

**CITY OF HOPKINS
HENNEPIN COUNTY, MINNESOTA**

ORDINANCE 2025-1222

**AN ORDINANCE AMENDING CHAPTER 20 OF THE HOPKINS CITY CODE
ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND**

THE COUNCIL OF THE CITY OF HOPKINS HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Amending Chapter 20 of the Hopkins City Code to amend Article II, Section 20-19 to Section 20-23 as follows:

ARTICLE II. – AFFORDABLE HOUSING TRUST FUND.

Sec. 20-19. - Purpose

Pursuant to Minnesota Statutes, Section 462C.16, the City of Hopkins (the “City”) is authorized to establish a local housing trust fund. The City is creating an Affordable Housing Trust Fund to encourage the creation of affordable housing for rental housing and owner-occupied housing, to promote the preservation of existing affordable housing and naturally occurring affordable housing, and to provide rental assistance and homeownership assistance to persons of very low income, low income, and moderate-income.

Sec. 20-20. – Definitions

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning. Additionally, the words and phrases used in this article which are defined in Minnesota Statutes, Section 462C.16, shall have the meanings ascribed to them in those statutes.

Persons of very low income means individuals or families whose incomes do not exceed 50 percent of area median income as most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for family size.

Persons of low income means individuals or families whose incomes do not exceed 80 percent of the area median income as most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota Metropolitan Statistical Area, as adjusted for family size.

Persons of moderate-income means individuals or families whose incomes exceed 80 percent, but do not exceed 120 percent, of area median income, as most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for family size.

Sec. 20-21. – Establishing the Affordable Housing Trust Fund

Pursuant to the authority granted to the City under Minnesota Statutes, Section 462C.16, an affordable housing trust fund is established to provide the following:

- (a) Grants, loans, and loan guarantees for the development, rehabilitation, or financing of housing.
- (b) Match other funds from federal, state, or private resources for housing projects.
- (c) Downpayment assistance.
- (d) Rental assistance to persons of very low, low, and moderate income.
- (e) Homebuyer counseling services.
- (f) Payment of administrative expenses of the Affordable Housing Trust Fund in the maximum amount of ten percent of the balance of the Affordable Housing Trust Fund.

Sec. 20-22. – Funding Sources

The City Council may pledge sources of funding to the Affordable Housing Trust Fund, which may include, but are not limited to:

- (a) Private donations from individuals and corporations designated for the Affordable Housing Trust Fund.
- (b) Grants or loans from a state, federal or local government or private sources.
- (c) The sale of real and personal property.
- (d) Local government appropriations, development fees, and other funds as designated from time to time by the City Council.

- (e) Investment earnings from the Affordable Housing Trust Fund.
- (f) Tax Increment Finance (TIF) pooled funds.
- (g) Housing and Redevelopment levy funds.
- (h) Payments in lieu of participation in current or future affordable housing programs.
- (i) Other sources of funding approved by the City Council.

Sec. 20-23. – Administration of the Affordable Housing Trust Fund

- (a) The Housing Redevelopment Authority in and for the City of Hopkins (the “Authority”) shall administer the Affordable Housing Trust Fund on behalf of the City.
- (b) *Terms and Conditions of Repayment.* The Authority shall determine the terms and conditions of repayment of loans and grants from the Affordable Housing Trust Fund, including but not limited to, the appropriate security and interest, if any, should repayment be required. Interest on loans and grants shall be established by the Authority from time to time or at the time of approval of a specific project or program.
- (c) *Annual Report.* The Authority shall report annually to the City on the use of the Affordable Housing Trust Fund, including the number of loans and grants made, the number and types of residential units assisted, and the number of households provided rental assistance and down payment assistance. The City shall post the report on its website.

Sec. 20-24 – 20-118. – Reserved

SECTION 2. SUMMARY PUBLICATION.

In accordance with Section 3.03 of the City Charter and Minnesota Statutes Section 412.191, the City Council determines the publication of the title and a summary of the Ordinance would clearly inform the public of its intent and effect, and so City staff shall have the following summary printed in the official City newspaper in lieu of the complete ordinance:

ORDINANCE NO. 2025-1222

AN ORDINANCE ESTABLISHING AN AFFORDABLE HOUSING TRUST FUND

On March 4, 2025, the Hopkins City Council adopted Ordinance 2025-1222 that amends Chapter 20 of the Hopkins City Code. The purpose of amending the City Code was to establish an Affordable Housing Trust Fund.

A printed copy of the ordinance is available for inspection during regular business hours at Hopkins City Hall and at the Hopkins Library and is available online at the City's website located at www.hopkinsmn.com.

SECTION 3. EFFECTIVE DATE. The effective date of this ordinance shall be March 14, 2025.

First Reading:	February 18, 2025
Second Reading:	March 4, 2025
Date of Publication:	March 13, 2025
Date Ordinance Takes Effect:	March 14, 2025

By: _____

Patrick Hanlon, Mayor

ATTEST:

Amy Domeier, City Clerk