

By: Representatives Buck, Evans, Fredericks, Hines, Holland, Robinson (63rd) To: Ways and Means

## HOUSE BILL NO. 1421

1 AN ACT TO CREATE THE MISSISSIPPI AFFORDABLE HOUSING TRUST  
2 FUND; TO PROVIDE THAT THE TRUST FUND SHALL BE ADMINISTERED BY THE  
3 MISSISSIPPI HOME CORPORATION; TO PROVIDE THAT MONEY IN THE TRUST  
4 FUND SHALL BE MADE AVAILABLE TO ASSIST THE DEVELOPMENT,  
5 REHABILITATION AND PRESERVATION OF AFFORDABLE HOUSING AND FOR  
6 OTHER PURPOSES CONSISTENT WITH THIS ACT; TO PROVIDE THE INCOME  
7 LEVELS OF PERSON FOR WHOM THE TRUST FUND SHALL BE UTILIZED TO  
8 BENEFIT; TO PROVIDE THAT AT LEAST 50% OF THE FUNDS IN THE TRUST  
9 FUND EXPENDED IN ANY FISCAL YEAR SHALL BE USED FOR THE PURPOSE OF  
10 RENTAL HOUSING DEVELOPMENT OR REHABILITATION; TO PROVIDE THAT A  
11 PORTION OF THE MONEY IN THE TRUST FUND MAY BE USED TO MAKE  
12 CAPACITY BUILDING GRANTS TO CERTAIN ENTITIES; TO AUTHORIZE LOCAL  
13 GOVERNMENTS TO CREATE OR PARTICIPATE IN LOCAL HOUSING TRUST FUNDS  
14 OR OTHERWISE PROVIDE FUNDING OR SUPPORT FOR THE PURPOSE OF  
15 SUPPORTING AFFORDABLE HOUSING; AND FOR RELATED PURPOSES.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17 **SECTION 1.** The Legislature hereby finds and declares that  
18 there exists in this state a need to assist low and moderate  
19 income individuals and families in accessing affordable housing  
20 and to provide for the development, rehabilitation and  
21 preservation of decent, safe and affordable housing for low and  
22 moderate income individuals and families and to address  
23 homelessness. To address these needs, the purposes of this act  
24 shall be the following:

25 (a) To fill the growing gap in Mississippi's ability to  
26 build affordable housing by encouraging the dedication of public  
27 and private sources to fund additional housing activities.

28 (b) To develop rental housing for individuals and  
29 families with the greatest economic need, in mixed-income settings  
30 and in areas with the greatest economic opportunities.

31 (c) To promote home ownership for low and moderate  
32 income individuals and families, to address homelessness and the

33 prevention of homelessness, and to produce, rehabilitate and  
34 preserve affordable dwellings.

35 **SECTION 2.** There is hereby created the Mississippi  
36 Affordable Housing Trust Fund, hereafter referred to as the "trust  
37 fund" to be held as a separate fund within the State Treasury to  
38 be administered by the Mississippi Home Corporation, hereinafter  
39 referred to as the "trust administrator." Interest earned on  
40 investment of monies in the trust fund shall be credited to the  
41 trust fund. Unexpended and unencumbered amounts in the trust fund  
42 at the end of each fiscal year shall not lapse. Money in the  
43 trust fund shall be made available for assisting the development,  
44 rehabilitation and preservation of affordable housing and for  
45 other purposes consistent with this act.

46 **SECTION 3.** (1) The trust administrator may use money from  
47 the trust fund to provide loans or grants for the following  
48 activities, without limitation:

49 (a) Housing production, including, without limitation,  
50 new construction, rehabilitation and adaptive re-use.

51 (b) Acquisition, including, without limitation, land,  
52 single-family homes, multi-unit buildings, and other existing  
53 structures that may be used in whole or in part for residential  
54 use.

55 (c) Rental payment assistance.

56 (d) Home ownership purchase assistance.

57 (e) Preservation of existing affordable housing.

58 (f) Emergency repairs.

59 (g) Housing related support services, including  
60 homeownership education and financial counseling.

61 (h) Grants or loans to not-for-profit organizations  
62 engaged in addressing the affordable housing needs of low and  
63 moderate income households.

64 (2) The trust fund shall be used for the benefit of persons  
65 and families whose income, at the time of initial occupancy, does

66 not exceed eighty percent (80%) of median income as determined by  
67 the United States Department of Housing and Urban Development for  
68 the metropolitan area or county. At least fifty percent (50%) of  
69 the funds in the trust fund expended in any given fiscal year must  
70 be used for the benefit of persons and families whose income, at  
71 the time of initial occupancy, does not exceed fifty percent (50%)  
72 of the median family income for the metropolitan area as  
73 determined by the United States Department of Housing and Urban  
74 Development for the metropolitan area or county.

75 (3) At least fifty percent (50%) of the funds in the trust  
76 fund expended in any fiscal year must be used for the purposes of  
77 rental housing development or rehabilitation, as described in  
78 subsection (1)(a), (b) and (c) of this section.

79 **SECTION 4.** There shall be deposited in the trust fund such  
80 amounts as may become available under the provisions of this act,  
81 including, but not limited to:

82 (a) All receipts, including dividends, principal and  
83 interest repayments attributable to any loans or agreements funded  
84 from the trust fund;

85 (b) All proceeds of assets of whatever nature received  
86 by the trust administrator, and attributable to default with  
87 respect to loans or agreements funded from the trust fund;

88 (c) Any appropriations, grants or gifts of funds or  
89 property, or financial or other aid from any federal or state  
90 agency, local government or any other public organization or  
91 private individual made to the trust fund;

92 (d) Any income received as a result of the investment  
93 of monies in the trust fund;

94 (e) All fees or charges collected pursuant to this act;  
95 and

96 (f) Other funds may be appropriated by the Legislature.

97 **SECTION 5.** Five percent (5%) of the money credited to the  
98 trust fund account may be used to make capacity building grants to

99 nonprofit organizations, local government units, Indian tribes,  
100 and Indian tribal organizations to expand their capacity to  
101 provide affordable housing and housing related services. The  
102 grants may be used to assess housing needs and to develop and  
103 implement strategies to meet those needs, including the creation  
104 or preservation of affordable housing, pre-purchase and  
105 post-purchase counseling and associated administrative costs, and  
106 the linking of supportive services to the housing. The trust  
107 administrator shall adopt rules specifying the eligible uses of  
108 grant money. Funding priority shall be given to those applicants  
109 that include low and moderate income persons in their membership,  
110 have provided housing related services to low and moderate income  
111 people and demonstrate a local commitment of local resources,  
112 which may include in-kind contributions.

113       **SECTION 6.** Administrative and personnel costs incurred in  
114 implementing this act may be paid from the Housing Fund, but such  
115 costs may not exceed five percent (5%) of the monies deposited  
116 into the fund.

117       **SECTION 7.** (1) In order to promote the creation,  
118 establishment or preservation of affordable housing throughout the  
119 State of Mississippi, counties and municipalities may individually  
120 or jointly create or participate in a housing trust fund or  
121 otherwise provide funding or support for the purpose of supporting  
122 affordable housing, including, without limitation, to support the  
123 following affordable housing activities:

124           (a) Housing production, including, without limitation,  
125 new construction, rehabilitation and adaptive re-use.

126           (b) Acquisition, including, without limitation, land,  
127 single-family homes, multi-unit buildings, and other existing  
128 structures that may be used in whole or in part for residential  
129 use.

130           (c) Rental payment assistance.

131           (d) Home-ownership purchase assistance.

132 (e) Preservation of existing affordable housing.

133 (f) Emergency repairs.

134 (g) Housing related support services, including  
135 homeownership education and financial counseling.

136 (h) Grants or loans to not-for-profit organizations  
137 engaged in addressing the affordable housing needs of low income  
138 or moderate income housing.

139 (2) Counties and municipalities may authorize housing trust  
140 funds to accept and utilize funds, property and other resources  
141 from all proper and lawful public and private sources so long as  
142 those funds are used solely for addressing the affordable housing  
143 needs of individuals or households that may occupy low income or  
144 moderate income housing.

145 **SECTION 8.** This act shall take effect and be in force from  
146 and after July 1, 2006.