

- ~~(h)~~ "Housing Cooperative" means a corporation that exists to provide housing to its owners, who are the individuals who live in the cooperative.
- ~~(i)~~ "Limited Equity Cooperative" means a limited equity Housing Cooperative that limits the return allowed when its shares are sold.
- ~~(j)~~ "Recipient" means any for-profit or non-profit housing developer that receives funds in the form of a loan or a grant from the Trust Fund Account. A Recipient may be an individual, partnership, joint venture, limited liability company or partnership, association or corporation.
- ~~(k)~~ "Tax Incremental Financing Equity Participation Payment" means an equity payment received by the City from a developer pursuant to a TIF Development Agreement in which the tax incremental district has been dissolved.
- ~~(l)~~ "Trust Fund" means the Madison Affordable Housing Trust Fund.
- ~~(m)~~ "Very Low Income" means gross household income adjusted for family size that is at or below fifty percent (50%) of Area Median Income.

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(3) Trust Fund Account: Sources of Trust Fund Moneys.

- ~~(a)~~ There is also hereby established a Madison Affordable Housing Trust Fund Account, to be maintained by the City Comptroller. All funds received by the City on behalf of the Trust Fund shall be deposited in the Trust Fund Account. Principal and interest from loan repayments, and all other income from Trust Fund activities, shall be deposited in the Trust Fund Account. All funds in the Trust Fund Account shall earn interest at least at the same rate as pooled investments managed by the City Treasurer. All interest earnings from the Trust Fund Account shall be reinvested and dedicated to the Trust Fund Account.
- ~~(b)~~ The Trust Fund shall consist of funds derived from the following:
 1. Private cash contributions designated for the Trust Fund;
 2. Payments in lieu of participation in current or future affordable housing programs;
 3. Matching funds from a federal affordable housing trust fund;
 4. Principal and interest from Trust Fund loan repayments and all other income from Trust Fund activities;
- ~~(c)~~ The Trust balance of the Inclusionary Zoning Special Revenue Fund may consist of funds derived
- 6. Any other appropriations as determined from, but not limited time, to the following, subject to appropriation time by legislative action of the Common Council, upon notification from the Comptroller that funds are available:
 1. including, but not limited to, (i) Residual Contingent Reserve funds;
 2. (ii) Amounts from the Operating Budget equivalent to City fees collected from dedicated uses related to housing, such as reinspection fees; (iii) Tax Incremental Financing Equity Participation Payments; and (iv) Proceeds from the sale or use of surplus City land;
 3. Tax Incremental Financing Equity Participation Payments;
 4. Proceeds from the sale or use of surplus City land;
 5. Any other appropriations as determined from time to time by legislative action of the Common Council.

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~~(4) Trust Fund Distributions.~~

- ~~(a) The Trust Fund is to function as an endowment fund to fund loans and grants in accordance with this Section. The Trust Fund program shall be administered by the Grants Supervisor. No disbursements may be made from the Trust Fund Account without the prior recommendation of the Committee and authorization by the Common Council. Unless authorized by a vote of the Common Council, for any year that the Trust Fund Account balance is less than \$10 million, the total disbursements from the Trust Fund Account shall be limited to twenty five percent (25%) of all revenue sources deposited into the Trust Fund Account in the previous fiscal year, except loan repayments. For any year that the Trust Fund Account is greater than \$10 million, the total disbursements from the Trust Fund Account shall be limited to:~~
- ~~1. The total interest accrued on the Trust Fund Account from the previous fiscal year, plus~~
 - ~~2. Any unexpended amount from the allowable disbursements from the previous fiscal year.~~
- ~~(b) Disbursements from the Trust Fund Account shall be made as loans or grants to assist Recipients in the creation of Assisted Units. Recipients may use the funds to pay for: capital costs, including but not limited to the actual costs of rehabilitating or constructing Assisted Units; preserving affordable units; demolishing or converting existing non-residential buildings to create new Assisted Units; real property acquisition costs; and professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation of Assisted Units.~~
- ~~(c) Trust Fund moneys may not be used for operating expenses of any program, or supporting services such as childcare or any other social program.~~
- ~~(d) At least 60% of the funds eligible for disbursement annually shall be used to create Assisted Units for Very Low Income households.~~
- ~~(e) Rental Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below fifty percent (50%) of Area Median Income.~~
- ~~(f) Owner-occupied Assisted Units shall be available only to households who are Low Income or Very Low Income.~~
- ~~(g) The Committee shall periodically review the terms of assistance, and structure these terms to encourage the longest period of affordability possible.~~
- ~~(h) Loans or grants from the Trust Fund shall be used to develop Assisted Units within a project. The Trust Fund may assist up to one hundred percent (100%) of the units within a building or development of one (1) to nine (9) total units, up to fifty percent (50%) of the units within a building or development of ten (10) to fifteen (15) units, and up to~~

- ~~twenty five percent (25%) of the units within a building or development of sixteen (16) or more units.~~
- ~~(i) Assisted Units shall be distributed throughout the building or development so as to avoid a disproportionate concentration in any one area.~~
 - ~~(j) The Committee shall give preference to projects not located in any Tax Incremental District whose project expenditure period has not expired.~~
 - ~~(k) Notwithstanding the stated purpose in subsection (1) herein to create the Fund as a continually renewable source of revenue, the Committee may, in its discretion, recommend that disbursements from the Trust Fund Account may be made as grants at any time that the Trust Fund Account balance exceeds \$10 million.~~
 - ~~(l) At least fifty percent (50%) of funds available in any calendar year shall be reserved for commitments to nonprofit corporations until October 1st, after which these reserved funds may be disbursed to any Recipient or carried over to the following year. Exceptions to this provision may be approved by the Common Council.~~

~~(5) Commission's **Committee's Powers and Responsibilities Duties.**~~

~~(a) The Committee shall have the following powers and duties as regards the Trust Fund:~~

- ~~1. Recommend policies, goals and objectives for the Trust Fund program to the Mayor and the Common Council;~~
 - ~~2. Review project funding requests and recommend to the Mayor and the Common Council all disbursements from the Trust Fund;~~
 - ~~3. Investigate and recommend to the Mayor and Common Council additional sources of money for deposit to the Trust Fund Account; and~~
 - ~~4. Publish and distribute requests for proposals and notices of funding availability.~~
- ~~(b) All projects considered for funding will be reviewed prior to Committee action by the CDBG staff, and the Grants Supervisor/Director shall submit to the Committee comments and recommendations.~~
 - ~~(c) The Committee shall within ninety (90) days following the close of each fiscal year prepare and submit an annual report to the Common Council on the activities undertaken with funds from the Trust Fund. The report shall specify the number and types of units assisted, the amount loaned per Assisted Unit, the amount of state, federal and private funds leveraged, the geographic distribution of Assisted Units and a summary of statistical data relative to the incomes of assisted households, including their monthly rent or mortgage payments, and the sales prices of owner-occupied Assisted Units.~~

~~(6) Term~~

~~(5) **Evaluation of Affordability Applications.**~~

~~(a) The minimum term of affordability In evaluating requests for any Assisted Unit shall be thirty (30) years. The disbursements from the Trust Fund, the Committee and the Council shall give preference to those projects-developments:~~

- ~~(a) that leverage other public and private sources of funds;~~
- ~~(b) that seek loans from the Trust Fund, rather than grants, which will allow the Trust Fund to grow over time;~~
- ~~(c) that will tie up funds from the Trust Fund for shorter periods of time, rather than longer, which will allow the Trust Fund to be used to support a greater number of projects throughout the City;~~

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~~(d) that are targeted to a mixture of household incomes, where Assisted Units are distributed throughout the building or development so as to avoid a disproportionate concentration in any one area;~~

~~(e) that ensure that the Assisted Units remain Affordable for the ~~longer~~longest period possible;~~

~~(b) Assisted Units shall be deed restricted to ensure long term affordability.~~

~~(c) In those cases where an Assisted Unit is sold or transferred, or where an Assisted Unit is no longer Affordable, the initial Recipient of assistance from the Trust Fund shall be obligated to repay to the City the original loan amount, plus a pro-rated percentage of the appreciated value of the Assisted Unit as determined by the Commission. If an Assisted Unit has remained Affordable for more than fifty (50) years, the Committee may waive the obligation of the Recipient to pay the pro-rated appreciated value.~~

~~(7) Building Standards:~~

~~The Committee shall encourage a set of building standards or initial improvements (f) that lead to lower, long-term utility costs for occupants of Assisted Units. The specific set of these standards and improvements shall include the following:~~

~~(a) Compliance with such health and safety (g) that meet the highest accessibility standards such as direct vent hot water units when individual hot water heating units are provided within the Assisted Unit;~~

~~(b) Protection from radon gas;~~

~~(c) A passive solar slab ventilation system when sub-grade areas are exposed during construction or rehabilitation; and~~

~~(d) Within the Assisted Unit, features that help achieve a performance standard of energy conservation equal to 115% of the performance required by state building codes.~~

~~(8) Accessibility:~~

~~The Committee shall establish a program wide goal of helping to create at least one (1) accessible unit out of every five (5) it assists. An accessible unit shall have accessible features, as defined by the applicable sections of Wis. Admin. Code chs. Comm 61-65, and include one curb less shower and a step free entry into the Assisted Unit. federal, state and local requirements; and~~

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~~(9) Section 8 Participants.~~

~~(h) that are consistent with the Committee's framework and any other similar policy statements adopted by the Committee from time to time.~~

(6) Trust Fund Distributions.

The Trust Fund is to function as a trust fund to fund loans and grants in accordance with this Section, to assist Recipients in the creation, repair and preservation of Affordable Units. The Trust Fund program shall be administered by the Director. No disbursements shall be made from the Trust Fund Account without the prior recommendation of the Committee and authorization by the Common Council, subject to the following.

- (a) The total disbursements from the Trust Fund Account in any calendar year shall be limited to fifty percent (50%) of the balance of the Trust Fund Account as of the prior January 1st.
- (b) At least fifty percent (50%) of the funds eligible for disbursement annually shall be used to create, repair and preserve Affordable Units for households whose gross income, adjusted for family size, is at or below thirty percent (30%) of Area Median Income.
- (c) At least fifty percent (50%) of funds eligible for disbursement annually shall be reserved for commitments to nonprofit corporations until September 1st, after which these reserved funds may be disbursed to any Recipient.
- (d) The total disbursements from the Trust Fund Account for any one project shall be limited to twenty-five percent (25%) of the balance of the Trust Fund Account as of January 1st of the year prior to the disbursement.
- (e) Recipients may use the funds directly or through an affiliated entity to pay for:
 - 1) capital costs, including but not limited to the actual costs of rehabilitating or constructing Affordable Units;
 - 2) preserving Affordable Units;
 - 3) demolishing or converting existing non-residential buildings to create new Affordable Units;
 - 4) real property acquisition costs;
 - 5) accessibility modifications;
 - 6) modifications for health, safety and energy conservation purposes; and
 - 7) professional service costs, including but not limited to, those costs incurred for architectural, engineering, planning and legal services which are attributable to the creation, repair and preservation of Affordable Units, provided that no more than fifteen percent (15%) of the total funds allocated to the project from the Trust Fund may be used for such costs.
- (f) Trust Fund moneys may not be used for operating expenses of any program, provided, however, that up to fifty percent (50%) of the interest income earned by the Trust Fund in the prior calendar year may be disbursed in the form of grants to be used by Recipients to pay for operating expenses of programs that provide direct assistance to buyers or renters, including, but not limited to, security deposit loan programs, private mortgage insurance guarantee programs, and homebuyer down payment assistance programs.

(g) No Recipient may refuse to lease or otherwise make unavailable any rental Assisted Units solely because an applicant for housing is a direct recipient of a federal, state or local governmental housing subsidy.

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7) Term of Affordability.

To ensure long term affordability, Assisted Units shall be deed restricted for at least thirty (30) years as follows:

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(a) Owner-occupied Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below eighty percent (80%) of Area Median Income.

(b) Rental Assisted Units shall be available only to households whose gross income, adjusted for family size, is at or below sixty percent (60%) of Area Median Income."

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