

HOUSE BILL No. 1256

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-3-7-6.5; IC 36-7-15.1-35.5.

Synopsis: Marion County housing trust fund. Requires the Marion County treasurer to deposit the amount of revenue received as a result of \$.01 of the certified tax rate for the county general fund for the prior year to the county housing trust fund not later than March 1 of each year.

Effective: July 1, 2020.

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January 13, 2020, read first time and referred to Committee on Ways and Means.



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. 1256

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 36-3-7-6.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2020]: **Sec. 6.5. Not later than March 1 of each year, the county**
4 **treasurer shall transfer the amount of revenue the county received**
5 **as a result of one cent (\$0.01) of the certified tax rate for the county**
6 **general fund for the prior year to the housing trust fund**
7 **established under IC 36-7-15.1-35.5(e).**

8 SECTION 2. IC 36-7-15.1-35.5, AS AMENDED BY P.L.127-2017,
9 SECTION 207, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2020]: Sec. 35.5. (a) The general assembly
11 finds the following:

- 12 (1) Federal law permits the sale of a multiple family housing
13 project that is or has been covered, in whole or in part, by a
14 contract for project based assistance from the United States
15 Department of Housing and Urban Development without
16 requiring the continuation of that project based assistance.
- 17 (2) Such a sale displaces the former residents of a multiple family



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



- 1 for the following purposes:
- 2 (1) Subject to subdivision (2), on January 1 and July 1 of each
- 3 year the balance of the special fund shall be transferred to the
- 4 housing trust fund established under subsection (e).
- 5 (2) The commission may provide each taxpayer in the allocation
- 6 area a credit for property tax replacement in the manner provided
- 7 by section 35(b)(7) of this chapter. Transfers made under
- 8 subdivision (1) shall be reduced by the amount necessary to
- 9 provide the credit.
- 10 (e) The commission shall, by resolution, establish a housing trust
- 11 fund to be administered, subject to the terms of the resolution, by:
- 12 (1) the housing division of the consolidated city; or
- 13 (2) the department, division, or agency that has been designated
- 14 to perform the public housing function by an ordinance adopted
- 15 under IC 36-7-18-1.
- 16 (f) The housing trust fund consists of:
- 17 (1) amounts transferred to the fund under subsection (d);
- 18 (2) payments in lieu of taxes deposited in the fund under
- 19 IC 36-3-2-11 (before its expiration);
- 20 (3) gifts and grants to the fund;
- 21 (4) investment income earned on the fund's assets;
- 22 (5) money deposited in the fund under IC 36-2-7-10(k) or
- 23 IC 36-2-7-10.7; ~~and~~
- 24 **(6) money deposited in the fund under IC 36-3-7-6.5; and**
- 25 ~~(6) (7) other funds from sources approved by the commission.~~
- 26 (g) The commission shall, by resolution, establish uses for the
- 27 housing trust fund. However, the uses must be limited to:
- 28 (1) providing financial assistance to those individuals and
- 29 families whose income is at or below eighty percent (80%) of the
- 30 county's median income for individuals and families, respectively,
- 31 to enable those individuals and families to purchase or lease
- 32 residential units within the county;
- 33 (2) paying expenses of administering the fund;
- 34 (3) making grants, loans, and loan guarantees for the
- 35 development, rehabilitation, or financing of affordable housing
- 36 for individuals and families whose income is at or below eighty
- 37 percent (80%) of the county's median income for individuals and
- 38 families, respectively, including the elderly, persons with
- 39 disabilities, and homeless individuals and families;
- 40 (4) providing technical assistance to nonprofit developers of
- 41 affordable housing; and
- 42 (5) funding other programs considered appropriate to meet the



1 affordable housing and community development needs of lower
 2 income families (as defined in IC 5-20-4-5) and very low income
 3 families (as defined in IC 5-20-4-6), including lower income
 4 elderly individuals, individuals with disabilities, and homeless
 5 individuals.

6 (h) After June 30, 2017, at least forty percent (40%) of the money
 7 deposited in the housing trust fund shall be used for the following
 8 purposes:

9 (1) To assist existing owner occupants with the repair,
 10 rehabilitation, or reconstruction of their homes.

11 (2) To finance the acquisition, rehabilitation, or new construction
 12 of homes for home buyers.

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

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

19 (j) The low income housing trust fund advisory committee is
 20 established. The low-income housing trust fund advisory committee
 21 consists of eleven (11) members. The membership of the low income
 22 housing trust fund advisory committee is comprised of:

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

25 (2) one (1) member appointed by the mayor, to represent the
 26 interests of owners of subsidized, multifamily housing
 27 communities;

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

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

32 (5) three (3) members representing the community at large
 33 appointed by the commission, from nominations submitted to the
 34 commission as a result of a general call for nominations from
 35 neighborhood associations, community based organizations, and
 36 other social services agencies;

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

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

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



- 1 (9) one (1) member appointed by and representing the
2 Indianapolis Neighborhood Housing Partnership.
3 Members of the low income housing trust fund advisory committee
4 serve for a term of four (4) years, and are eligible for reappointment. If
5 a vacancy exists on the committee, the appointing authority who
6 appointed the former member whose position has become vacant shall
7 appoint an individual to fill the vacancy. A committee member may be
8 removed at any time by the appointing authority who appointed the
9 committee member.
- 10 (k) The low income housing trust fund advisory committee shall
11 make recommendations to the commission regarding:
12 (1) the development of policies and procedures for the uses of the
13 low income housing trust fund; and
14 (2) long term sources of capital for the low income housing trust
15 fund, including:
16 (A) revenue from:
17 (i) development ordinances;
18 (ii) fees; or
19 (iii) taxes;
20 (B) financial market based income;
21 (C) revenue derived from private sources; and
22 (D) revenue generated from grants, gifts, donations, or income
23 in any other form, from a:
24 (i) government program;
25 (ii) foundation; or
26 (iii) corporation.
- 27 (l) The county treasurer shall invest the money in the fund not
28 currently needed to meet the obligations of the fund in the same
29 manner as other public funds may be invested.

