



**NEWBERG AFFORDABLE HOUSING  
CITY HOUSING PROGRAM SUBCOMMITTEE**

**Wednesday, December 8, 2010**

**7 p.m. to 9 p.m.**

**Newberg City Hall**

**Permit Center Conference Room**

**414 E. First Street, Newberg, OR**

- I. Open meeting**
- II. Roll call**
- III. Housing Trust Fund – Review of draft Ordinance and Resolution**
- IV. Other business**
- V. Next meetings:**
  - Joint Meeting of City Housing/ Fees and Finance Committees: Wednesday, January 12, 2011 at 7:00 pm in City Hall (Permit Center Conference Room)
  - Full Committee: Wednesday, February 23, 2011 at 7:00 pm in City Hall (Permit Center Conference Room)
- VI. Adjourn**

ATTACHMENT: Draft Affordable Housing Trust Fund Ordinance and Resolution

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**ORDINANCE NO. ???**

**AN ORDINANCE AMENDING THE NEW MUNICIPAL CODE, ADDING A NEW SECTION ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND**

**RECITALS:**

1. Chapter II. Section 5 of the Newberg City Charter provides:  
  
Powers. The City has all powers that the constitutions, statutes, and common law of the United States and Oregon expressly or impliedly grant or allow the city, as fully as though this charter specifically enumerated each of those powers.
2. The above referenced grant of power has been interpreted as affording all legislative powers home rule constitutional provisions reserved to Oregon Cities. City of Beaverton v International Ass'n of Firefighters, Local 1660, Beaverton Shop 20 OR. App. 293,531 P2d 730, 734 (1975).
3. The City Council of the City of Newberg has determined that in order to protect the health, safety and welfare of existing and future residents of Newberg who are adversely impacted by the lack of housing available to all income types, specifically very low, low, and moderate income households, it is necessary to establish a fund to support the development, preservation, and rehabilitation, of needed housing types within the City.
4. The Newberg City Council recognizes that for a healthy community the provision of a range of affordable housing opportunities and funding mechanisms for affordable development is a priority for the City of Newberg; and
5. The Newberg City Council has determined that neither the private market, nor the public sector has yet provided the levels of housing affordability necessary to maintain a balanced community, local government must take an active lead to ensure an adequate supply of housing for residents and working people of all income levels.

**THE CITY OF NEWBERG ORDAINS AS FOLLOWS:**

**SECTION 1.** A new section under Title 3 Administration is hereby added to the Newberg Municipal Code to read as follows:

**Chapter 36.80 AFFORDABLE HOUSING TRUST FUND**

**36.81 PURPOSE**

(A) The purpose of the Affordable Housing Trust Fund [AHTF] is to support the creation or preservation of housing that is affordable to people with incomes that do not exceed 120% of the area median income, as defined by the Newberg Planning and Building Director, using the best available data.

(B) AHTF funds will support activities that create, preserve or acquire affordable housing within the Newberg Urban Growth Boundary. AHTF funds also may be used for permanent or transitional housing for homeless families and individuals, and for the modernization, rehabilitation and repair of public housing.

(C) The AHTF is not intended to be the sole source of funding for affordable housing and any activity or project eligible for support from the AHTF is expected to develop additional sources of funds.

(D) To achieve the purposes of the AHTF, it is the goal of the City to operate a fund that is strong and effective.

### **36.82 DEFINITIONS**

The following words and phrases whenever used in this chapter shall be construed as defined in this section unless from the context a different meaning is intended.

(A) Affordable Housing Trust Fund (AHTF) means a separate account created by the City Finance Department established by this ordinance and used exclusively for AHTF purposes as set forth in this Ordinance and implementing Resolutions of the Council.

(B) Administrative Procedures mean the procedures for administration of the AHTF established by Resolution of the City Council, including but not limited to procedures which outline application, evaluation, and all other associated procedures for administration of the AHTF.

(C) Affordable Housing means residential housing primarily for households or persons earning less than 120% the area median income where housing costs or rent do not constitute more than 30% the household income, and as more fully defined per Council Ordinance 2010-2730.

(D) Eligible uses and Activities mean those uses for the AHTF which are set forth in an implementing Resolution of the City Council, such uses including but not limited to uses and activities which facilitate the production and preservation of affordable housing within Newberg's Urban Growth Boundary.

(E) Affordable Housing Priorities mean priorities established from time to time by the City Council by Motion, Order or Resolution, to guide the allocation of funds from the AHTF.

### **36.83 ESTABLISHMENT OF AFFORDABLE HOUSING TRUST FUND/USE OF FUNDS**

(A) There is hereby established and created an Affordable Housing Trust Fund (AHTF). The Fund is a separate account established by the City of Newberg Finance Department for purposes consistent with this ordinance. The Fund will provide a discrete account for earmarked affordable housing funds and dedicated affordable housing funds.

(B) The AHTF allows for dedicated funds to be used in support of Affordable Housing Priorities through receipt of donations and dedicated revenue streams, including but not limited to donations, grants, sale of surplus City Property, or any other revenue sources approved by the Newberg City Council.

(C) Distribution of funds shall be in accordance with the policies and procedures per Resolution 2011-???

**36.84 ESTABLISHMENT OF POLICIES AND PROCEDURES**

The Administrative Procedures associated with the AHTF, including fund administration, determination of eligible applicants, eligible uses and activities, award preferences, eligibility criteria, award process, and selection criteria are initially approved by the city Council per establishment of Resolution 2011-???, and may be amended from time to time.

**SECTION 2.** Severability. The sections, subsections, paragraphs and clauses of this ordinance are severable. The invalidity of one section, subsection, paragraph or clause shall not affect the validity of the remaining sections, subsections, paragraphs and clauses.

**SECTION 3.** Codification. Provisions of this Ordinance shall be incorporated in the City Code and the word "ordinance" may be changed to "code", "article", "section", or another word, and the sections of this Ordinance may be renumbered, or re-lettered, provided however that any clauses and boilerplate provisions (i.e. Chapters 2-3) need not be codified and the City Recorder is authorized to correct any cross-references and any typographical errors.

➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: \_\_\_\_\_, 2011.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this \_\_\_\_ day of \_\_\_\_\_, 2011, by the following votes: **AYE:**      **NAY:**      **ABSENT:**      **ABSTAIN:**

\_\_\_\_\_  
Norma I. Alley, City Recorder

**ATTEST** by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 200x.

\_\_\_\_\_  
Bob Andrews, Mayor

**LEGISLATIVE HISTORY**

By and through \_\_\_\_\_ Committee at \_\_\_\_ / \_\_\_\_ /2011 meeting. Or, \_\_\_\_ None.  
*(committee name)* *(date)* *(check if applicable)*

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## RESOLUTION NO 2011-???

### A RESOLUTION ESTABLISHING POLICIES AND PROCEDURES FOR ADMINISTRATION OF THE CITY OF NEWBERG'S AFFORDABLE HOUSING TRUST FUND

#### RECITALS:

1. The City of Newberg City Council approved the establishment of the Affordable Housing Trust Fund (Ordinance \_\_\_), to keep our community diverse and healthy by facilitating the production and preservation of affordable housing throughout Newberg.
2. The policies and procedures for administration of the Affordable Housing Trust Fund establish eligible uses, eligible applicants, the method by which funds are awarded, and selection criteria.
3. The City Council understands the changing nature of the housing market and corresponding housing needs, and therefore has established the policies and procedures for administering the Newberg Housing Trust Fund (AHTF) to remain flexible to respond to changing market conditions and opportunities.

#### THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

##### SECTION 1. Purpose

- 1.1 The purpose of the City of Newberg's Affordable Housing Trust Fund (AHTF) is to establish a dedicated source of revenue to provide ongoing funding for housing projects or programs that address the housing needs of Newberg residents. To this end, the AHTF is established to address the primary purpose of encouraging the creation of housing for homeownership or rent, at the cost that will enable very low, low and moderate-income families to afford quality housing while paying no more than thirty per cent of gross household income on housing.
- 1.2 To promote the rehabilitation, preservation and production of quality, well-designed rental and ownership housing, the AHTF will award funds to community development partners that are furthering the AHTF mission. It is expected that the local contributions made through Newberg's Affordable Housing Trust Fund will assist in maximizing the leveraging of State and Federal funds, as well as encourage private sector investment in affordable housing.
- 1.3 Understanding the high cost of housing regionally, it is evident that low and moderate-income households are not being served by the housing market. To address the disparity between the cost of housing and the means of resident household to afford housing, the Affordable Housing Trust Fund aims to provide direct financial support to projects that retain or increase the supply of needed housing for households earning less than 120% the Area Median Income as defined by the Newberg Planning and Building Director, using the best available data.
- 1.4 The Administrative Procedures associated with the Affordable Housing Trust Fund, including fund administration, determination of eligible applicants, eligible uses and activities, award preferences, eligibility criteria, award process, and selection criteria are hereby established.

## **SECTION 2. Eligible Applicants**

- 2.1 The Affordable Housing Trust Fund is structured to ensure that many different types of organization are eligible to receive financing.
- 2.2 Eligible applicants include governmental subdivisions, community development corporations, local housing authorities, community action agencies, community-based or neighborhood-based non-profit housing organization, other non-profit organizations, for-profit entities and private employers.

## **SECTION 3. Eligible Uses and Activities**

- 3.1 Affordable Housing Trust Funds shall support the creation or preservation of housing that is affordable to households with incomes that do not exceed 120% of the area median income, as defined by the Newberg Planning and Building Director, using the best available data.
- 3.2 Affordable Housing Trust funds will be focused on those activities that create, preserve or acquire housing within the Newberg Urban Growth Boundary.
- 3.3 Housing developments financed by the AHTF which receive subsidy, financing, tax credits or other assistance under a State or Federal housing program, may contain market rate units insofar as permissible under those programs and/or to the extent that they are necessary to support the creation of an/or ongoing sustainability for the affordable housing units in the development. However, Affordable Housing Trust Funds may not be used to support such market rate units.
- 3.4 Affordable housing units developed utilizing subsidy from the Affordable Housing Trust Fund shall comply with the income, rent and purchase housing cost limits established by Ordinance No. 2010-2730, as amended, and as restricted by a contract prepared by the City of Newberg. The City Council reserves the right to make exceptions to the standards established by Ordinance No. 2010-2730 for proposed projects it wishes to support and deems furthers the provision of affordable housing within the community.
- 3.5 The Affordable Housing Trust Funds can be provided as either a grant or a loan depending on the project or program receiving funding. To retain a significant degree of flexibility, the eligible uses have a broad application including the following:
  - 3.5.a **Acquisition and Construction of new affordable housing.** Eligible acquisition and construction costs include reasonable costs associated with building or land purchase, including but not limited to:
    - Purchase price
    - Option costs
    - Financing fees
    - Appraisal costs
    - Closing costs
    - Interest
    - Inspection fees
    - Title insurance

- Relocation costs
  - Architectural/engineering fees
  - Permit fees
  - Construction costs
- 3.5.b. Conservation** of energy through the use of “green” technologies provided that the benefits of the energy savings is passed on in the form of reduced costs to the qualified occupants of the affordable housing.
- 3.5.c. Land Banking:** the purchase of land to be dedicated toward the development of affordable housing in the near or long-term.
- 3.5.d. Predevelopment activities** undertaken by a community development organization in support of the development of affordable housing including planning, architectural services, engineering services, landscape design, legal services, surveys, appraisals, site clearance and demolition, environmental clearance, permit application fees and system development charges.
- 3.5.e. Bridge loans** to assist in development of low-income housing (for rental or owner occupancy). Bridge loans are intended to provide funding to permit housing projects to proceed in advance of the availability of permanent project funding. Bridge loan funding is available for acquisition or construction activities.
- 3.5.f. Capacity Building** for non-profit affordable housing providers in the form of direct grant awards to fund administration of an affordable housing project or program.
- 3.5.g. Rehabilitation and Emergency Repairs** as part of an established program to secure units as affordable or to provide direct benefits to existing low-moderate income households. Eligible rehabilitation and emergency repair costs include but are not limited to:
- Architectural/engineering fees
  - Consultations
  - Construction costs
  - Relocation costs
  - Hazardous materials abatement including lead based paint noticing consistent with the Federal Lead Safe Housing Regulations HUD requirements at 24 CFR §35
- 3.5.h. Direct benefits** to low-moderate income households through an established program including down payment assistance, rental assistance, mortgage foreclosure prevention, emergency housing vouchers, homeownership training, renter education, or other programs intended to increase housing opportunities for Newberg’s low-moderate income residents.
- 3.5.i. Transitional and Emergency Housing** for homeless individuals and families through an established program to move people toward self-sufficiency.
- 3.5.j. Educational programs and services** for potential home owners and renters.
- 3.5.k. Other uses as deemed appropriate** by the Newberg City Council as supporting the development or preservation of affordable housing within the City of Newberg.

#### **SECTION 4. Preferences.**

- 4.1.** To help maintain the effectiveness and long-term viability of the AHTF, preferences will given to the provision of loans over grants. General criteria of project selection are found in Section 8 of this resolution. The following preferences are provided as general guidance for future applicants for Affordable Housing Trust Funds.

- 4.1.a. Developments that produce “new” affordable housing units. New affordable housing units shall include housing units constructed where none had existed previously, abandoned or fire-damaged residential units to be returned to residential use, and non-residential or mixed-use projects in non-residentially-zoned property. Any designated new affordable housing units shall be secured as affordable through recorded Resale Restriction Covenants.
- 4.1.b. Developments that provide new affordability. New affordability refers to existing housing where a new level of affordability is provided that does not currently exist. This could occur in rental or ownership housing where the number of affordable units is increased; where a portion of existing units will be made affordable to households at income levels substantially lower than the units previously served; or where the term of affordability on the units will be extended for a period of at least twenty-five (25) years.
- 4.1.c. Developments that improves the energy efficiency and safety of existing affordable housing stock while maintaining affordability of the units.
- 4.1.d. Developments of housing utilizing the Land Trust model to secure property and perpetual affordability.
- 4.1.e. Developments that include joint ventures between multiple non-profit developers and or for-profit developers, working in partnership, to complete an affordable housing project.
- 4.1.f. Developments that include a joint venture between service providers and non-profit affordable housing developers to create projects that contain additional benefits to low income individuals in the development of the project, or additional services for the resident upon completion.
- 4.1.g. Developments that incorporate the use of “green” building materials, use of energy-efficient appliances, low-water use landscaping, and incorporation of building design and operational factors that minimize energy use and resource consumption as well as avoid indoor health impact to achieve Earth Advantage Certification.
- 4.1.h. Developments that include affordable units for the disabled and the homeless.
- 4.1.i. Projects that propose long-term affordability.
- 4.1.j. Projects that are sponsored by non-profit organizations.
- 4.1.k. Projects that use private funding sources and State funding sources to leverage the least amount of Newberg’s Affordable Housing Trust Funds.

**SECTION 5. Fund Administration**

The Affordable Housing Trust Fund (AHTF) originated through the direction of the Newberg City Council.

- 5.1 The City of Newberg acts as fiduciary agent and administrator of the funds. The City reserves the right to contract certain tasks to most effectively and efficiently achieve its administrative duties.
- 5.2 Funds dedicated to the Newberg Housing Trust fund shall be exclusively reserved to support the eligible uses activities identified in Section 3, and shall not be used for the general operation of the City.
- 5.3 The City of Newberg shall accept requests for funding from the AHTF from eligible applicants at anytime in order to affordable housing project opportunities that are time sensitive. Coordination with other private and government funding application timelines will help ensure that AHTF funds are best applied to leverage additional resources in support of the housing projects. Project submittals deemed not time-sensitive will not be approved, but will be encouraged to submit there proposal to the annual request for proposals (RFP) funding process outlined in Section 5.4.

- 5.4 The City of Newberg shall annually issue a Notice of Funding Available (NOFA) to announce the availability of funds. The City shall also issue a Request for Proposals (RFP) for affordable housing projects that are not time sensitive.
- 5.5 As a target in any given year, up to 80 percent of the AHTF will be available for project loans and up to 5 percent will be available for project grants. The remaining 15 percent of the AHTF will be available for project contingencies through grants and/or loans.
- 5.6 The City of Newberg shall form an Affordable Housing Commission that consists of three members appointed by the Mayor. Membership of the Commission should reflect representative broad interests regarding affordable housing in the community. The Commission shall review applications for Affordable Housing Trust Funds to determine project eligibility and evaluate the applications based on the selection criteria. The Commission shall provide recommendations to the City Council who shall make final award decisions.
- 5.7 Affordable Housing Trust Funds will be allocated in a manner consistent with the threshold criteria provided Section 8, and consistent with State and Local Public Contracting law.

## **SECTION 6. Match Requirements**

- 6.1 The Newberg Housing Trust Fund is intended to support the development of needed housing, but is not intended to provide the sole source of funding for any development project or housing program. To ensure that affordable housing providers, and organization that assist individuals and families in obtaining needed housing, do not rely exclusively on AHTF to support their activities, it has been determined that;
- 6.2 The Affordable Housing Trust Fund contribution shall not exceed more than 50% of the total project, or program cost. Required match can be met utilizing Community Development Block Grants, State of Federal Funding, direct contribution from the applicant, private donations, and the construction of land, materials or labor to the project.
- 6.2.a In the case that land previously owned by the applicant is considered as required match, the value of the land shall be determined by a City approved certified appraisal completed by the applicant, unless otherwise directed in Oregon Revised Statute or City Municipal Code.
- 6.2.b The valuation of land, and available equity to be considered as matching funds, shall be verified by the City prior to the disbursement of an AHTF grant when its value is considered as required matching funds.
- 6.2.c Donated materials and labor, which are proposed as required match through the development of a project shall have their value estimated at the time of application. The actual value of these contributions is subject to verification by the City at completion of the project.
- 6.2.d Award recipients shall provide verifiable accounting for donated labor and materials, when such was necessary to satisfy the AHTF match requirements.
- 6.3 A recipient of an AHTF grant that fails to verify the match requirements have been satisfied at the conclusion of a project would be considered cause for the City to require full or partial repayment of any AHTF grants awarded to a project.

## **SECTION 7 Allocation of Funds**

The Affordable Housing Trust Fund is structured to allow the flexibility for the City and housing providers. The establishment of three distinct and separate award processes is intended to provide for both consistency and

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flexibility of the AHTF program. Annually, the City shall annually issue a Notice of Funding Availability (NOFA), announcing the availability of funds in the following year and the types of programs. The City shall issue the NOFA for the year through publication in the Newberg Graphic and on the City's website.

First, there is the Competitive Awards Program. Annually, the City may issue a Request for Proposals for affordable housing projects of a non-time sensitive nature. Proposals awarded funding through the RFP process shall be done through a competitive basis. Loans and/or grants may be awarded through this program.

Second, there is the Time Sensitive Program. Through this program, applicants requesting funding from the AHTF may submit request at any time in the year to accommodate affordable housing project opportunities that are time sensitive. Coordination with other private and government funding application timelines will help ensure that AHTF funds are best applied to leverage additional resources in support of the housing projects. Loans and/or grants may be awarded through this program.

Third, there is the Rental Rehabilitation Program. This program is intended to assist private property owners with rental rehabilitation projects. Applicants seeking funding assistance must be willing enter into a contractual agreement with the City that will ensure the future affordability of the project units for a specific period of time. Only loans will be awarded through this program.

The distribution of any and all AHTF funds through Competitive or Non-Competitive awards as described in Sections 7.1 and 7.2, will be in accordance with State and Local Public Contracting laws.

#### **7.1 Competitive Awards Program**

The City of Newberg has a limited amount of Affordable Housing Trust Funds to use each year in comparison to the scope of the housing needs within the community. As a result, it is essential that the funds are used to meet the city's priorities in an efficient and cost-effective manner. To this end, a competitive award process has been established and a set of award criteria shall be developed to evaluate proposals received through a Request for Proposals (RFP) process in terms of how they address the specific priorities outlined in the annual RFP.

The steps for making the competitive grant awards or loans is outlined below.

- 7.1.a. The City of Newberg may issue a Request for Proposals on an annual or intermittent basis depending on availability of funds, providing applicants with a minimum of 45 days to respond to the request.
- 7.1.b. City Staff shall assess the project proposals to determine if the eligibility criteria are met and shall develop a recommendation to provide to the Newberg Housing Commission and the City Council.
- 7.1.c. The Newberg Housing Commission will provide applicants the opportunity to make a presentation on their project proposal and provide community members the opportunity to comment by holding a public meeting.
- 7.1.d. The Newberg Housing Commission will develop an award recommendation to the City Council using the AHTF criteria to determine which projects best meet the City's spending priorities. Each application will be rated on a numeric scale as established in the annual RFP for each criterion of selection (Section 8).
- 7.1.e. The Newberg City Council shall make a final decision on the award of Affordable Housing Trust Funds.

7.1.f. The City of Newberg shall prepare an agreement between the City and the award recipient. The Agreement shall outline the conditions of award and shall be executed prior to the disbursement of any Affordable Housing Trust Funds.

## **7.2. Time Sensitive Loan Program**

The City of Newberg recognizes that the nature of affordable housing development is often opportunity driven and time sensitive. Through this program, applications may be submitted during a given year. When applications are received, the City shall review them to determine if the applications meet the City's threshold criteria. If the criteria are met, then the funds may awarded to, or reserved for, the applicant. Funds available through this process are awarded on a first come, first served basis, until reaching the annual funding cap. A reserve award granted to an applicant may be rescinded by the city if the applicant does not undertake the activities identified in response to the NOFA in advance of the City's issuance of another RFP or NOFA.

- 7.2.a. The City of Newberg recognizes that the nature of affordable housing development acquisition of property is often opportunity dependent. Further, many nonprofit housing developers lack the resources to undertake feasibility studies, due diligence inspections, preliminary drawings and other activities required to evaluate potential projects as well as apply for project financing.
- 7.2.c. To enable non-profit organizations, community development organizations, the Housing Authority of Yamhill County, and the City of Newberg to be responsive to opportunities outside of the annual Request for Proposals timeline, the City may reserve a portion of Affordable Housing Trust funds to support predevelopment activities.
  - 7.2.d.1. Predevelopment activities undertaken by a community development organization in support of the development of affordable housing including planning, architectural services, engineering services, landscape design, legal services, surveys, appraisals, site clearance and demolition, environmental clearance, and payment of permit application fees may be supported through a non-competitive award of a predevelopment grant that may be required to convert to a loan if the project receives full funding.
  - 7.2.d.2. For-profit developers are not eligible to apply for Newberg's Affordable Housing Trust Funds to assist with predevelopment costs.
- 7.2.d. The City of Newberg is eligible to utilize the funds reserved to conduct eligible activities as described in Section 3.
- 7.2.e. The City may fund an ongoing down-payment assistance program, rental assistance program, education program, rehabilitation program, or other programs intended to increase housing opportunities for Newberg's low-moderate income residents which are administered by a non-profit or governmental organization.

## **7.3 Rental Rehabilitation Loan Program**

### **7.3.a Purpose**

The purpose of the rental rehabilitation loan program is to loan housing trust funds to local landlords so they can rehabilitate dwellings and make them safe and decent for rental to low or very low income families.

### **7.3.b Eligibility**

- (1) The dwelling must be within the Newberg City limits.

(2) The dwelling must be rented to low or very low income families or individuals, according to income guidelines established by the Affordable Housing Commission. Preference will be given to units to be rented to very low income families or individuals.

(3) Repairs shall improve the overall livability of the dwelling by addressing health and safety issues and by making the home more energy efficient and affordable. Priority is placed on the repairs needed to make the home safe and to prevent further deterioration and escalated costs if left unattended. Typical examples of these projects include new roofs, new windows, new electrical wiring, heating system repair/replacement, and utility repairs.

(4) The applicant shall demonstrate sufficient equity in the home and sufficient ability to repay the loan.

(5) The applicant shall demonstrate that the rehabilitation could not be accomplished using conventional loan programs.

(6) Preference shall be given to landlords who live in Newberg or the Newberg area, and who own 10 or fewer rental units, and who own the property outright or have substantial equity in the property.

#### **7.3.c Loan Terms**

(1) The standard loan amount is \$15,000. This amount may be increased up to \$25,000 if the need for repairs is justified and adequate equity is established.

(2) The standard interest rate is two percent (2%).

(3) The standard term of the loan is seven years.

(5) The applicant shall pay a loan processing fee of \$500.

(6) Standard loan terms may be modified by approval of the Affordable Housing Commission.

(7) The applicant shall enter into an agreement guaranteeing the dwelling will only be occupied by families or individuals meeting the income guidelines.

#### **7.3.d Process**

(1) The City Manager shall appoint a loan officer to process loan applications.

(2) The loan officer will prepare application specifications. The loan officer will receive applications by a date specified in the notice of funding availability. The loan officer will accept applications after that date if funding remains available, and may establish a waiting list for applications in future funding cycles.

(3) The loan officer will review applications for eligibility, and qualify applicants as either standard or preferred applicants. The loan officer may establish a priority for awarding of qualified loans.

(4) Prior to awarding any loan, the award will be forwarded to the Affordable Housing Commission. Any member of the commission may call for Commission review of the award loan or priority.

(5) The loan officer shall prepare the necessary documents and agreements to execute and provide for repayment of the loan.

(6) The applicant shall complete all repairs within one year of loan award

## **SECTION 8 AHTF Grant or Loan Award Threshold and Selection Criteria**

**8.01** The project is considered an eligible use or activity under Section 3, and benefits households earning less than 120% the Area Median Income (threshold verification).

- 8.02 If the project is related to the provision of technical assistance to affordable housing providers, the use of Newberg Housing Trust Funds functions to increase the capacity of the organization to specifically address the mission of the AHTF (threshold verification).
- 8.03 Affordable Housing Trust funds shall be limited to the minimum amount necessary to complete the project. The lower the percentage of AHTF funds requested, relative to the full project costs, the higher ranking the project shall be given.
- 8.04 The project addresses the unmet housing needs as identified in the Housing Element of the Newberg Comprehensive Plan.
- 8.05 The lower the income level that is targeted for the benefitting households, the higher the ranking the project shall be given.
- 8.06 The project provides new affordable housing, or new affordability, through retention or rehabilitation of existing housing, within the City. The greater the number of units provided, the higher the ranking the project shall be given.
- 8.07 The project retains the affordable housing units as affordable. The longer period of time the units remain affordable, the higher ranking the project shall be given.
- 8.08 The project addresses energy conservation through the integration of green building technologies in new construction, or achieves greater energy efficiency through rehabilitation of existing housing.
- 8.09 The project maximizes partnerships in the community (volunteers, in-kind contributions, cash contributions, multiple organization involved, etc).
- 8.10 The project utilizes already existing resources in effective and innovative ways. The project shall not duplicate service provided by another organization.
- 8.11 The agency submitting the proposal has the capacity to carry out the project and has had demonstrated successes completing projects of similar scope.
- 8.12 The budget and timeline are thorough and realistic.
- 8.13 The project is ready for implementation.
- 8.14 If the project includes the acquisition of property, the identified property is currently available for acquisition and the applicant has secured either a purchase option or letter of interest from the seller. If the applicant is also applying for federal funding (i.e. Community Development Block Grants or HOME) they should carefully review procurement requirements and limitations before obtaining a purchase option.
- 8.15 That relocation of existing residents will be minimized, and when necessary, the applicant has included accurate relocation assistance costs as part of the project pro forma.
- 8.16 The proposal demonstrates that Newberg Housing Trust Funds are the most appropriate funding source, and necessary, for the project.
- 8.17 Additional selection criteria may be developed and included in the annual RFP to best direct Affordable Housing Trust Funds toward an identified priority need. Numeric Rankings for each of the selection criteria shall be incorporated into the annual RFP.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: \_\_\_\_\_, 2011.

**ADOPTED** by the City Council of the City of Newberg, Oregon, this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Norma I. Alley, City Recorder

ATTEST by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Bob Andrews, Mayor

**LEGISLATIVE HISTORY**

By and through \_\_\_\_\_ Committee at \_\_\_\_ / \_\_\_\_ /2011 meeting. Or, \_\_\_ None.  
*(committee name)* *(date)* *(check if applicable)*