

## **IC 5-20-4**

### **Chapter 4. Affordable Housing and Community Development Fund**

#### **IC 5-20-4-1**

##### **Repealed**

*(Repealed by P.L.133-2012, SEC.33.)*

#### **IC 5-20-4-2**

##### **"Families"**

Sec. 2. As used in this chapter, "families" has the meaning set forth in 42 U.S.C. 1437a(b)(3).

*As added by P.L.69-1989, SEC.4.*

#### **IC 5-20-4-3**

##### **"Housing and community development authority"**

Sec. 3. As used in this chapter, "authority" refers to the Indiana housing and community development authority established under IC 5-20-1.

*As added by P.L.69-1989, SEC.4. Amended by P.L.1-2006, SEC.113; P.L.181-2006, SEC.29; P.L.1-2007, SEC.31.*

#### **IC 5-20-4-4**

##### **"Fund"**

Sec. 4. As used in this chapter, unless the context requires otherwise, "fund" refers to the affordable housing and community development fund established by section 7 of this chapter.

*As added by P.L.69-1989, SEC.4. Amended by P.L.181-2006, SEC.30.*

#### **IC 5-20-4-5**

##### **"Lower income families"**

Sec. 5. As used in this chapter, "lower income families" means families whose income does not exceed eighty percent (80%) of the median income for the area.

*As added by P.L.69-1989, SEC.4.*

#### **IC 5-20-4-6**

##### **"Very low income families"**

Sec. 6. As used in this chapter, "very low income families" means families whose income does not exceed fifty percent (50%) of the median for the area.

*As added by P.L.69-1989, SEC.4.*

#### **IC 5-20-4-7**

##### **Establishment of fund; administration; resources; investments; disposition of remaining money; interest**

Sec. 7. (a) There is established the affordable housing and community development fund. The fund shall be administered by the authority under the direction of the authority's board.

(b) The fund consists of the following resources:

- (1) Appropriations from the general assembly.
- (2) Gifts, grants, and donations of any tangible or intangible property from public or private sources.
- (3) Investment income earned on the fund's assets.
- (4) Repayments of loans from the fund.
- (5) Funds borrowed from the board for depositories insurance fund (IC 5-13-12-7).
- (6) Money deposited in the fund under IC 6-7-2-17 and IC 36-2-7-10.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The money remaining in the fund at the end of a fiscal year does not revert to the state general fund.

(e) Interest earned on the fund may be used by the authority to pay expenses incurred in the administration of the fund.

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 27-1993, SEC.17; P.L. 1-2006, SEC.114; P.L. 181-2006, SEC.31; P.L. 1-2007, SEC.32; P.L. 211-2007, SEC.1; P.L. 234-2007, SEC.200; P.L. 3-2008, SEC.31.*

#### **IC 5-20-4-8**

##### **Financial assistance; form; allocation**

Sec. 8. (a) The money in the fund shall be used to provide financial assistance in the form of:

- (1) grants;
- (2) loans; and
- (3) loan guarantees.

In addition, money from the fund may be used to provide technical assistance to nonprofit developers of low income housing.

(b) The financial assistance described in subsection (a) shall be used for:

- (1) the acquisition, construction, rehabilitation, development, operation, and insurance of, and education concerning, affordable housing and community economic development; or
- (2) other 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.

(c) At least fifty percent (50%) of the dollars allocated must be used to serve very low income households.

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 23-1993, SEC.18; P.L. 27-1993, SEC.18; P.L. 181-2006, SEC.32; P.L. 211-2007, SEC.2.*

#### **IC 5-20-4-9**

##### **Terms of loans from board for depositories insurance fund**

Sec. 9. The board for depositories shall determine the terms of the loan from the board for depositories insurance fund under section 8 of this chapter that must include the following:

- (1) That the duration of the loan may not exceed twenty (20) years from the date of the execution of the agreement between the authority and the public deposit insurance fund operated by the board for depositories.
- (2) The repayment schedule of the loan that:
  - (A) shall not require repayment of any principal; and
  - (B) must allow any principal to be repaid by the fund at any time;before the end of the term for the loan.
- (3) That no interest may be charged.
- (4) The amount of the loan, which may not exceed five million dollars (\$5,000,000).

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 27-1993, SEC.19; P.L. 1-2006, SEC.115; P.L. 181-2006, SEC.33; P.L. 1-2007, SEC.33.*

#### **IC 5-20-4-10**

##### **Repealed**

*(Repealed by P.L. 27-1993, SEC.26.)*

#### **IC 5-20-4-10.1**

##### **Repayment of loans; procedures**

Sec. 10.1. The authority and the board for depositories shall establish procedures to insure repayment of the loan principal at the end of the loan term. The procedures may include purchase of a zero coupon bond to insure the loan principal, a requirement that a percentage of the loans issued by the authority be made through a linked deposit program in certificates of deposit, or other procedures that the authority and the board for depositories may determine appropriate.

*As added by P.L. 27-1993, SEC.20. Amended by P.L. 1-2006, SEC.116; P.L. 181-2006, SEC.34; P.L. 1-2007, SEC.34.*

#### **IC 5-20-4-11**

##### **Allocation of fund resources**

Sec. 11. (a) At least fifty percent (50%) of the resources of the fund shall be allocated to recognized nonprofit corporations under Section 501(c) of the Internal Revenue Code.

(b) The resources of the fund that are not allocated under subsection (a) may be allocated to private developers of housing and private development entities as determined by the authority.

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 179-1991, SEC.9; P.L. 1-1992, SEC.13; P.L. 27-1993, SEC.21; P.L. 1-2006, SEC.117; P.L. 181-2006, SEC.35; P.L. 1-2007, SEC.35.*

#### **IC 5-20-4-12**

##### **Occupancy of housing developed with fund resources**

Sec. 12. Rental housing that is developed with money from the fund shall be made available for occupancy to low income families or very low income families for at least fifteen (15) years. In the event of foreclosure or equivalent action, the remaining affordability

period may be waived by the authority.

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 27-1993, SEC.22; P.L. 1-2006, SEC.118; P.L. 181-2006, SEC.36; P.L. 1-2007, SEC.36.*

#### **IC 5-20-4-13**

##### **Developer certification of compliance with federal requirements**

Sec. 13. A developer that uses funds from the fund shall certify to the authority that the developer will comply with the following:

- (1) The federal Civil Rights Act of 1968 (P.L. 90-284).
- (2) The federal Fair Housing Amendments of 1988 (P.L. 100-430).
- (3) The Indiana Civil Rights Law (IC 22-9-1).

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 1-2006, SEC.119; P.L. 181-2006, SEC.37; P.L. 1-2007, SEC.37.*

#### **IC 5-20-4-14**

##### **Policies and procedures for implementation of chapter**

Sec. 14. The authority shall establish written policies and procedures to implement this chapter. These policies and procedures shall include the following:

- (1) The development of an application process for requesting financial assistance under this chapter.
- (2) The establishment of a procedure for disbursing financial assistance under this chapter.
- (3) The establishment of a rate of interest for a loan under this chapter.
- (4) The establishment of loan underwriting criteria to protect the assets of the fund. The authority shall require a lien or other security when appropriate and in the amounts the authority determines appropriate.
- (5) A requirement that a financial institution holding an obligation that is guaranteed under this chapter must adequately secure the obligation.
- (6) Standards requiring a local match for any assistance under this chapter and establishing the level of local match required.
- (7) The establishment of a cap on the amount of financial assistance that any recipient may receive.
- (8) The establishment of procedures to do the following:
  - (A) Ensure that an equitable part of all funds are distributed to rural areas of Indiana.
  - (B) Enable the authority to use the fund to provide matching funds to local housing trust funds in Indiana.
  - (C) Promote community economic development.

*As added by P.L. 69-1989, SEC.4. Amended by P.L. 27-1993, SEC.23; P.L. 1-2006, SEC.120; P.L. 181-2006, SEC.38; P.L. 1-2007, SEC.38.*

#### **IC 5-20-4-15**

##### **Repealed**

*(Repealed by P.L. 133-2012, SEC.34.)*

**IC 5-20-4-16**

**Repealed**

*(Repealed by P.L.133-2012, SEC.35.)*