



January 28, 2000

HOUSE BILL No. 1393

DIGEST OF HB 1393 (Updated January 27, 2000 11:30 AM - DI 58)

Citations Affected: IC 5-20.

Synopsis: Housing trust fund. Establishes the Indiana affordable housing fund. Requires local units participating in the affordable housing fund to establish an affordable housing fund advisory committee. Sets forth the membership and duties of an affordable housing fund advisory committee.

Effective: July 1, 2000.

Hasler, Becker, Crawford, Kruse

January 11, 2000, read first time and referred to Committee on Ways and Means.
January 27, 2000, amended, reported — Do Pass.

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HB 1393—LS 7220/DI 92+



January 28, 2000

Second Regular Session 111th General Assembly (2000)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1999 General Assembly.

HOUSE BILL No. 1393

A BILL FOR AN ACT to amend the Indiana Code concerning housing.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-20-5 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2000]:

4 **Chapter 5. Indiana Affordable Housing Fund**

5 **Sec. 1. As used in this chapter, "agency" means the agency or**
6 **other entity that administers the affordable housing program**
7 **under this chapter.**

8 **Sec. 2. As used in this chapter, "authority" means the Indiana**
9 **housing finance authority.**

10 **Sec. 3. As used in this chapter, "eligible entity" refers to a city,**
11 **town, or county.**

12 **Sec. 4. As used in this chapter, "families" has the meaning set**
13 **forth in 42 U.S.C. 1437a(b)(3)(B).**

14 **Sec. 5. As used in this chapter, "fund" means the Indiana**
15 **affordable housing fund established by section 7 of this chapter.**

16 **Sec. 6. As used in this chapter, "lower income families" has the**
17 **meaning set forth in IC 5-20-4-5.**

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1 **Sec. 7. The Indiana affordable housing fund is established.**

2 **Sec. 8. The purpose of the fund is to provide grants and loans to**
3 **eligible entities for programs that do any of the following:**

4 (1) **Provide financial assistance to lower income families for**
5 **the purchase of affordable housing in the form of grants,**
6 **loans, and loan guarantees.**

7 (2) **Provide rent and rent supplements to lower income**
8 **families.**

9 (3) **Provide loans or grants for the acquisition, construction,**
10 **rehabilitation, development, operation, and insurance of**
11 **affordable housing for lower income families.**

12 **Sec. 9. (a) Except as provided in subsection (b), the authority**
13 **must distribute the fund as follows:**

14 (1) **Thirty-three and one-third percent (33 1/3%) of the fund**
15 **resources during a state fiscal year shall be provided to**
16 **eligible entities for rural housing for lower income families.**

17 (2) **Thirty-three and one-third percent (33 1/3%) of the fund**
18 **resources during a state fiscal year shall be provided to**
19 **eligible entities for urban housing for lower income families.**

20 (3) **Thirty-three and one-third percent (33 1/3%) of the fund**
21 **resources during a state fiscal year shall be distributed to the**
22 **treasurer of state for deposit in the housing trust fund**
23 **established by IC 5-20-4-7.**

24 **(b) The distributions from the fund prescribed by subsection**
25 **(a)(3) must be made monthly.**

26 **(c) Any amounts in the fund designated for rural housing that**
27 **have not been used at the end of a state fiscal year may be carried**
28 **over to the next state fiscal year and distributed to eligible entities**
29 **for urban housing. Any amount carried over to the next state fiscal**
30 **year may not be included in the fund balance for the next state**
31 **fiscal year for purposes of determining the percentage under**
32 **subsection (a)(2).**

33 **Sec. 10. The authority shall administer the fund. Costs of**
34 **administering the fund shall be paid from money in the fund.**

35 **Sec. 11. The fund consists of the following:**

36 (1) **Appropriations from the general assembly.**

37 (2) **Gifts and grants to the fund.**

38 (3) **Investment income earned on the fund's assets.**

39 **Sec. 12. The treasurer of state shall invest the money in the fund**
40 **not currently needed to meet the obligations of the fund in the same**
41 **manner as other public funds may be invested.**

42 **Sec. 13. Money in the fund at the end of a state fiscal year does**



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1 not revert to the state general fund.

2 **Sec. 14. An eligible entity applying for a program grant from the**
3 **fund must submit an application to the authority.**

4 **Sec. 15. An application for a program grant from the fund must**
5 **include the following:**

6 (1) A detailed description of the program.

7 (2) Other information required by the authority.

8 **Sec. 16. An eligible entity must allocate at least fifty percent**
9 **(50%) of the money received for the production, rehabilitation, or**
10 **purchase of housing to the production, rehabilitation, or purchase**
11 **of housing units to be occupied by very low income households.**

12 **Sec. 17. An eligible entity must allocate at least fifty percent**
13 **(50%) of the money received in program grants to a nonprofit**
14 **corporation (as defined under Section 501(c) of the Internal**
15 **Revenue Code). Money received in program grants that is not**
16 **allocated to a nonprofit corporation may be allocated to private**
17 **developers of housing and other private development entities as**
18 **determined by the eligible entity.**

19 **Sec. 18. (a) An eligible entity shall establish an affordable**
20 **housing fund advisory committee consisting of the following nine**
21 **(9) members:**

22 (1) One (1) member appointed by the executive of the eligible
23 entity to represent the interests of low income families.

24 (2) One (1) member appointed by the executive of the eligible
25 entity to represent the interests of owners of subsidized,
26 multifamily housing communities.

27 (3) One (1) member appointed by the executive of the eligible
28 entity to represent the interests of banks and other financial
29 institutions.

30 (4) One (1) member appointed by the executive of the eligible
31 entity to represent the interests of the eligible entity.

32 (5) Five (5) members appointed by the legislative body of the
33 eligible entity to represent the community at large. Members
34 appointed under this subdivision must be nominated to the
35 legislative body after a general call for nominations from
36 neighborhood associations, community based organizations,
37 and other social services agencies.

38 (b) Members of the affordable housing fund advisory committee
39 serve for a term of four (4) years, and are eligible for
40 reappointment. If a vacancy exists on the committee, the
41 appointing authority that appointed the former member whose
42 position has become vacant shall appoint an individual to fill the



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1 vacancy. A committee member may be removed at any time by the
2 appointing authority that appointed the committee member.

3 (c) The affordable housing fund advisory committee shall make
4 recommendations to the eligible entity regarding:

5 (1) the development of policies and procedures for the uses of
6 the affordable housing fund; and

7 (2) long term sources of capital for the affordable housing
8 fund, including:

9 (A) revenue from:

10 (i) development ordinances;

11 (ii) fees; or

12 (iii) taxes;

13 (B) financial market based income;

14 (C) revenue derived from private sources; and

15 (D) revenue generated from grants, gifts, donations, or
16 income in any other form from a:

17 (i) government program;

18 (ii) foundation; or

19 (iii) corporation.

20 **Sec. 19.** The authority shall adopt rules under IC 4-22-2 and
21 written policies and procedures necessary to carry out the purposes
22 of this chapter, including the following:

23 (1) Criteria for grant eligibility.

24 (2) Development of an application process.

25 (3) Establishment of a procedure for disbursing loans and
26 grants from the fund.

27 (4) Establishment of a rate of interest for a loan made under
28 this chapter.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1393, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning housing.

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 39.

Page 4, delete lines 16 through 18.

Page 4, line 19, delete "Sec. 15." and insert "**Sec. 14.**".

Page 4, line 21, delete "Sec. 16." and insert "**Sec. 15.**".

Page 4, line 25, delete "Sec. 17." and insert "**Sec. 16.**".

Page 4, line 29, delete "Sec. 18." and insert "**Sec. 17.**".

Page 4, between lines 35 and 36, begin a new paragraph and insert:

"Sec. 18. (a) An eligible entity shall establish an affordable housing fund advisory committee consisting of the following nine (9) members:

(1) One (1) member appointed by the executive of the eligible entity to represent the interests of low income families.

(2) One (1) member appointed by the executive of the eligible entity to represent the interests of owners of subsidized, multifamily housing communities.

(3) One (1) member appointed by the executive of the eligible entity to represent the interests of banks and other financial institutions.

(4) One (1) member appointed by the executive of the eligible entity to represent the interests of the eligible entity.

(5) Five (5) members appointed by the legislative body of the eligible entity to represent the community at large. Members appointed under this subdivision must be nominated to the legislative body after a general call for nominations from neighborhood associations, community based organizations, and other social services agencies.

(b) Members of the affordable housing fund advisory committee serve for a term of four (4) years, and are eligible for reappointment. If a vacancy exists on the committee, the appointing authority that appointed the former member whose position has become vacant shall appoint an individual to fill the vacancy. A committee member may be removed at any time by the appointing authority that appointed the committee member.



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(c) The affordable housing fund advisory committee shall make recommendations to the eligible entity regarding:

(1) the development of policies and procedures for the uses of the affordable housing fund; and

(2) long term sources of capital for the affordable housing fund, including:

(A) revenue from:

(i) development ordinances;

(ii) fees; or

(iii) taxes;

(B) financial market based income;

(C) revenue derived from private sources; and

(D) revenue generated from grants, gifts, donations, or income in any other form from a:

(i) government program;

(ii) foundation; or

(iii) corporation."

Page 5, delete lines 3 through 33.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1393 as introduced.)

BAUER, Chair

Committee Vote: yeas 22, nays 0.

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