Locust Street southwardly to a point in the intersection of the centerline of Chestnut Street and Locust Street; thence with the centerline of Chestnut street eastwardly to the place of beginning.”

V. ADMINISTRATION/MANAGEMENT

The Housing Advisory Commission (HAC) of the City of Oxford will administer the HTF program. The Director of Community Development or the City Manager's designee will be the staff person who will support the management and administration of the HTF program.

HAC will review HTF funding requests based on the criteria and guidelines and make recommendations to Council for final determination.

The Oxford Community Foundation (OCF) will assist the HAC in managing the fund in the OCF account. OCF has agreed to partner with the HAC by providing opportunities for donors to contribute to this affordable housing initiative.

Additionally, it is critical for the HAC to partner with OCF and utilize OCF 501(C) (3) not-for-profit status to actively pursue funding opportunities available from Federal, state and other foundations.

VI. ELIGIBILITY FOR FUNDING

Funds awarded to eligible applicants will be in the form of a loan, grant or loan/grant combination. The City expects its funding to be leveraged with other resources that may include county, state, and Federal programs, and loans from commercial lending institutions.

Types of projects in which the HTF shall invest include:

- A. Creation of new affordable units
- B. Conversion of market rate rental units to affordable housing units
- C. Preservation of existing housing in the Mile Square for homeownership

Proposed developments must meet the minimum criteria as set forth below to be considered for funding.

A. Creation of new affordable units

Affordability. To be considered affordable and eligible for assistance from the HTF, at least 75% of the proposed units must be affordable for households whose incomes do not exceed 100% AMI, adjusted for household size.

1. In a rental development, at least 80% of the minimum affordable units required must be affordable for households whose incomes do not exceed 80% of the Butler County AMI. Of the total required affordable units, at least 25% (but in no event less than one unit) must be affordable to households whose incomes do not exceed 50% of the Butler County AMI.

- For example, in a proposed 30-unit development project, the breakdown of affordable housing units for various AMI thresholds is as follows:
- Up to 100% of AMI - 22 units
- Up to 80% of AMI - 18 units
- Up to 50% of AMI - 6 units

2. In a for-sale development, at least 80% of the minimum affordable units required must be affordable for households whose incomes do not exceed 80% of the Butler County AMI. Of the total required affordable units, at least 25% (but in no event less than one unit) must be

affordable to households whose incomes do not exceed 50% of the Butler County AMI. (See example illustrated above)

The following table shows FY 2007 Income Limits for the Butler County AMI levels by household size, and as updated by HUD on an annual basis.

FY 2007 Income Limit Chart

		Cincinnati-Middletown, OH-KY-IN HUD Metro FRM Area							
	FY 2007 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Average Median Income (AMI) \$63,600 for a family of 4	Extremely Low (30%) Income Limits	\$13,600	\$15,500	\$17,450	\$19,400	\$20,950	\$22,500	\$24,050	\$25,600
	Very Low (50%) Income Limits	\$22,600	\$25,850	\$29,050	\$32,300	\$34,900	\$37,450	\$40,500	\$42,650
	Low (80%) Income limits	\$36,200	\$41,350	\$46,550	\$51,700	\$55,850	\$59,950	\$64,100	\$68,250

Source: U.S. Department of Housing and Urban Development

B. Conversion of Market Rate Rental Units to Affordable Housing Units

Affordability. To be considered affordable and eligible for assistance from the HTF, at least 50% of the proposed units must be affordable for households whose incomes do not exceed 100% AMI, adjusted for household size.

1. In a rental development, at least 80% of the minimum affordable units required must be affordable for households whose incomes do not exceed (80%) of the Butler County AMI. Of the total required affordable units, at least 25% (but in no event less than one unit) must be affordable for households whose incomes do not exceed 50% of the Butler County AMI.

- For example, in a proposed 30-unit development project, the breakdown of affordable housing units based on the AMI threshold is as follows:

- Up to 100 % AMI - 15 units
- Up to 80% AMI - 12 units
- UP to 50% AMI - 4 units

2. In a for-sale development, at least 80% of the minimum affordable units required must be affordable for households whose incomes do not exceed 80% of the Butler County AMI. Of the total required affordable units, at least 25 % (but in no event less than one unit) must be affordable for households whose incomes do not exceed 50% of the Butler County AMI. (See example illustrated above)

Please refer to the FY 2007 Income Limit Chart, and as updated by HUD on an annual basis.

C. Preservation of existing housing in the Mile Square for Homeownership

Increasing homeownership in the Mile Square is one of the stated objectives in the Oxford Comprehensive Plan. The proximity of the Mile Square to the Miami University campus has made student rental properties an economically attractive housing product in this area. The quality of life of a community depends upon and is enhanced by a balance between homeownership and rental property in the housing segment. The more homeownership that exists in a neighborhood, the more likely it is to be well kept and maintained.

A one-time grant can be awarded per property in the Mile Square to encourage new homeownership. The grant can either be used toward reducing the purchase price or toward home rehabilitation purposes. The priority of awarding the grant shall be focused on several target locations to make a significant impact. A map of these locations is attached. Other locations may be considered if an applicant can demonstrate a need to HAC for the grant.

VII. PERIOD OF AFFORDABILITY

As a condition of any funding award, the HTF will impose restrictions on the use, rental and/or resale of units assisted by the HTF to ensure the required period of affordability. Units assisted by the HTF must be maintained as affordable units for a minimum of 5 years. The affordability period for any subsidized project will be based on the amount of subsidy provided through the HTF.

For new construction and conversion projects, the affordability period will be:

Amount of subsidy	Less than \$ 50,000	\$ 50,001 to \$ 100,000	\$ 100,001 to \$ 300,000	\$ 300,001 to \$ 500,000	Over \$ 500,001
Affordability Period	5 yrs.	10 yrs.	15 yrs.	20 yrs.	25 yrs.

For homeownership in the Mile Square program, a deed restriction will be recorded with the real estate to prevent the real estate from being used as rental property or transferring to other individuals without written consent from the HAC.

VIII. PRIORITY

Priority will be given in no particular order as follows:

1. Proposals to develop rental housing
2. Proposals to develop housing (rental or ownership) that benefit families with children
3. Proposals that exceed the minimum affordability requirements by targeting more households at lower income levels
4. Proposals to purchase properties in the Mile Square for homeownership

IX. CRITERIA

All the following criteria, where applicable, will be used to evaluate proposed housing developments submitted to the HTF:

1. The number of affordable units to be provided
2. Proposal provides a range of affordability within the permissible income ceilings

3. Proposal provides justification for requested financial assistance
4. Total project cost; cash flow statements document the economic feasibility of the project
5. The relative amount of HTF dollars per affordable unit
6. The proposal leverages funding from other funding sources
7. The applicant and/or applicant team has the experience and administrative capacity to successfully implement the proposal
8. The applicant and/or applicant team has experience in providing affordable housing
9. The applicant demonstrates the ability to fiscally manage and monitor the requested funds
10. In the case of homeownership proposals, the proposal provides support services such as pre-purchase counseling for applicants for affordable units
11. The proposal does not result in permanent displacement of low- or moderate-income residents from the community
12. The proposal provides affordable housing opportunities for persons with physical, mental, or emotional disabilities
13. The time frame for development, construction, and completion clearly identifies milestones and is realistic
14. Project will be completed within 18 months of the execution of a grant agreement
15. Project is designed and constructed to be energy efficient
16. The subsidy per unit shall not exceed the following limits.

New Construction:	\$ 15,000
Conversion:	\$ 25,000

X. REQUIREMENTS FOR SUBMITTAL

To be considered for funding, applicants must submit a completed application. The application requires the following information and supporting documentation, as applicable:

All applicants must provide:

1. A copy of the latest audit/financial statements, or, if there is no audited financial statement, a signed and certified copy of an accountant's compilation reports. If no entity has been created, owner must provide a personal financial statement (one copy for confidential internal review)
2. At least two bank references and two trade references from contractors or other housing-related businesses or entities with whom applicant has done business
3. A certificate of good standing from the Ohio Secretary of State
4. Detailed information about the proposed project, site and building information, project financing, the applicant and development team, and a project timetable, as requested in the application available from the City of Oxford

A. Not-for-profit applicants must also provide:

1. Internal Revenue Service documentation of tax-exempt status
2. Articles of Incorporation certified by the Ohio Secretary of State indicating that one of the purposes of the organization is fostering low-income or low- and moderate-income housing and By-Laws

B. Private for-profit applicants must also provide:

1. Nature of ownership entity: partnership, with evidence of current ownership percentages of partners; sole proprietorship; corporation
2. If a corporation, Articles of Incorporation and By-Laws

3. If a partnership, Partnership Agreement and, if applicable, Certificate of Limited Partnership

XI. REQUIREMENTS FOR FUNDING

Successful applicants will be required to enter into a regulatory agreement with the City of Oxford requiring, among other things, the recording of appropriate covenants or deed restrictions that run with the property to ensure compliance with HTF program requirements. Conditions on funding awards will require, among other things, that:

1. The affordable units must be provided pursuant to local and state regulations.
2. The affordable units must be provided to income-qualified buyers as approved, in accordance with approved marketing and resident selection plans
3. The affordable units must be maintained as affordable for the required period of affordability, in accordance with an approved mechanism for maintaining such affordability
4. The HTF funds must be used for the approved purpose
5. The applicant must provide evidence of ownership or site control
6. The applicant must provide a copy of an audited financial statement current within the last 12 months or other acceptable evidence of financial position
7. The applicant must comply with applicable laws and regulations, including restrictions and contract requirements imposed by other funding sources; all applicable local, state, and Federal housing and building codes, as well as any more restrictive standards identified in the application; and fair housing and equal opportunity laws
8. The applicant must provide a quarterly report to ensure compliance with the conditions relating to affordability
9. The applicant must comply with any other conditions the City of Oxford may require
10. Housing units for low- and moderate-income households shall not be inferior to other units in the development

XII. PAYMENT REQUEST

Payment requests must be submitted within 18 months of execution of a grant agreement. Any funds not requested by that date may be unavailable for that specific project and may be made available for other affordable housing activities. Any request for an extension is subject to review and approval by the Housing Advisory Commission.

XIII. FUNDING CONDITIONS

The Housing Advisory Commission reserves the right to request additional information from applicants, reject submittals, or waive any irregularities in the submittal requirements. The HAC reserves the right to deny requests for funding submitted to the Housing Trust Fund. By submitting a proposal, applicants acknowledge and agree to the terms and conditions of the Housing Trust Fund and the accuracy of the information they submit in response.