

ARTICLE III. - AFFORDABLE HOUSING TRUST FUND

DIVISION 1. - IN GENERAL

Sec. 16-51. - Created.

There shall be created a fund identified as the Affordable Housing Trust Fund. The fund shall be funded through annual appropriations made by the City Council and such other sources of revenue as the Council may appropriate thereto from time to time. The purpose of the fund shall be to aid in meeting the needs of low and moderate income households in the City by providing loans and grants to for-profit and nonprofit housing developers and organizations for the acquisition, capital and other related costs necessary for the creation of affordable rental and owner-occupied housing in the City.

(Code 2004, § 58-101; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2012-155-128, § 2, 7-23-2012)

Sec. 16-52. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Affordable housing means housing that a household can afford without paying more than 30 percent of income for rent or 35 percent of income for mortgage payments.

Affordable Housing Trust Fund means a community revitalization fund created by Section 16-51 pursuant to authority granted by Code of Virginia, § 15.2-958.5.

Area median income means the median income determined annually for the Richmond-Petersburg Metropolitan Statistical Area by the United States Department of Housing and Urban Development.

Construction-related activities means any of the following:

- (1) Predevelopment activities, including, but not limited to, architectural services, engineering services, attorneys' fees, appraisals and title reports.
- (2) On-site construction activities involving the building, altering, repairing, improving or demolishing of any structure or building on real property.

Fund means the Affordable Housing Trust Fund created by Section 16-51.

Housing-related support services means any of the following:

- (1) Homeownership counseling services, including, but not limited to, money management counseling, credit counseling, voucher holder training, pre-ownership training and post-ownership training.
- (2) Down payment assistance.
- (3) Landlord training for landlords that rent to low and moderate income households.
- (4) Mortgage default assistance and counseling.

Low and moderate income means gross household income adjusted for family size that is at or below 80 percent of area median income.

Recipient means a legal entity who receives one or more grants or loans from the fund under the provisions of this article.

(Code 2004, § 58-102; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2012-155-128, § 2, 7-23-2012)

Cross reference— Definitions generally, § 1-2.

Sec. 16-53. - Purpose.

The purpose of all expenditures from the fund shall be to accomplish the following goals:

- (1) Promote the development of mixed-income neighborhoods in the City.
- (2) Provide funding for the rehabilitation of vacant buildings for residential purposes or the rehabilitation of residential properties in communities with high foreclosure rates or blighted properties, including owner-occupied blighted properties.
- (3) Support the productive reuse of properties declared surplus by the City for residential purposes.
- (4) Implement universal design principles and accessibility for disabled persons.
- (5) Provide for the Chief Administrative Officer or the designee thereof to administer the fund and the programs for which the fund pays.
- (6) Leverage funds from other sources to accomplish all of the purposes set forth in this section.

(Code 2004, § 58-103; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2009-220-2010-8, § 2, 1-25-2010; Ord. No. 2012-155-128, § 2, 7-23-2012)

Secs. 16-54—16-79. - Reserved.

DIVISION 2. - AFFORDABLE HOUSING TRUST FUND OVERSIGHT BOARD

Sec. 16-80. - Created.

There is hereby created a board of the City of Richmond with indefinite duration to be known as the Affordable Housing Trust Fund Oversight Board, for the purpose of overseeing the administration of the Affordable Housing Trust Fund established by Section 16-51 and the programs for which the fund provides. For purposes of Section 2-761, the Board shall be classified as supervisory.

(Code 2004, § 58-111; Ord. No. 2014-167-160, § 1, 10-13-2014)

Sec. 16-81. - Composition; appointment; terms of office.

- (a) *Composition.* The Board shall consist of ten members, each of whom shall either reside in the City of Richmond or have a principal place of employment within the City of Richmond. One member shall be selected from each of the following categories:
- (1) A representative from Richmonders Involved to Strengthen our Communities.
 - (2) A resident of the City of Richmond or a representative of a service provider assisting low-income individuals or families.
 - (3) A representative from the Richmond Association of Realtors.
 - (4) A representative from an organization dedicated to promoting affordable housing.
 - (5) A lender from a financial institution with affordable housing financing experience.
 - (6) A builder or developer with experience constructing housing projects.
 - (7) A representative of the Richmond Redevelopment Housing Authority.
 - (8) An attorney specializing in housing matters.

- (9) A housing counselor.
- (10) A member of the City Council, who shall be a non-voting member of the Board.
- (b) *Appointment* . Of the ten members, the City Council shall appoint six members, including the members designated in Subsections (a)(1) through (4), (9) and (10) of this section, and the Mayor, by a writing submitted to the City Clerk, shall appoint four members, including the members designated in Subsections (a)(5) through (8) of this section. All appointments shall otherwise be governed by Sections 2-755 and 2-756.
- (c) *Terms of office*. Each member shall be appointed for a term of three years, except for the initial members, of whom one member appointed by the City Council and one member appointed by the Mayor shall be appointed to one-year terms, two members appointed by the City Council and one member appointed by the Mayor shall be appointed to two-year terms, and two members appointed by the City Council and two members appointed by the Mayor shall be appointed to three-year terms, to facilitate the staggering of member terms. The member of the City Council shall be appointed by resolution of the City Council in the same manner as appointments to standing committees of the City Council and shall be made for a term that shall expire as provided in such resolution. Any member may be appointed to a third term after one year from the date of the last day of such member's second full term.

(Code 2004, § 58-112; Ord. No. 2014-167-160, § 1, 10-13-2014)

Sec. 16-82. - Prohibition on award of grants or loans where Board members involved.

No grants or loans from the Affordable Housing Trust Fund shall be awarded to persons serving on the Board or to other legal entities of which such person is a member or in which such a person has a personal interest as the State and Local Government Conflict of Interests Act defines that term.

(Code 2004, § 58-113; Ord. No. 2014-167-160, § 1, 10-13-2014)

Sec. 16-83. - Duties.

The Board shall perform the following duties:

- (1) Review proposed amendments to the regulations, operational policies and procedures provided for in Section 16-114, and submit to the City Council and the Mayor a report containing the Board's advice and recommendations concerning the appropriateness of the amendments to such regulations, operational policies and procedures with respect to the following:
 - a. The ways in which the City may ensure the sustainability and proper use of the fund over time and any conditions under which the Council should establish an Oversight Board or Board of Trustees to oversee the fund.
 - b. Potential dedicated revenue sources for the fund.
 - c. The ratio of grants to loans to be disbursed from the fund.
 - d. In accordance with the advice of the City Attorney or the designee thereof, the ways in which the City may lawfully encourage recipients of disbursements from the fund to employ individuals of low and moderate income households in the projects for which funds are expended in accordance with the purposes of the fund.
 - e. In accordance with the advice of the City Attorney or the designee thereof, the ways in which the City may lawfully encourage minority business enterprises, as defined in Chapter 21, to participate in the City's efforts to accomplish the purposes set forth in Section 16-51.
 - f. Any other factors or considerations, as the Board may identify, affecting the City's ability to achieve the purposes of the fund.

- (2) Review and approve annual program allocations within the Affordable Housing Trust Fund as proposed by departments of the City and receive staff recommendations for projects to be funded by the Affordable Housing Trust Fund.

(Code 2004, § 58-114; Ord. No. 2014-167-160, § 1, 10-13-2014)

Sec. 16-84. - Conduct of affairs.

- (a) *Quorum.* Six members of the Board shall constitute a quorum.
- (b) *Officers.* The member of the City Council appointed to the Board shall serve as Chairperson of the Board and shall ensure that the City Council is regularly informed about Board activities, that the Board meets regularly in accordance with this division and that the duties of the Board are performed. The Board may select from among its membership such other officers as the Board deems necessary to discharge its duties.
- (c) *Meetings.* The Board shall meet at least quarterly and as often as it deems necessary in order to perform the duties provided for in this division.
- (d) *Reporting.* On an annual basis, the Board shall deliver to the City Council and the Mayor a brief summary of the Board's activities for the preceding year.
- (e) *Freedom of Information .* Board meetings and records shall be subject to the provisions of the Virginia Freedom of Information Act (Code of Virginia, § 2.2-3700 et seq.).
- (f) *Procedures.* The Board may adopt bylaws or rules of procedure not inconsistent with this division to govern the conduct of its meetings and operations.
- (g) *Staff and resources.* The Council Chief of Staff and the Department of Housing and Community Development shall provide such staff and resources as may be necessary to assist the Board in the duties imposed by this division.

(Code 2004, § 58-115; Ord. No. 2014-167-160, § 1, 10-13-2014; Ord. No. 2018-078, § 1, 5-14-2018)

Secs. 16-85—16-111. - Reserved.

DIVISION 3. - PROGRAM ADMINISTRATION

Sec. 16-112. - Eligibility criteria.

An application for a loan or grant from the fund must show a direct relationship to one or more of the following:

- (1) The provision of housing to low and moderate income households.
- (2) Construction-related activities for construction producing units for sale or rent to low and moderate income households.
- (3) Housing-related support services provided to low and moderate income households.
- (4) Compliance with all applicable laws.
- (5) The applicant's ability to leverage funds from other sources.

(Code 2004, § 58-121; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2012-155-128, § 2, 7-23-2012)

Sec. 16-113. - Administration—Generally.

The Chief Administrative Officer or the designee thereof shall administer the fund and, in accordance with all applicable laws and regulations, may contract with a service provider for a cost that shall remain within a standard percentage, as the Chief Administrative Officer or the designee thereof shall determine, of the balance of the fund. The Chief Administrative Officer or the designee thereof shall evaluate loan and grant applications in accordance with the provisions of this article. In addition, the Chief Administrative Officer or the designee thereof shall evaluate each application for grants or loans from the fund based upon the eligibility criteria set forth in Section 16-112 and the purposes of the fund set forth in Section 16-53 and make semiannual reports to the City Council and the Mayor concerning the results of each grant or loan evaluation.

(Code 2004, § 58-122; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2009-220-2010-8, § 2, 1-25-2010; Ord. No. 2012-155-128, § 2, 7-23-2012)

Sec. 16-114. - Same—Regulations.

The Chief Administrative Officer or the designee thereof shall prepare regulations, operational policies and procedures suitable to the Mayor and approved by the City Attorney or the designee thereof as to form and legality to implement the programs for which the fund pays and shall submit such regulations, operational policies and procedures to the Affordable Housing Trust Fund Advisory Board established by Ordinance No. 2012-155-128, adopted July 23, 2012, for advice. After the Board has provided the Council and the Mayor with advice concerning such regulations, operational policies and procedures, the Mayor shall propose a resolution for the consideration of the Council to approve the regulations, operational policies and procedures to implement the programs for which the fund pays. These regulations, operational policies and procedures shall become effective upon the adoption of such resolution. The Chief Administrative Officer or the designee thereof may amend such regulations, operational policies and procedures from time to time, as the Chief Administrative Officer or the designee thereof may deem necessary. The regulations, operational policies and procedures, and any amendments thereto, established pursuant to this section shall be subject to the review and approval of the City Attorney or the designee thereof as to form and legality and provide, at a minimum, the following:

- (1) Grants and loans from the fund shall be awarded based on a fixed application process designed to determine qualification under the eligibility criteria set forth in section 16-112.
- (2) Recipients shall meet minimum qualifications determined by the Chief Administrative Officer or the designee thereof.
- (3) Development, sales, rental, maintenance and management agreements, whenever applicable, shall accompany grants or loans made from the fund for each project involving construction or rehabilitation of affordable housing to ensure compliance with the program requirements applicable to the fund.
- (4) The Chief Administrative Officer or the designee thereof shall regularly monitor recipients to ensure compliance with the program requirements applicable to the fund.
- (5) Penalties as defined by the Chief Administrative Officer or the designee thereof in accordance with this article shall apply when the city finds that recipients are not in compliance with the program requirements.
- (6) The Chief Administrative Officer or the designee thereof shall ensure that at least 30 percent of the fund is used only for the construction or rehabilitation of housing, or housing-related support services, for households with a gross household income, adjusted for family size, that is no greater than 30 percent of area median income.
- (7) The ways in which the City may ensure the sustainability and proper use of the fund over time and any conditions under which the Council should establish an Oversight Board or Board of Trustees to administer the fund.

- (8) The ratio of grants to loans to be disbursed from the fund.
- (9) In accordance with the advice of the City Attorney or the designee thereof, the ways in which the City may lawfully encourage recipients of disbursements from the fund to employ individuals of low and moderate income households in the projects for which funds are expended in accordance with the purposes of the fund.
- (10) In accordance with the advice of the City Attorney or the designee thereof, the ways in which the City may lawfully encourage minority business enterprises, as defined in Chapter 21, to participate in the City's efforts to accomplish the purposes set forth in section 16-51.

(Code 2004, § 58-123; Ord. No. 2008-114-98, § 1, 5-27-2008; Ord. No. 2009-220-2010-8, § 2, 1-25-2010; Ord. No. 2012-155-128, § 2, 7-23-2012; Ord. No. 2016-255, § 1, 11-14-2016)