

FILE NO.

LEGISLATIVE DIGEST

Revised 2/27/17

[Administrative Code-Affordable Housing Cash-Out Proceeds Restriction]

Ordinance amending the Administrative Code to require that all cash-out proceeds received by an owner of an affordable housing development supported in whole or in part by taxpayer funds shall be used only for residential and tenant services and the creation, development, and preservation of affordable housing.

Existing Law

There is no existing law.

Amendments to Current Law

Directing the Mayor's Office of Housing and Community Development (MOHCD) to enter into all necessary agreements to ensure that during any period while a loan, grant, or other funds received from the City remains outstanding, all cash-out proceeds resulting from the purchase or refinancing of an Affordable Housing development are used solely for: (a) capital/tenant improvements; (b) purchase or acquisition of additional property for Affordable Housing; (c) building new Affordable Housing; ~~or~~ (d) payment of operating and staff costs required for the creation, development, construction, or preservation of Affordable Housing; or (e) the provision of resident or tenant services. Such agreements shall also require that during any period Cash-Out Proceeds are outstanding, an Owner shall submit an annual report, in form and substance satisfactory to MOHCD, setting forth the use and expenditure of said Cash-Out Proceeds. And, further directing MOHCD to ensure that developer fees do not exceed industry standards.

Background Information

In connection with the development, construction and financing of an affordable housing development assisted with taxpayer funds, the owner of the affordable housing development may choose to refinance or sell the development and utilize any monies received for purposes unrelated to the development, construction or preservation of affordable housing.

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