

COUNCIL OF THE CITY OF SEAT PLEASANT, MARYLAND

Ordinance No.: **O-17-13**

Introduced by: City Council

Date Introduced: January 9, 2017

First Reading: January 9, 2017

Second Reading: January 17, 2017

Date Passed: January 17, 2017

Date Effective: **February 14, 2017**

AN ORDINANCE concerning

CHAPTER 115 – Seat Pleasant Housing Trust Fund and Revolving Loan Fund

FOR the purpose of enacting a new Chapter 115 of the Code of the City of Seat Pleasant, entitled “Seat Pleasant Housing Trust Fund and Revolving Loan Fund”; providing definitions and terminology associated therewith; providing for the establishment and administration of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund; providing for the creation, funding, distribution, and use of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund’s assets; providing that the title of this Ordinance shall be deemed a fair summary, and generally relating to the Seat Pleasant Housing Trust Fund and Revolving Loan Fund.

BY enacting a new Chapter 115 – Seat Pleasant Housing Trust Fund and Revolving Loan Fund Sections 115-1, 115-2, and 115-3
Code of the City of Seat Pleasant (1994 Edition, as amended)

WHEREAS, pursuant to § C-501(a) of the Charter of the City of Seat Pleasant (the “Charter”), the Council of the City of Seat Pleasant (the “City Council”) has the power to pass all such ordinances not contrary to the Constitution and laws of the State of Maryland or the Charter as it may deem necessary for the good government of the City of Seat Pleasant (the “City”); for the protection and preservation of the City’s property, rights, and privileges; for the preservation of peace and good order; and for securing persons and property from violence, danger, or destruction; and

WHEREAS, pursuant to § C-1304 of the Charter, the City shall have the power to do whatever may be necessary to protect City property and to keep all City property in good condition; and

WHEREAS, pursuant to Md. Code Ann., Local Gov’t § 5-205(a), the City may provide for the control and management of its finances; and

WHEREAS, the City Council finds that there is a critical shortage of affordable and accessible housing and mixed use development in the City; and

WHEREAS, many of the City's communities need assistance in order to begin or continue the process of neighborhood revitalization; and

WHEREAS, much of the City's housing stock is vacant and/or in need of repair; and

WHEREAS, municipal programs that assist homeowners in repairing their homes have a proven effect of reducing housing abandonment and homelessness, with programs targeting home repairs in a specific area or reinforcing other investments proving particularly effective; and

WHEREAS, additional housing development and preservation resources will support and strengthen the City's economic development goals; and

WHEREAS, more than 275 other State and local governments throughout the United States, including in the State of Maryland, have created housing trust funds or similar funding vehicles to promote affordable housing development, preservation and neighborhood revitalization; and

WHEREAS, the City Council finds that creating a Seat Pleasant Housing Trust Fund and Revolving Loan Fund is sound public policy that will provide needed resources to support affordable housing development, preservation and neighborhood revitalization and strengthen the City's economic development goals; and

WHEREAS, the City Council desires to enact a new Chapter 115 of the City Code, entitled "Seat Pleasant Housing Trust Fund and Revolving Loan Fund"; provide definitions and terminology associated therewith; provide for the establishment and administration of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund; and provide for the creation, funding, distribution, and use of the Seat Pleasant Housing Trust Fund and Revolving Loan Fund's assets.

SECTION 1. BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that a new Chapter 115, entitled "Seat Pleasant Housing Trust Fund and Revolving Loan Fund", is hereby added to the Code of the City of Seat Pleasant, as follows:

CHAPTER 115 – Seat Pleasant Housing Trust Fund and Revolving Loan Fund

§ 115-1. Definitions.

As used in this Chapter, the following terms have the meanings stated:

- A. "Affordable housing" shall mean and refer to housing, either owner-occupied or rental, for which the household spends no more than 30 percent of its gross income on housing related expenses; provided, however, that any housing program or project that receives federal or State funds and complies with regulations applicable to such funding source(s) regarding the percentage of household income to be spent on housing shall be considered "affordable housing" for purposes of this definition or as decided upon by an Oversight Board.

§ 115-2. Establishment and Administration of the Trust Fund and the Revolving Loan Fund.

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- A. The Seat Pleasant Housing Trust Fund and Revolving Loan Fund (the “Trust Fund” and “Revolving Loan Fund”) shall be created by the Director of Economic Development as a separate, segregated account in the name of “The Seat Pleasant Housing Trust Fund” and the “Revolving Loan Fund”, held by “The City of Seat Pleasant, a Maryland municipal corporation”, into which shall be deposited funds collected pursuant to § 115-3(A) of this Chapter.
- B. The Trust Fund and Revolving Loan Fund shall be administered by the Economic Development Department and managed by an Executive Director appointed by the Mayor, who shall account for the Trust Fund and the Revolving Loan Fund. An Oversight Board comprised of the City Administrator, Director of Economic Development, and City Treasurer shall have oversight and final authority over all matters relating to the Trust Fund and Revolving Loan Fund, including approval of all decisions regarding the Trust Fund monies, subject to consideration of the Executive Director’s recommendations and except as otherwise stated in this Chapter. The Revolving Loan Fund projects shall be recommended by the Executive Director and decided by the Oversight Board.
- C. The Executive Director, subject to the Oversight Board’s approval, may utilize a separate, independent entity to invest the proceeds of the Housing Trust and Revolving Loan Fund in furtherance of the purposes of this Chapter and subject to the City’s investment policies and procedures.
- D. In addition to the other duties specified herein, the Executive Director shall:
 - (1) Develop an annual plan for using the Trust Fund and the Revolving Loan Fund’s assets in furtherance of the purposes of this Chapter, which shall be approved by the Oversight Board for submission to the City Council, which may then approve the plan by resolution;
 - (2) Disburse funds from the Trust Fund and the Revolving Loan Fund in accordance with a duly-approved annual plan as specified in § 115-2(D)(1) of this Chapter; and
 - (3) Recommend to the Oversight Board qualified, independent entities for receiving and processing applications for funding on the Executive Director’s behalf, to assist with formulation of the annual plan, or to otherwise assist in the administration and management of the Housing Trust; and
 - (4) Perform such other duties as the City Council may direct by resolution.
- D. It is the intention of the City Council that the Trust Fund and the Revolving Loan Fund be a dedicated funding source used for the purpose of this Chapter and in accordance with all applicable federal, State, and local laws and regulations. Accordingly, any assets remaining in the Trust Fund at the end of any fiscal year shall be carried into the next fiscal year, including all interest and income earned, as well as any repayments or forfeitures of loans and/or grants.

§ 115-3. Creation, Distribution, and Use of the Trust Fund’s and Revolving Loan Fund’s Assets.

- A. The Trust Fund and the Revolving Loan Fund will be funded through the following sources:

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- (1) Grants and/or loans from Prince George's County, the State of Maryland, and/or the federal government; and
- (2) Repayment of funds loaned from the Trust Fund;
- (3) Interest earned by the Trust Fund and Revolving Loan Fund;
- (4) Appropriations from the City's General Fund or other City funds;
- (5) Other gifts, donations, or grants; or
- (6) Other sources of funding as the City Council may from time to time specify by ordinance.

B. Funds appropriated from the Trust Fund and the Revolving Loan Fund shall be used to fund programs and projects for the benefit of affordable housing and development within the corporate limits of the City for persons whose annual income is low to moderate income as determined by the Oversight Board that:

- (1) Increase production of affordable housing for sale or rent;
- (2) Increase the accessibility of new and existing affordable housing to citizens and residents, both existing and potential, and increase the supply of urban development;
- (3) Preserve affordable housing, including but not limited to grants or loans for basic repair, rehabilitation, or improvement of affordable housing, adaptive modification, or the targeted improvement of facades;
- (4) Sponsor programs to prevent homelessness;
- (5) Provide funds to match other local, State, or federal housing assistance programs;
- (6) Provide settlement costs, down payment, and loan assistance for qualified homeowners within the City;
- (7) Provide counseling and education as to affordable housing options for City residents; and
- (8) Pay the actual staffing and operation costs associated with the administrative costs of the Trust Fund and the Revolving Loan Fund as set forth in § 115-3(C) of this Chapter.

C. Administrative costs of the Trust Fund and Revolving Loan Fund associated with funding and administering the programs and projects specified in this Chapter may be paid from the Trust Fund's and the Revolving Loan Fund's assets or from other revenue sources as designated by the City Council as part of the City's annual budget process.

D. On an annual basis, a percentage of the Trust Fund and Revolving Loan Fund monies that are used for purposes other than to pay for administrative costs shall be used to fund programs and projects specified by this Chapter for the benefit of households with loan to moderate incomes.

E. On an annual basis, a percentage of such funds that are used for purposes other than to pay for administrative costs shall be used to fund programs and projects specified by this Chapter

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intended to increase production of affordable housing for sale or rental units.

SECTION 2. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the Recitals to this Ordinance are incorporated herein and deemed a substantive part of this Ordinance.

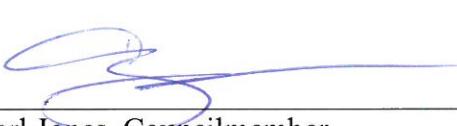
SECTION 3. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that all other ordinances or parts of ordinances or provisions of the Code of the City of Seat Pleasant (1994 Edition, as amended) in conflict with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 4. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the title of this Ordinance, or a condensed version thereof, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

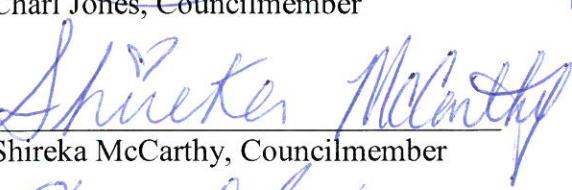
SECTION 5. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that, if any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court or competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Ordinance, it being the intent of the City Council that this Ordinance shall stand, notwithstanding the invalidity of any section, subsection, sentence, clause, phrase or portion hereof.

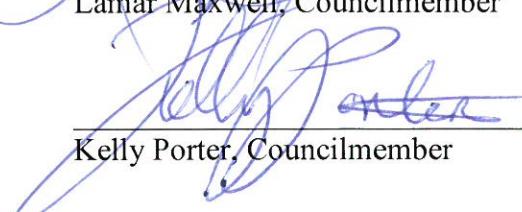
SECTION 6. AND BE IT FURTHER ORDAINED BY THE COUNCIL OF THE CITY OF SEAT PLEASANT that the City Clerk shall certify to the passage of this ordinance, and cause the same or, to the extent permitted by the Charter, a fair summary of the same, to be published as required by law, and that this Ordinance shall become effective at the expiration of twenty (20) days following approval by the Mayor or passage by the City Council over the Mayor's veto.

COUNCIL OF THE CITY OF SEAT PLEASANT

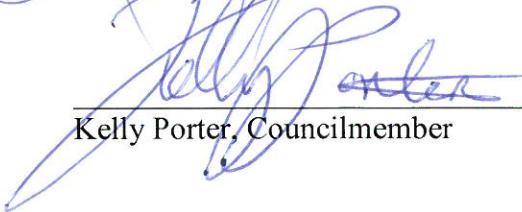

Charl Jones, Councilmember

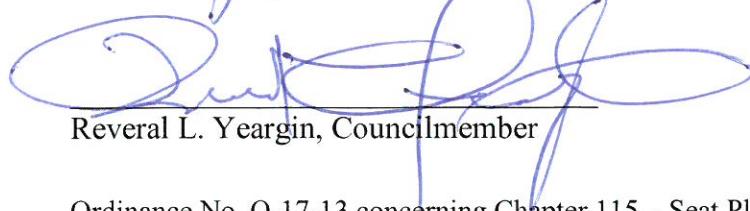

Lamar Maxwell, Councilmember


Shireka McCarthy, Councilmember


Kelly Porter, Councilmember


Gloria Sistrunk, Councilmember


Aretha A. Stephenson, Councilmember

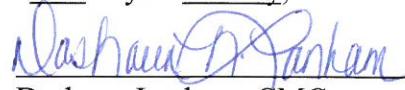

Reveral L. Yeargin, Councilmember

ATTEST:



Dashaun N. Lanham, CMC
City Clerk

This Ordinance was presented to the Mayor for his approval or disapproval pursuant to § C-313 of the Charter of the City of Seat Pleasant this 18th day of January, 2017.



Dashaun Lanham, CMC
City Clerk

In accordance with § C-313 of the Charter of the City of Seat Pleasant, I hereby **(APPROVE) (DISAPPROVE)** of this Ordinance this _____ day of _____, 2017.

Eugene W. Grant, Mayor

EXPLANATION:

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

((Double Parenthesis)) indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike Out~~ indicates matter stricken from bill by amendment or deleted from the law by amendment.