



January 17, 2020

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## HOUSE BILL No. 1104

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DIGEST OF HB 1104 (Updated January 15, 2020 4:57 pm - DI 133)

**Citations Affected:** IC 5-20; IC 36-7.

**Synopsis:** Housing and community development authority. Repeals the laws governing the microenterprise partnership program fund and microenterprise partnership program. Requires the governing body of an eligible entity to notify the Indiana housing and community development authority of the creation of an affordable housing fund. Replaces the member of the low income housing trust fund advisory committee appointed by and representing the Indianapolis Coalition for Neighborhood Development with one member appointed by and representing the Indiana housing and community development authority.

**Effective:** July 1, 2020.

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January 7, 2020, read first time and referred to Committee on Government and Regulatory Reform.  
January 16, 2020, reported — Do Pass.

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HB 1104—LS 6800/DI 137





January 17, 2020

Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## HOUSE BILL No. 1104

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

- 1 SECTION 1. IC 5-20-5-15.5, AS AMENDED BY P.L.181-2016,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 15.5. (a) The governing body of an eligible entity  
4 that receives a grant under this chapter shall, by resolution, establish an  
5 affordable housing fund to be administered, subject to the terms of the  
6 resolution, by a department, a division, or an agency designated by the  
7 governing body.  
8 (b) The affordable housing fund consists of:  
9 (1) payments in lieu of taxes deposited in the fund under  
10 IC 36-1-8-14.2 (before its expiration);  
11 (2) gifts and grants to the fund;  
12 (3) investment income earned on the fund's assets;  
13 (4) money deposited in the fund under IC 36-2-7-10; and  
14 (5) other funds from sources approved by the commission.  
15 (c) The governing body shall, by resolution, establish uses for the  
16 affordable housing fund. However, the uses must be limited to:  
17 (1) providing financial assistance to those individuals and

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1 families whose income is at or below eighty percent (80%) of the  
 2 county's median income for individuals and families, respectively,  
 3 to enable those individuals and families to purchase or lease  
 4 residential units within the county;

5 (2) paying expenses of administering the fund;

6 (3) making grants, loans, and loan guarantees for the  
 7 development, rehabilitation, or financing of affordable housing  
 8 for individuals and families whose income is at or below eighty  
 9 percent (80%) of the county's median income for individuals and  
 10 families, respectively, including the elderly, persons with  
 11 disabilities, and homeless individuals and families; and

12 (4) providing technical assistance to nonprofit developers of  
 13 affordable housing.

14 (d) The county treasurer shall invest the money in the fund not  
 15 currently needed to meet the obligations of the fund in the same  
 16 manner as other public funds may be invested.

17 **(e) The governing body of an eligible entity shall notify the**  
 18 **authority of the creation of an affordable housing fund.**

19 SECTION 2. IC 5-20-7 IS REPEALED [EFFECTIVE JULY 1,  
 20 2020]. (Microenterprise Partnership Program Fund).

21 SECTION 3. IC 5-20-8 IS REPEALED [EFFECTIVE JULY 1,  
 22 2020]. (Microenterprise Partnership Program).

23 SECTION 4. IC 36-7-15.1-35.5, AS AMENDED BY P.L.127-2017,  
 24 SECTION 207, IS AMENDED TO READ AS FOLLOWS  
 25 [EFFECTIVE JULY 1, 2020]: Sec. 35.5. (a) The general assembly  
 26 finds the following:

27 (1) Federal law permits the sale of a multiple family housing  
 28 project that is or has been covered, in whole or in part, by a  
 29 contract for project based assistance from the United States  
 30 Department of Housing and Urban Development without  
 31 requiring the continuation of that project based assistance.

32 (2) Such a sale displaces the former residents of a multiple family  
 33 housing project described in subdivision (1) and increases the  
 34 shortage of safe and affordable housing for persons of low and  
 35 moderate income within the county.

36 (3) The displacement of families and individuals from affordable  
 37 housing requires increased expenditures of public funds for crime  
 38 prevention, public health and safety, fire and accident prevention,  
 39 and other public services and facilities.

40 (4) The establishment of a supplemental housing program under  
 41 this section will do the following:

42 (A) Benefit the health, safety, morals, and welfare of the



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



- 1 fund to be administered, subject to the terms of the resolution, by:
- 2 (1) the housing division of the consolidated city; or
- 3 (2) the department, division, or agency that has been designated
- 4 to perform the public housing function by an ordinance adopted
- 5 under IC 36-7-18-1.
- 6 (f) The housing trust fund consists of:
- 7 (1) amounts transferred to the fund under subsection (d);
- 8 (2) payments in lieu of taxes deposited in the fund under
- 9 IC 36-3-2-11 (before its expiration);
- 10 (3) gifts and grants to the fund;
- 11 (4) investment income earned on the fund's assets;
- 12 (5) money deposited in the fund under IC 36-2-7-10(k) or
- 13 IC 36-2-7-10.7; and
- 14 (6) other funds from sources approved by the commission.
- 15 (g) The commission shall, by resolution, establish uses for the
- 16 housing trust fund. However, the uses must be limited to:
- 17 (1) providing financial assistance to those individuals and
- 18 families whose income is at or below eighty percent (80%) of the
- 19 county's median income for individuals and families, respectively,
- 20 to enable those individuals and families to purchase or lease
- 21 residential units within the county;
- 22 (2) paying expenses of administering the fund;
- 23 (3) making grants, loans, and loan guarantees for the
- 24 development, rehabilitation, or financing of affordable housing
- 25 for individuals and families whose income is at or below eighty
- 26 percent (80%) of the county's median income for individuals and
- 27 families, respectively, including the elderly, persons with
- 28 disabilities, and homeless individuals and families;
- 29 (4) providing technical assistance to nonprofit developers of
- 30 affordable housing; and
- 31 (5) funding other programs considered appropriate to meet the
- 32 affordable housing and community development needs of lower
- 33 income families (as defined in IC 5-20-4-5) and very low income
- 34 families (as defined in IC 5-20-4-6), including lower income
- 35 elderly individuals, individuals with disabilities, and homeless
- 36 individuals.
- 37 (h) After June 30, 2017, at least forty percent (40%) of the money
- 38 deposited in the housing trust fund shall be used for the following
- 39 purposes:
- 40 (1) To assist existing owner occupants with the repair,
- 41 rehabilitation, or reconstruction of their homes.
- 42 (2) To finance the acquisition, rehabilitation, or new construction



1 of homes for home buyers.

2 (3) To acquire, rehabilitate, or construct rental housing.

3 (i) At least fifty percent (50%) of the dollars allocated for  
4 production, rehabilitation, or purchase of housing must be used for  
5 units to be occupied by individuals and families whose income is at or  
6 below fifty percent (50%) of the county's area median income for  
7 individuals and families, respectively.

8 (j) The low income housing trust fund advisory committee is  
9 established. The low-income housing trust fund advisory committee  
10 consists of eleven (11) members. The membership of the low income  
11 housing trust fund advisory committee is comprised of:

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

14 (2) one (1) member appointed by the mayor, to represent the  
15 interests of owners of subsidized, multifamily housing  
16 communities;

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

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

21 (5) three (3) members representing the community at large  
22 appointed by the commission, from nominations submitted to the  
23 commission as a result of a general call for nominations from  
24 neighborhood associations, community based organizations, and  
25 other social services agencies;

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

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

30 (8) one (1) member appointed by and representing the  
31 ~~Indianapolis Coalition for Neighborhood Development~~ **Indiana**  
32 **housing and community development authority**; and

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

35 Members of the low income housing trust fund advisory committee  
36 serve for a term of four (4) years, and are eligible for reappointment. If  
37 a vacancy exists on the committee, the appointing authority who  
38 appointed the former member whose position has become vacant shall  
39 appoint an individual to fill the vacancy. A committee member may be  
40 removed at any time by the appointing authority who appointed the  
41 committee member.

42 (k) The low income housing trust fund advisory committee shall



- 1 make recommendations to the commission regarding:  
2 (1) the development of policies and procedures for the uses of the  
3 low income housing trust fund; and  
4 (2) long term sources of capital for the low income housing trust  
5 fund, including:  
6 (A) revenue from:  
7 (i) development ordinances;  
8 (ii) fees; or  
9 (iii) taxes;  
10 (B) financial market based income;  
11 (C) revenue derived from private sources; and  
12 (D) revenue generated from grants, gifts, donations, or income  
13 in any other form, from a:  
14 (i) government program;  
15 (ii) foundation; or  
16 (iii) corporation.  
17 (l) The county treasurer shall invest the money in the fund not  
18 currently needed to meet the obligations of the fund in the same  
19 manner as other public funds may be invested.





COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1104, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1104 as introduced.)

PRESSEL

Committee Vote: Yeas 11, Nays 0

