

ORDINANCE NO. 109 -2020

AN ORDINANCE AMENDING SECTION 2-479 OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CODE OF ORDINANCES TO REMOVE THE REQUIREMENT THAT THE AFFORDABLE HOUSING GOVERNING BOARD MANAGE THE FINANCIAL AND ADMINISTRATIVE ACTIONS OF THE AFFORDABLE HOUSING FUND, TO REMOVE THE REQUIREMENT THAT THE BOARD PERFORM HOUSING STUDIES AND INSTEAD REQUIRE THAT THE BOARD REVIEW HOUSING STUDIES, TO REQUIRE THAT THE BOARD ESTABLISH FUNDING PRIORITIES BASED ON IDENTIFIED NEEDS, TO AUTHORIZE THE BOARD TO ESTABLISH A TECHNICAL ASSISTANCE ADVISORY GROUP TO ASSIST THE BOARD AND STAFF, AND TO REMOVE THE REQUIREMENT THAT THE BOARD SUBMIT ANNUAL REPORTS ON THE ACTIVITIES OF THE AFFORDABLE HOUSING FUND; AMENDING SECTION 2-480 OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CODE OF ORDINANCES TO REMOVE THE REQUIREMENTS THAT THE OFFICE OF AFFORDABLE HOUSING WORK IN CONJUNCTION WITH A TECHNICAL ASSISTANCE ADVISORY GROUP AND OTHER DIVISIONS WITHIN THE DEPARTMENT OF PLANNING, PRESERVATION, AND DEVELOPMENT, AND TO REQUIRE THE OFFICE OF AFFORDABLE HOUSING TO SUBMIT ANNUAL REPORTS ON THE ACTIVITIES OF THE AFFORDABLE HOUSING FUND; AMENDING SECTION 2-483 OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CODE OF ORDINANCES TO REMOVE THE REQUIREMENT THAT PROJECTS FUNDED BY THE AFFORDABLE HOUSING FUND BE NON-SUPPLANTIVE, TO CLARIFY THAT THE AFFORDABLE HOUSING FUNDS MAY BE USED FOR THE ACQUISITION, CONSTRUCTION, OR REHABILITATION OF ALL FORMS OF HOUSING, TO AUTHORIZE THE USE OF AFFORDABLE HOUSING FUNDS FOR THE REFINANCING OF EXISTING DEBT, TO CLARIFY THAT AFFORDABLE HOUSING FUNDS MAY BE USED FOR TECHNICAL ASSISTANCE DIRECTLY RELATED TO CREATING ANY FORM OF HOUSING PROJECT, TO REMOVE THE REQUIREMENT THAT APPLICANTS SUBMIT AN ANNUAL REPORT OF AFFORDABILITY TO THE AFFORDABLE HOUSING GOVERNING BOARD, AND TO CLARIFY THAT AFFORDABLE HOUSING DEVELOPMENTS ARE SUBJECT TO INSPECTION.

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Section 1 – That Section 2-479 of the Lexington-Fayette Urban County Government Code of Ordinances is hereby amended to read as follows:

**Sec. 2-479.**

(1) The Board shall:

- (a) Establish policies and procedures for the operation and management of the Affordable Housing Fund.
- (b) Oversee financial and administrative actions of the Affordable Housing Fund.
- (c) Monitor and evaluate the performance of the Affordable Housing Fund.
- (d) Establish annual funding goals and priorities for housing preservation, production, and provision utilizing Affordable Housing Funds.
- (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.

Section 2 – That Section 2-480 of the Lexington-Fayette Urban County Government Code of Ordinances is hereby amended to read as follows:

**Sec. 2-480.**

The day-to-day management of the Affordable Housing Fund shall be entrusted by the Board to the Office of Affordable Housing. 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 percent (10%) of the fund's revenues, with the initial year targeted at no more than five percent (5%).

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.

Section 3 – That Section 2-483 of the Lexington-Fayette Urban County Government Code of Ordinances is hereby amended to read as follows:

**Sec. 2-483.**

- (A) The purpose of the fund is to leverage public investment to preserve, produce, and provide safe, quality, affordable housing. “Affordable housing”, for purposes of this ordinance, means housing that requires families or individuals to pay no more than thirty percent (30%) of their gross household income for housing and housing-related costs (such as utilities).
- (B) The Board may accept applications for funding from the Fund from non-profit organizations, for-profit organizations, units of local government, or a public housing authority. Funding may be provided in the form of grants or loans.
- (C) The Fund may be used to fund the acquisition of property, site development, construction or rehabilitation of housing (including rental housing), permanent financing costs (including down payment and closing costs), construction financing costs, reduction or refinancing of existing debt, matching funds for other grants, technical assistance directly related to creating a housing project, developer fees (up to 15% of each project), administrative costs, permits, fees, taxes, and other soft costs associated with rental housing development, and/or project and tenant based rental assistance.
- (D) Projects funded by the Fund shall be allocated for projects that serve households up to a maximum of 80% of the area median income (“AMI”). The Board shall annually establish population targets based on AMI. Those targets shall reflect awareness of the need to ensure that a portion of services include those at 50% of AMI, and those at 30% of AMI.
- (E) Any projects funded by the Fund shall include deed restrictions and financial penalties to ensure that projects are maintained as affordable housing for the term set forth in the agreement with the applicant.
- (F) Any affordable housing development funded in whole or in part by the fund shall be inspected at least once per calendar year to ensure compliance with any affordable housing standards adopted by the Board, which may include, but are not limited to; building and property maintenance codes applicable in the Commonwealth of Kentucky or within Lexington-Fayette County, requirements for design-based security such as Secured by Design, and other standards as set forth by the Board or the Urban County Government.
- (G) Any projects funded by the Fund that require building permits and other action by departments and divisions within the Urban County Government shall be entitled to expedited review and a waiver of the fees associated with these actions, to the extent allowable by law.
- (H) Any unexpended balance of the Fund remaining at the close of a fiscal year shall not lapse but shall continue into the succeeding fiscal

year for future eligible activities.

- (I) All revenues recaptured from loans or unfulfilled grants shall be returned to the Fund for future use.
- (J) The Fund may accept private gifts, grants, donations, or other contributions.

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

PASSED URBAN COUNTY COUNCIL: November 19, 2020



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MAYOR

ATTEST:

  
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CLERK OF URBAN COUNTY COUNCIL

PUBLISHED: November 26, 2020-1t

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