

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7220

BILL NUMBER: HB 1393

DATE PREPARED: Mar 7, 2000

BILL AMENDED: Mar 3, 2000

SUBJECT: Housing Trust Fund.

FISCAL ANALYST: Beverly Holloway

PHONE NUMBER: 232-9851

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (CCR Amended) This bill establishes the Indiana Affordable Housing Fund. This bill requires a local unit to allocate at least 50% of the money received in program grants to a nonprofit corporation, a public housing authority, or a unit of local government.

The bill requires local units participating in the Affordable Housing Fund to establish an Affordable Housing Fund Advisory Committee. It sets forth the membership and duties of an Affordable Housing Fund Advisory Committee.

Effective Date: July 1, 2000.

Explanation of State Expenditures: This bill establishes the Indiana Affordable Housing Fund. The Housing Finance Authority is responsible for administering the Fund. The cost of administering the Fund is to be paid from money in the Fund.

Explanation of State Revenues: The purpose of the fund is to provide grants and loans to eligible entities for programs that do any of the following:

- (1) Provide financial assistance to lower income families for the purchase of affordable housing in the form of grants, loans, and loan guarantees.
- (2) Provide rent and rent supplements to lower income families.
- (3) Provide loans or grants for the acquisition, construction, rehabilitation, development, operation, and insurance of affordable housing for lower income families.

The Fund consists of appropriations from the General Assembly, gifts and grants to the Fund, and investment income earned. This bill does not contain an appropriation. The Treasurer of State would invest the money in the Fund. Any money in the Fund at the end of the state fiscal year does not revert to the state General Fund.

Explanation of Local Expenditures: This bill requires an eligible entity (defined in the bill as a city, town, or county) to establish an Affordable Housing Fund Advisory Committee. There will be no cost in the establishment of the Advisory Committee.

This bill also requires a local unit to allocate at least 50% of the money received in program grants to a nonprofit corporation, a public housing authority, or a unit of local government.

Explanation of Local Revenues:

State Agencies Affected: Indiana Housing Finance Authority; Treasurer of State.

Local Agencies Affected: Entity eligible to receive funding from the Indiana Affordable Housing Fund.

Information Sources: *Out of Reach, The Gap Between Housing Costs and Income of Poor People in the United States.*