

## ARTICLE VI. HOUSING TRUST FUND<sup>1</sup>

### 18-400 Statement of purpose.

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It is the purpose of the city council by enacting this article:

- (1) To establish a Burlington Housing Trust Fund for the promotion, retention and creation of long-term affordable housing for very low, low and moderate income households, and for the accomplishment of other public purposes set out in article V, section [18-300](#) of this chapter.
- (2) To distribute gifts, grants or loans to organizations or projects that promote, retain or create long-term affordable housing for very low, low or moderate income households or that accomplish any other public purposes set out in article V, section [18-300](#) of this chapter.
- (3) To distribute "capacity grants" to 501(c)(3) tax-exempt; nonprofit corporation organized and operated for the purpose of creating or preserving housing for very low, low and moderate income households.

(Ord. of 6-27-88)

### 18-401 Definitions.

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The following definitions shall apply in the interpretation and enforcement of this article:

*Affordable housing:* A rental housing unit for which the monthly rent, including utilities, does not exceed thirty (30) percent of household income for a very low, low or moderate income household, adjusted for household size, or an owner-occupied or cooperative housing unit for which the monthly shelter costs, including the household's share of the mortgage, insurance, taxes and utilities, does not exceed thirty-five (35) percent of household income for a very low, low, or moderate income household, adjusted for household size. A household of one and one-half (1 1/2) shall be used in determining whether a one bedroom unit is affordable housing. A household size of three (3), four and one-half (4 1/2) and six (6), respectively, shall be used in determining whether a two (2) bedroom unit, a three (3) bedroom or a four (4) bedroom unit is affordable housing.

*Capacity grant:* A gift or grant that supports the staffing, training, planning, fundraising or on-going operations of a nonprofit corporation, thereby increasing that corporation's capacity to create or preserve housing for very low, low and moderate income households.

*Limited equity cooperative housing corporation:* A Vermont corporation organized under section 1267 of [11](#) V.S.A. chapter [14](#).

*Low income household:* A household having an income not exceeding eighty (80) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to [42](#) U.S.C. section [1437](#) et seq.

*Moderate income household:* A household having an income not exceeding one hundred (100) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to [42](#) U.S.C. section [1437](#) et seq.

*Very low income household:* A household having an income not exceeding fifty (50) percent of median income for area of residence as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development pursuant to [42](#) U.S.C. section [1437](#) et seq.

(Ord. of 6-27-88)

#### **18-402 Establishment of the housing trust fund.**

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(a) The city council hereby establishes a special revenue account under the name of the "Burlington Housing Trust Fund."

(b) Into this account shall be deposited impact fees collected under Article V of this chapter, in-lieu payments under section [22](#)(B)(2)(b)(2) of Appendix A, Zoning, bequests and donations from public and private sources, and any other revenues specifically dedicated to the housing trust fund by the City Charter, the City's Code of Ordinances or the city council.

(Ord. of 6-27-88)

#### **18-403 Management of the trust fund.**

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A committee of the city council shall be designated by the city council to monitor the operation and activity of the housing trust fund. The director of the community and economic development office shall serve as the manager of the housing trust fund. The responsibilities of the manager, subject to the orders of the city council, shall include:

- (1) Maintaining the financial and other records of the housing trust fund;

- (2) Assisting prospective applicants for housing trust fund support in the preparation and presentation of their applications;
- (3) Disbursing and collecting housing trust fund monies;
- (4) Monitoring the use of monies distributed to successful applicants for housing trust fund support to assure on-going compliance with the purposes of the fund and the conditions under which these monies were granted or loaned; and
- (5) Reporting periodically, but not less than every twelve (12) months, to the city council regarding the operation and activity of the housing trust fund.

(Ord. of 6-27-88)

#### **18-404 Distribution and use of the housing trust fund's assets.**

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- (a) *Distribution/use in furtherance of public purposes.* All distributions of principal, interest or other assets of the housing trust fund shall be made in furtherance of the public purposes set out in section [18-400](#), including such disbursements as may be necessary to support the housing trust fund's own operations.
- (b) *Disbursement as gifts, grants or loans.* During each year, the housing trust fund shall disburse as gifts, grants or loans so much of the housing trust fund's assets as the city council in its discretion may deem appropriate in the annual budgeting resolution.
- (c) *To whom made.* These disbursements may be made to nonprofit corporations, municipal corporations, limited equity cooperative housing corporations, for-profit corporations, partnerships or individuals.
- (d) *To whom prohibited.* No gifts, grants or loans shall be awarded by the housing trust fund to corporations, partnerships or individuals who are delinquent, at the time of application, in the payment of property taxes or impact fees to the City of Burlington, who have been convicted of arson, who have been convicted of discrimination in the sale or lease of housing under article IV of this chapter or under the fair housing laws of the State of Vermont, or who have pending violations of current city electrical, plumbing, building or housing codes or zoning ordinances.
- (e) *Priority of disbursements.* Priority in all disbursements intended for use in acquiring, constructing, rehabilitating or financing housing units shall be given, in the following order of preference, to projects that guarantee:

(1) The perpetual affordability of these units for very low, low or moderate income households;  
or

(2) A term of affordability of these units for very low, low or moderate income households that has a duration of from ten (10) to forty (40) years together with the eventual recapture and return of these public subsidies to the housing trust fund.

(Ord. of 6-27-88)

**18-405—18-499 Reserved.**

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**Editor's note**—An ordinance enacted June 27, 1988, amended Ch. 18 by adding provisions designated as Art. IV, §§ 18-400—18-404. Inasmuch as Ch. 18 already contained provisions designated as Art. IV, the editor has redesignated these new provisions as Art. VI.