

# HOUSE BILL No. 1168

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-15.1-35.5.

**Synopsis:** Housing trust. Allows the resources of the Indianapolis housing trust fund to be used to fund programs considered appropriate to meet the affordable housing and community development needs of lower income families and very low income families, including lower income elderly, persons with disabilities, and homeless individuals.

**Effective:** July 1, 2012.

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January 9, 2012, read first time and referred to Committee on Ways and Means.

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Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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# HOUSE BILL No. 1168



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

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

- 1 SECTION 1. IC 36-7-15.1-35.5, AS AMENDED BY P.L.211-2007,
- 2 SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2012]: Sec. 35.5. (a) The general assembly finds the
- 4 following:
- 5 (1) Federal law permits the sale of a multiple family housing
- 6 project that is or has been covered, in whole or in part, by a
- 7 contract for project based assistance from the United States
- 8 Department of Housing and Urban Development without
- 9 requiring the continuation of that project based assistance.
- 10 (2) Such a sale displaces the former residents of a multiple family
- 11 housing project described in subdivision (1) and increases the
- 12 shortage of safe and affordable housing for persons of low and
- 13 moderate income within the county.
- 14 (3) The displacement of families and individuals from affordable
- 15 housing requires increased expenditures of public funds for crime
- 16 prevention, public health and safety, fire and accident prevention,
- 17 and other public services and facilities.



- 1 (4) The establishment of a supplemental housing program under  
 2 this section will do the following:
- 3 (A) Benefit the health, safety, morals, and welfare of the  
 4 county and the state.
- 5 (B) Serve to protect and increase property values in the county  
 6 and the state.
- 7 (C) Benefit persons of low and moderate income by making  
 8 affordable housing available to them.
- 9 (5) The establishment of a supplemental housing program under  
 10 this section and sections 32 through 35 of this chapter is:
- 11 (A) necessary in the public interest; and  
 12 (B) a public use and purpose for which public money may be  
 13 spent and private property may be acquired.
- 14 (b) In addition to its other powers with respect to a housing program  
 15 under sections 32 through 35 of this chapter, the commission may  
 16 establish a supplemental housing program. Except as provided by this  
 17 section, the commission has the same powers and duties with respect  
 18 to the supplemental housing program that the commission has under  
 19 sections 32 through 35 of this chapter with respect to the housing  
 20 program.
- 21 (c) One (1) allocation area may be established for the supplemental  
 22 housing program. The commission is not required to make the findings  
 23 required under section 34(5) through 34(8) of this chapter with respect  
 24 to the allocation area. However, the commission must find that the  
 25 property contained within the boundaries of the allocation area consists  
 26 solely of one (1) or more multiple family housing projects that are or  
 27 have been covered, in whole or in part, by a contract for project based  
 28 assistance from the United States Department of Housing and Urban  
 29 Development or have been owned at one time by a public housing  
 30 agency. The allocation area need not be contiguous. The definition of  
 31 "base assessed value" set forth in section 35(a) of this chapter applies  
 32 to the special fund established under section 26(b) of this chapter for  
 33 the allocation area.
- 34 (d) The special fund established under section 26(b) of this chapter  
 35 for the allocation area established under this section may be used only  
 36 for the following purposes:
- 37 (1) Subject to subdivision (2), on January 1 and July 1 of each  
 38 year the balance of the special fund shall be transferred to the  
 39 housing trust fund established under subsection (e).
- 40 (2) The commission may provide each taxpayer in the allocation  
 41 area a credit for property tax replacement in the manner provided  
 42 by section 35(b)(7) of this chapter. Transfers made under

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- 1 subdivision (1) shall be reduced by the amount necessary to  
 2 provide the credit.
- 3 (e) The commission shall, by resolution, establish a housing trust  
 4 fund to be administered, subject to the terms of the resolution, by:
- 5 (1) the housing division of the consolidated city; or  
 6 (2) the department, division, or agency that has been designated  
 7 to perform the public housing function by an ordinance adopted  
 8 under IC 36-7-18-1.
- 9 (f) The housing trust fund consists of:
- 10 (1) amounts transferred to the fund under subsection (d);  
 11 (2) payments in lieu of taxes deposited in the fund under  
 12 IC 36-3-2-11;  
 13 (3) gifts and grants to the fund;  
 14 (4) investment income earned on the fund's assets;  
 15 (5) money deposited in the fund under IC 36-2-7-10(j); and  
 16 (6) other funds from sources approved by the commission.
- 17 (g) The commission shall, by resolution, establish uses for the  
 18 housing trust fund. However, the uses must be limited to:
- 19 (1) providing financial assistance to those individuals and  
 20 families whose income is at or below eighty percent (80%) of the  
 21 county's median income for individuals and families, respectively,  
 22 to enable those individuals and families to purchase or lease  
 23 residential units within the county;  
 24 (2) paying expenses of administering the fund;  
 25 (3) making grants, loans, and loan guarantees for the  
 26 development, rehabilitation, or financing of affordable housing  
 27 for individuals and families whose income is at or below eighty  
 28 percent (80%) of the county's median income for individuals and  
 29 families, respectively, including the elderly, persons with  
 30 disabilities, and homeless individuals and families; ~~and~~  
 31 (4) providing technical assistance to nonprofit developers of  
 32 affordable housing; **and**  
 33 **(5) funding other programs considered appropriate to meet**  
 34 **the affordable housing and community development needs of**  
 35 **lower income families (as defined in IC 5-20-4-5) and very low**  
 36 **income families (as defined in IC 5-20-4-6), including lower**  
 37 **income elderly, persons with disabilities, and homeless**  
 38 **individuals.**
- 39 (h) At least fifty percent (50%) of the dollars allocated for  
 40 production, rehabilitation, or purchase of housing must be used for  
 41 units to be occupied by individuals and families whose income is at or  
 42 below fifty percent (50%) of the county's area median income for

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1 individuals and families, respectively.

2 (i) The low income housing trust fund advisory committee is  
3 established. The low-income housing trust fund advisory committee  
4 consists of eleven (11) members. The membership of the low income  
5 housing trust fund advisory committee is comprised of:

6 (1) one (1) member appointed by the mayor, to represent the  
7 interests of low income families;

8 (2) one (1) member appointed by the mayor, to represent the  
9 interests of owners of subsidized, multifamily housing  
10 communities;

11 (3) one (1) member appointed by the mayor, to represent the  
12 interests of banks and other financial institutions;

13 (4) one (1) member appointed by the mayor, of the department of  
14 metropolitan development;

15 (5) three (3) members representing the community at large  
16 appointed by the commission, from nominations submitted to the  
17 commission as a result of a general call for nominations from  
18 neighborhood associations, community based organizations, and  
19 other social services agencies;

20 (6) one (1) member appointed by and representing the Coalition  
21 for Homeless Intervention and Prevention of Greater Indianapolis;

22 (7) one (1) member appointed by and representing the Local  
23 Initiatives Support Corporation;

24 (8) one (1) member appointed by and representing the  
25 Indianapolis Coalition for Neighborhood Development; and

26 (9) one (1) member appointed by and representing the  
27 Indianapolis Neighborhood Housing Partnership.

28 Members of the low income housing trust fund advisory committee  
29 serve for a term of four (4) years, and are eligible for reappointment. If  
30 a vacancy exists on the committee, the appointing authority who  
31 appointed the former member whose position has become vacant shall  
32 appoint an individual to fill the vacancy. A committee member may be  
33 removed at any time by the appointing authority who appointed the  
34 committee member.

35 (j) The low income housing trust fund advisory committee shall  
36 make recommendations to the commission regarding:

37 (1) the development of policies and procedures for the uses of the  
38 low income housing trust fund; and

39 (2) long term sources of capital for the low income housing trust  
40 fund, including:

41 (A) revenue from:

42 (i) development ordinances;

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- 1                   (ii) fees; or
- 2                   (iii) taxes;
- 3                   (B) financial market based income;
- 4                   (C) revenue derived from private sources; and
- 5                   (D) revenue generated from grants, gifts, donations, or income
- 6                   in any other form, from a:
- 7                   (i) government program;
- 8                   (ii) foundation; or
- 9                   (iii) corporation.
- 10                  (k) The county treasurer shall invest the money in the fund not
- 11                  currently needed to meet the obligations of the fund in the same
- 12                  manner as other public funds may be invested.

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