

ORDINANCE NO. _____-2023

AN ORDINANCE AMENDING ARTICLE XLV OF THE CODE OF ORDINANCES TO CREATE THE NEIGHBORHOOD INVESTMENT FUND, AND AUTHORIZING THE AFFORDABLE HOUSING GOVERNING BOARD, IN COLLABORATION WITH THE OFFICE OF AFFORDABLE HOUSING, TO MANAGE THAT FUND, AND ANY OTHER FUNDS THE COUNCIL ALLOCATES TO AFFORDABLE HOUSING.

WHEREAS, the Urban County Council desires to reduce the number of blighted, vacant properties in Fayette County;

WHEREAS, the Urban County Council believes that encouraging private entities to acquire blighted properties to rehabilitate them could increase the availability of housing in Fayette County;

WHEREAS, the Urban County Council believes that the expense of acquiring and rehabilitating blighted properties creates an obstacle for private investment;

WHEREAS, the Urban County Council desires to leverage private investment by loaning money for the purpose of acquiring and rehabilitating these blighted properties;

WHEREAS, the Urban County Council desires that the Affordable Housing Governing Board distribute funds for this purpose, in conformity with parameters the Board shall approve and adopt, to ensure that housing remains affordable.

BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 — That the above recitals are incorporated herein as if fully stated.

Section 2 — That Article XLV of the Lexington-Fayette Urban County Government Code of Ordinances is hereby amended to add a new section, 2-484, titled “Neighborhood Investment Fund,” which shall read as follows:

Section 2-484. – [Neighborhood Investment Fund]

A fund is hereby created to provide repayable loans, at 0% interest, for the purpose of leveraging private investment in the acquisition and rehabilitation of blighted structures, located in areas of Fayette County that are zoned for residential use and that have been vacant for at least one (1) year. The goal of the fund is to provide more affordable housing. The Affordable Housing Governing Board shall oversee the use of this fund in conformity with Sec. 2-479, and the Office of Affordable Housing shall provide day-to-day management of the fund in conformity with Sect. 2-480. For the purposes of determining eligibility, “blighted” shall have the same definition as that provided in Chapter 12, Article IV, Sec. 12-81.

Section 3 -- That Chapter 2, Article XLV, Sections 2-479 and 2-480 shall be amended to read as follows:

Sec. 2-479. [Duties.]

(1) The Board shall:

- (a) Establish policies and procedures for the operation and management of the Affordable Housing Fund, and any other moneys allocated to support affordable housing.
- (b) Oversee financial and administrative actions of the Affordable Housing Fund, and any other moneys allocated to support affordable housing.
- (c) Monitor and evaluate the performance of the Affordable Housing Fund, and any other moneys allocated to support affordable housing.
- (d) Establish annual funding goals and priorities for housing preservation, production, and provision utilizing Affordable Housing Funds, and any other moneys allocated to support affordable housing.
- (e) Annually review, rank, prioritize, and approve funding proposals from eligible applicants.
- (f) Review housing studies and housing needs assessments on an on-going basis, including a formal needs assessment at least once every five (5) years and establish funding priorities based on identified needs.

(2) The Board may:

- (a) Establish a Technical Assistance Advisory Group to assist the Board and staff with evaluation of funding proposal feasibility and underwriting.

Sec. 2-480. [Affordable housing fund management.]

The day-to-day management of the Affordable Housing Fund shall be entrusted by the Board to the Office of Affordable Housing. The Office of Affordable Housing shall also provide day-to-day management of any other moneys that the Urban County Council allocates for affordable housing. This allocation may include additional funds as allocated by the Council, and/or moneys received from gifts, grants or state or federal funds. The initial staffing for the Office of Affordable Housing shall consist of one (1) staff person: Affordable Housing Manager. The personnel costs required to administer the program shall be supported by the revenues of the Affordable Housing Fund. Administrative costs shall be limited to no more than ten (10) percent of the fund's revenues, with the initial year targeted at no more than five (5) percent.

The Office of Affordable Housing shall:

- 1) Serve as the point of contact for affordable housing within the Urban County Government.
- 2) Engage stakeholders in the community regarding affordable housing and affordable housing programs.
- 3) Advertise and promote affordable housing programs and funding availability.
- 4) Develop program materials and provide technical assistance to potential applicants.
- 5) Evaluate and rank all funding proposals.
- 6) Conduct research on overall affordable housing needs in Lexington Fayette Urban County.
- 7) Coordinate with the Division of Planning, the Division of Grants and Special Programs, the Office of Homelessness Intervention and Prevention, and other divisions and outside agencies on affordable housing solutions.
- 8) Submit annual reports on the activities of the Affordable Housing Fund to the Mayor, the Urban County Council, and the community.
- 9) Monitor implementation and compliance of projects and coordinates with other divisions and outside agencies as necessary for inspections, verification of rent restrictions, loan repayments, and other aspects of compliance monitoring.
- 10) Work with the Office of Homelessness Prevention and Intervention and Division of Grants and Special Programs to develop a 5-year strategic plan to address affordable housing.
- 11) Perform other duties as assigned.

DRAFT 2.3.23

Section 4 -- That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL
PUBLISHED: