

HOUSING

2022

RESOURCE

GUIDE



INDIANA
ASSOCIATION
OF REALTORS®

aim

Accelerate Indiana
Municipalities

INTRODUCTION

Welcome to the inaugural **Indiana Housing Guide**, a joint effort of **AIM**, the **Indiana Association of REALTORS®** and other public, private and non-profit partners working in the housing sector. This Guide inventories the array of public incentives, financing mechanisms and various state and federal programs available to local elected officials, redevelopment commissions and other partners to expand housing supply to meet – and anticipate – demand.

Why is it so important to highlight these resources now?

There is a close relationship between housing supply and revenue stability for local government: Residential assessed value makes up nearly half the statewide property tax base (and growing), and local income tax distributions are determined by place of residence, not employment. Ensuring access to housing options is a key component of local strategies for growth and long-term development.

But in communities across Indiana, available housing still lags behind the demand created by new residents, employers and commercial investment. In the latest (2020) Indiana Advisory Commission on Intergovernmental Relations (IACIR) survey of local officials, “quality and affordable housing” was identified as a top concern by 74% of respondents – the only issues ranking higher involved public health, unsurprisingly as the questionnaire was distributed just as COVID restrictions took hold across Indiana in March.

Housing is a long-term challenge – the current imbalance didn’t develop in two years of COVID and supply chain disruption and won’t be fixed by a short-term spurt of new construction. Ensuring local units have the tools necessary to tailor growth and development to the needs of their community is critical.

The mix of housing demand also continues to shift with demographic and economic changes. Accessible housing close to employment centers will continue to be a priority; by 2034, the U.S. Census predicts that Americans over 65 will outnumber those under 18 for the first time – residential development supporting long-term residents and their desire to age in place will become a more pressing need as well.

A common playbook, planning for the future:

Indiana may have a shortage of available, desirable and adequate housing, but there’s no shortage of discussion around potential solutions. However, there is a need to understand the current toolkit for promoting residential development before adjusting or adding new tools to it. That’s the premise of this Housing Guide: A manual of current options to expand local housing markets, a primer for local policymakers that will continue to grow as new resources are dedicated to access, affordability and ownership.

Brought to you by AIM, the Indiana Association of REALTORS® and its 20,000 members – advocates for Indiana and its communities who believe that attracting new residents and retaining those we have will not happen without focusing on the quality of life in each and every community. This starts with places to live.

THE AVERAGE
MUNICIPALITY
COLLECTS
MORE THAN HALF
ITS REVENUE FROM
**RESIDENTIAL
PROPERTY TAXES**
AND
**LOCAL
INCOME TAX
DISTRIBUTIONS**

**REVENUES
THAT RELY ON
HOUSING
CAPACITY**
WITHIN ITS BORDERS.

AVERAGE HOUSING INVENTORY

*total homes listed for sale
by month*

▼ **80+%**
since 2011

Indiana’s population has grown by 300,000 since that point, and residential building permits have declined to roughly half the annual rate of the 2000s.

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Indiana consistently leads the national average in homeownership rate, by more than 13% in 2021. But affordability and access to the housing market are at risk across much of Indiana, as declining inventory of available housing has failed to match demand created by population, employment and income growth. Highlighted below are programs meant to assist those individuals interested in homeownership or current homeowners in Indiana.

PROGRAMS FOR HOMEBUYERS & HOMEOWNERS

First Time Homebuyer Assistance Programs

IHCDA First Place Program (FP)

- Offers a second mortgage up to 6% of a house's purchase price to cover the down payment and closing costs for a first-time home purchase with no additional monthly payments or interest charged on the loan
- Loan is forgiven if the homeowner lives in the home for at least nine years and stays current on all duties required of a homeowner (i.e., make monthly mortgage payments and property tax payments)

IHCDA Next Home Program (NH)

- Similar to the First Place Program but is open to anyone, not just first-time homebuyers, who are looking to purchase their second home
- Down payment and closing cost assistance up to 3.5% of the purchase price

Mortgage Credit Certificate (MCC)

- A federal income tax credit equal to 25% of the borrowed amount, up to \$2,000 per year, for first time homebuyers
- Exceptions to the first-time homebuyer requirement if the purchaser is a qualified veteran or looking to purchase a home in a targeted area

ACHIEVING HOMEOWNERSHIP

Homeowner Financial Literacy Program

Preferred banking relationships through CRA partnerships

- Community Reinvestment Act (CRA), a federal act that encourages its partners to assist the credit needs of low-and moderate-income (LMI) neighborhoods by targeting affordable housing, small business lending, and revitalizing or stabilizing LMI neighborhoods
- Federal regulators look to how well these banks are meeting the credit needs of LMI neighborhoods when considering approvals for mergers, charters, branch openings and other activities and give the bank a CRA rating, which are available online.

INHP Home Value Guaranty

- Incentives homebuyers to purchase a vacant or abandoned home in need of extensive repairs or an empty lot in one of five Indianapolis neighborhoods
- Program guarantees after seven years the home will appreciate 5% above the total cost to purchase and rehabilitate the home, and if the home's value doesn't increase then INHP will reduce the homebuyer's mortgage

IHCDA Individual Development Accounts (IDA)

- Partnership between IHCDA and financial organizations that offer Individual Development Accounts (IDAs) to qualified residents looking to improve their financial literacy
- Participating individuals, those with low-moderate incomes, have a dedicated savings program where their deposited funds are matched
- Participants are eligible for up to \$4,500 in state matching funds toward an eligible asset and participants receive one-on-one counseling and 6+ hours of financial education
- Purchasing a primary residence in Indiana is considered an eligible asset under the program

Home Ownership Financial Literacy Council (HOFLC)

- A non-profit that focuses on providing homeowners or prospective homeowners with the tools to navigate home ownership
- They provide articles, webinars, finance calculators and details for available programs to members navigating the housing market
- They break down and explain the home buying process and walk through all the documents necessary to get approved for a mortgage as well as walk through the loan documents for closing
- One-time membership fee of \$10

Homeowner Repair Assistance

- Habitat for Humanity: through volunteer labor, Habitat for Humanity is able to build and rehabilitate houses for Hoosier families in need
- Veterans Affairs Regional Loan Center: Offers loans and grants to qualifying veterans to adapt existing dwellings to meet specific needs
- USDA Rural Development Office: Offer home improvement loans and grants to low-income homeowners in rural regions

Down Payment Assistance

- HUD offers a portal for homebuyers in Indiana that displays eligible programs by city/town: <https://www.hud.gov/states/indiana/homeownership/buyingprgms>

ACHIEVING HOMEOWNERSHIP

- IHCD's First Place (FP) program and Next Home (NH) program both offer down payment assistance to eligible homebuyers:
 - FP offers up to 6% of the purchase price for first-time homebuyers towards a down payment as a forgivable loan
 - NH offers up to 3.5% for down payments as a forgivable loan for the purchase of a new home. This program can be combined with IHCD's Mortgage Credit Certificate (MCC)

FEDERAL & STATE TAX CREDITS FOR HOMEOWNERS

Affordable and Workforce Housing Credit

- Allows a developer of a qualified project to get an additional state tax credit equal to between 40%-100% of the federal low-income housing tax credit for the project
- The program is run through IHCD
- The tax credit is transferrable if the developer of the qualified project sells to another developer who will complete the qualified project

Historic Rehabilitation Tax Credits

- If expenditures for historic rehabilitation or preservation of a residential property exceed \$10,000, a taxpayer can be eligible for a tax credit for up to 20% of those expenditures.
- The residential building must be at least 50 years old, on the Indiana Register of Historic Places, the taxpayer's primary residence, and in compliance with a rehabilitation plan consistent with the US Department of the Interior's guidelines.
- The tax credit application is through the Indiana Division of Historic Preservation & Archeology

Over 65 Property Tax Deduction

- The residential assessed value limitations for the 65+ homeowner property tax deduction is increasing from \$200,000 to \$240,000 for assessments and tax years beginning after December 31, 2022 – i.e. 2023-pay-2024.

Federal Low-Income Housing Tax Credit

- This tax credit is available on most kinds of rental buildings as long as the tenants meet income eligibility standards:
 - All tenants under 80% of the area median income
 - At least 40% under 60% of the area median income
 - At least 20% under 50% of the area median income
- The amount of the credit is up to 70% of the project with the highest amount given to new construction or substantial renovation.
- The credit is applied for through the state housing authority, in Indiana this is the Indiana Community Housing Development Authority

Tax Abatements

- Indiana's tax abatement statute allows local governments to provide a reduction or elimination of property taxes on real or personal property, usually for up to 10 years.
- This requires the establishment of an Economic Revitalization Area (ERA) by the local government and the procedures for authorizing the tax abatements vary from local unit to local unit.
- Applying for a tax abatement on a housing project requires going to the relevant local government and following procedures outlined locally.

FAIR HOUSING ACT

Housing availability isn't only a function of sufficient supply and development, but also ensuring equitable access to existing housing options. While federal and state authorities primarily define fair housing, local officials can play a role in educating and ensuring compliance with these rules.

The federal **Fair Housing Act** (nar.realtor/fair-housing-act) protects homebuyers from discrimination as they get a mortgage, rent a home, buy a home, seek housing assistance, or participate in other housing-related activities. The Fair Housing Act prevents discrimination based on race, color, sex, national origin, religion, disability, or familial status.

Historically, housing discrimination was written into property deeds to exclude individuals of certain races, religious affiliations and other backgrounds from purchasing or owning homes within certain communities. While this language has not been legally enforceable for more than fifty years, **House Enrolled Act (HEA) 1314** (2021, iga.in.gov/legislative/2021/bills/house/1314#document-8e6884b6) allowed for the alteration of property deeds to identify and assertively repudiate bias language. Indiana homeowners and buyers are now able to take steps to reduce these potential barriers in real estate transactions.



Fair Housing Advocates and Resources

One of the best ways to protect constituents and local stakeholders from from housing discrimination is to encourage all official communication to be done in writing. Most of the time, there are options for interacting with property managers through e-mail, which is an excellent way to ensure that records of all communications exist. In the event that e-mail, or some other form of written communication is not an option, documentation of the dates and times of all communications, as well as what was discussed during those times, is important. In most cases, inquiries about housing discrimination violations made to local officials or housing agencies should be directed to the Indiana Civil Rights Commission for further investigation and action.

HUD and the Indiana Civil Rights Commission

hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview

The U.S. Department of Housing and Urban Development is responsible for regulation and administrative oversight of fair housing policies and practices. HUD works cooperatively with its state agency counterpart, the Indiana Civil Rights Commission, in investigating claims of housing discrimination.

In Marion County/Indianapolis, the Indianapolis Office of Fair Housing and Equal Opportunity (FHEO)

hud.gov/states/indiana/working/localpo/fheo is responsible for the investigation of housing discrimination complaints under the federal Fair Housing Act, as assigned, as well as other civil rights complaints related to HUD funded programs in Indiana.

FAIR HOUSING ACT

Types of Complaints Investigated by FHEO

FHEO investigates complaints, which may be one or both of the following types:

- Discrimination under the Fair Housing Act (including housing that is privately owned and operated)
- Discrimination and other civil rights violations in housing and community development programs, including those funded by HUD

Complaints Involving Discrimination under the Fair Housing Act

How Your Rights May Have Been Violated	Discrimination in renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities
Applicable Law and Protected Classes	Fair Housing Act (race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, disability)
Who May File a Complaint	Anyone who has been or will be harmed by a discriminatory housing practice
Who May Have a Complaint Filed Against Them	Property owners, property managers, developers, real estate agents, mortgage lenders, homeowners associations, insurance providers, and others who affect housing opportunities

Complaints Involving Discrimination in Housing and Community Development Programs

How Your Rights May Have Been Violated	Discrimination and other violations of civil rights in HUD programs (for example, failure to ensure meaningful access by persons with limited English proficiency)
Applicable Law and Protected Classes	Title VI of the Civil Rights Act of 1964 (race, color, national origin); Section 109 of the Housing and Community Development Act of 1974 (race, color, national origin, religion, sex); Section 504 of the Rehabilitation Act of 1973 (disability); Title II of the Americans with Disabilities Act of 1990 (disability); Architectural Barriers Act of 1968 (disability); Age Discrimination Act of 1975 (age); Title IX of the Education Amendments Act of 1972 (sex)
Who May File a Complaint	Anyone
Who May Have a Complaint Filed Against Them	Any recipient or subrecipient of HUD financial assistance, States, local governments, and private entities operating housing and community development and other types of services, programs, or activities

Background Information

The needs of each community vary across the state, so it is critical to understand the local planning and zoning process. Planning and zoning are the methods by which a local government manages land use, growth and development within a comprehensive plan while also allowing for citizen input.

Planning

Planning is the process by which local governments determine land use, present and future, and compile the data needed to periodically reassess those determinations.

The Plan Commission

- The plan commission is responsible for the consideration and recommendation of a comprehensive plan to the legislative body of the municipality.
- Once the comprehensive plan is approved, the municipality has to give consideration to the general policy and pattern of development set out in the comprehensive plan as they relate to public structures, utilities, streets, public lands, sewers, etc., as well as to future zoning and subdivision control ordinance

The Comprehensive Plan

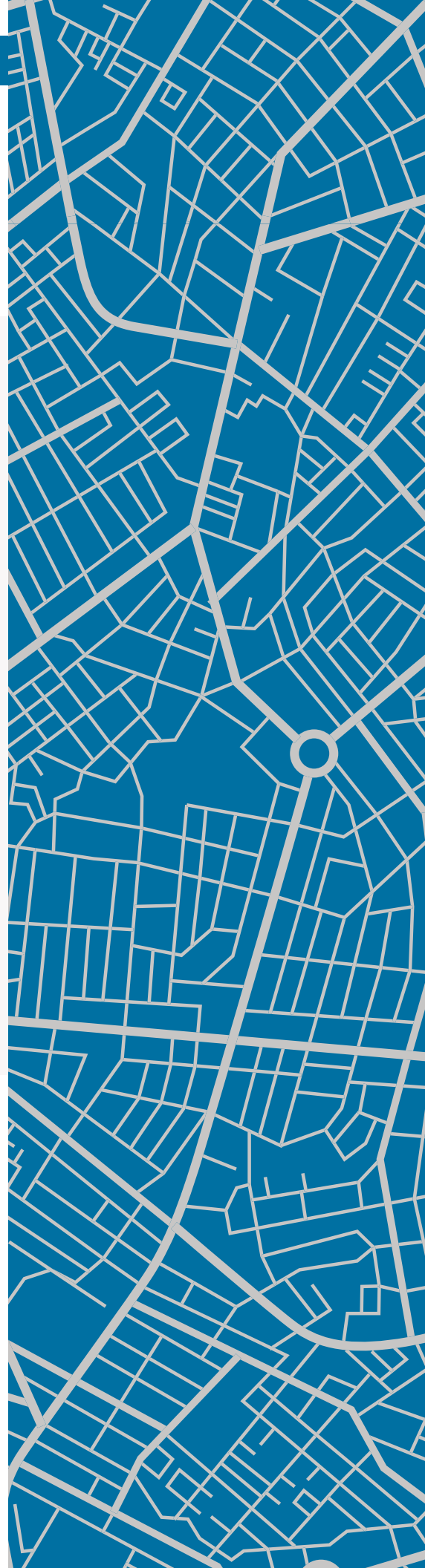
- Prior to the enactment of a zoning ordinance, a municipality that intends to exercise zoning powers under any of the three types of planning law must adopt a comprehensive plan.
- In general, a comprehensive plan sets forth the planning goals for a municipality, details the blueprint for the future development of the municipality, and acts as a guide to the plan commission and the board of zoning appeals in the function of their duties.

Zoning

Zoning is a legal mechanism for implementing a plan. In other words, planning is the “what the municipality wants to do” and zoning is the “how the municipality does it” of land use law.

The Zoning Ordinance

- Under each type of planning law, municipalities are given certain powers to regulate and classify land, its uses, and other related activities.
- This is primarily accomplished by adoption of a zoning ordinance and zoning maps, which are prepared by, or from the recommendations of, the plan commission.





PROMOTING AFFORDABLE HOUSING

- The zoning ordinance is guided but not controlled by the comprehensive plan. The zoning ordinance contains the official zoning map, which designates the real estate located within the jurisdiction of the municipal plan commission into “zoning districts”

The Board of Zoning Appeals (BZA)

- To facilitate the effective and fair implementation of the zoning ordinance, the common council or town council is required to establish a board of zoning appeals.
- IC 36-7-4-916 requires a BZA to adopt rules concerning the filing of appeals, the application for variances and special exceptions, the giving of notice and the conduct of hearings.
- In addition to adopting rules, BZAs are to hear and determine appeals from and review any order, requirement, decision or determination made by an official or staff member charged with the enforcement of a zoning ordinance, and to hear and determine special exceptions, special uses, contingent uses and conditional uses from the terms of the zoning ordinance (IC 36-7-4-918.1; 918.2).
- BZAs may also grant variances from height, bulk or area development standards specified in the zoning ordinance; however, only BZAs in jurisdictions electing advisory or metropolitan planning law may grant use variances (IC 36-7-4-918.3; 918.4)

The Numbers

There is no silver bullet to address affordable housing in Indiana. The needs in each county and municipality vary. According to the U.S. Census Bureau Building Permits Survey ([census.gov/library/visualizations/interactive/bps-new-privately-owned-housing-unit-authorizations.html](https://www.census.gov/library/visualizations/interactive/bps-new-privately-owned-housing-unit-authorizations.html)), Hamilton County leads the state in the number of single family housing units permitted for construction in 2021 and Monroe County leads the state in the number of multi-family units.

Highest # of Single-Family Housing by County	
1.	Hamilton County: 3,447
2.	Lake County: 1,735
3.	Allen County: 1,684
4.	Hendricks County: 1,360
5.	Marion County: 1,273
6.	Hancock County: 1,157
7.	Johnson County: 1,098
8.	Clark County: 900
9.	Boone County: 789
10.	Porter County: 635

Highest # of Multi-Family Units by County	
1.	Monroe County: 1,828
2.	Hamilton County: 1,359
3.	Marion County: 978
4.	Clark County: 726
5.	Tippecanoe County: 632
6.	Hancock County: 440
7.	Johnson County: 362
8.	Vanderburgh County: 238
9.	Allen County: 175
10.	Marshall County: 138

Meanwhile there are other communities who have struggled to attract new housing to their communities.

Lowest # of Single-Family Housing by County	
1.	Pike County: 0
2.	Benton County: 3
3.	Blackford County: 3
4.	Crawford County: 3
5.	Martin County: 3
6.	Sullivan County: 6
7.	Union County: 8
8.	Orange County: 8
9.	Clay County: 12
10.	Jay County: 17

Lowest # of Multi-Family Housing by County	
Several communities with 0 new units	



Tools Available At The Local Level

The goal of this section is to outline available resources for each community to utilize to promote affordable housing while also recognizing that each community may have unique challenges to overcome.

Tax Increment Financing

- Tax Increment Financing (TIF) is an important tool used by local units of government for economic development
- TIF can be used to promote affordable housing at the local level. Included below are some key items to know:
 - Allocation Area: An area designated by the redevelopment commission consisting of parcels from which the redevelopment commission will receive tax increment revenues from assessed value that arises after the creation of the allocation area.
 - Tax Increment Finance (TIF) is sometimes used to refer to the revenue generated by a TIF District.
 - TIF District: Another name for an allocation area
 - TIF can be essential in tackling economic revitalization projects such as:
 - Site acquisition
 - Demolition
 - Utilities/relocate
 - Structured parking
 - Environmental remediation
 - Infrastructure
- Additional Resources:
 - 2021 TIF Handbook, Barnes & Thornburg, Thomas Pitman
 - <https://aimindiana.org/wp-content/uploads/2018/12/RAI-Redevelopment-Handbook.pdf>
 - 2019 Handbook for Redevelopment Members and Attorneys, Barnes and Thornburg, Thomas Pitman
 - <https://www.in.gov/dlgf/files/190122-Wood-Presentation-Tax-Increment-Financing.pdf>

Housing TIF Allocation Areas and Single-Family Residential Housing TIF

- HOTIF: A TIF District created to improve the quality and availability of housing in a designated area
- Indiana law permits the creation of Housing TIF Allocation Areas in a limited area within the unit's jurisdiction meeting specified criteria relating to the rates of lack of occupancy, property tax delinquencies and code violations
- For areas that meet the criteria, the Redevelopment Commission may establish a so-called HOTIF area, capturing the increment from ALL real property improvements in the area, to be applied to projects for neighborhood renovation
- Allows the capture of residential property assessed value. A prominent HOTIF in Indiana is the Fall Creek HO-TIF in Indianapolis.
- Residential Housing Development (sometimes referred to as Housing Program): Indiana Code 36-7-14-53 to 56 permits a Redevelopment Commission to establish a program (or programs) for residential housing development and a tax increment financing allocation area for the program

PROMOTING AFFORDABLE HOUSING

- The new tax increment financing allocation area will capture tax increment on all new real property assessed value in the designated allocation area, including new residential real property assessed value (that arises after the base date for the new allocation area)
- The Code defines “residential housing” as housing that consists of single-family dwelling units and defines a “residential housing development program” as a program for the construction of new (single-family) residential housing or renovation of existing (single family) residential housing established by a Redevelopment Commission. House Enrolled Act 1065 (2020) (“HEA 1065”) added condominiums and townhomes within an economic development target area designated under IC 6-1.1-12.1-7 to the definition.
- A Redevelopment Commission may establish a residential housing program only if the average number of new, single-family residential houses constructed in the applicable city or town (or the unincorporated part of the applicable county in the case of a county Redevelopment Commission) in the preceding three years is less than one percent of the total number of single family residential houses within the applicable municipality or unincorporated part of the County.
- In effect, new construction of single-family residential housing must be sufficiently stagnant to meet the “less than one percent” test.
- Eligibility under this requirement must be certified by the Indiana Department of Local Government Finance.
- The school corporation or school corporations that overlap the new allocation area must also consent to the establishment of the allocation area. HEA 1065 provided that the calculations do not now apply for purposes of establishing a residential housing development program within an economic development target area designated under IC 6-1.1-12.1-7.
- The residential housing program may be adopted as part of a redevelopment plan or amendment to a redevelopment plan (thereby requiring the approval of the applicable plan commission and Town Council, City Common Council or County Commissioners) and must establish an allocation area.
- Prior to establishing a program, the Redevelopment Commission must hold public hearings in the affected neighborhood and allow for an advisory role for affected neighborhood associations, residents and the township assessor.
- Additional Resource:
 - Indiana Uplands Housing Series: Using Residential TIF Districts to Create Housing
<https://www.youtube.com/watch?v=Hg541nL95Gc>

Land Banks

- Land banks are authorized under IC 36-7-38-2
 - The legislative body of an eligible unit may adopt an ordinance: establishing a body corporate and politic; or directing the executive of the eligible unit to organize a nonprofit corporation as an independent instrumentality exercising essential governmental functions
 - The legislative bodies of two (2) or more eligible units within a single county or within two (2) or more contiguous counties may enter into an interlocal agreement establishing a body corporate and politic; or directing the executive of one (1) of the eligible units entering into the interlocal agreement to organize a nonprofit corporation as an independent instrumentality exercising essential governmental functions.
 - The primary purpose of a land bank established under subsection (a) or (b) is to manage and improve the marketability of distressed real property located in the territory of the land bank.

PROMOTING AFFORDABLE HOUSING

- An ordinance or interlocal agreement establishing a land bank must specify:
- The name of the land bank
- The number of board members
- The territory of a land bank established
- Additional Resources:
 - IC 36-7-38-2
 - National Land Bank Map
<https://cprogress.maps.arcgis.com/apps/dashboards/a4edfadbb09346f3abcebe75edd7ee60>
 - Evansville Land Bank Corp
<https://evvc.maps.arcgis.com/apps/webappviewer/index.html?id=2c4e4c68999c433091b7c584f70c065b&extent=-9762463.501%2C4566936.6613%2C-9732863.2618%2C4583982.1187%2C102100>
 - Search Land Bank Properties: <https://www.indy.gov/activity/search-land-bank-properties>
 - Renew Land Bank (Indianapolis/Marion County): <https://renewlandbank.org>

Flood Control Mechanisms

- Similar to a TIF district, a flood control district sets up a funding mechanism to address numerous types of flooding concerns in a community. State legislation allows the creation of these districts.
- Additional Resources:
- Indiana Code 36- 9- 29.1, Flood Control District in Marion County
- 36- 7- 15.6-16, Flood Control Improvement Fund; Uses

Working with State Agencies

It is important for communities to work with a variety of state agencies to address housing issues in Indiana. Included below are some of the state agencies who offer a variety of programs related to housing and development:

Indiana Finance Authority (IFA)

• Responsibilities

- The Indiana Finance Authority (IFA) oversees state-related debt issuance and provides financing solutions to facilitate state, local government and business investment in Indiana. Specific to local governments, the IFA manages the Wastewater and Drinking Water State Revolving Fund Loan Programs and the Indiana Brownfields Program.

• Programs & Resources

- State Revolving Fund Information (SRF): <https://www.in.gov/ifa/srf/>
- Indiana Brownfields Program: <https://www.in.gov/ifa/brownfields/>

• Website

- Link: <https://www.in.gov/ifa/about-ifa/>

PROMOTING AFFORDABLE HOUSING

Indiana Housing and Community Development Authority (IHCDA)

• Responsibilities

- The Indiana Housing and Community Development Authority (IHCDA) works in partnership with developers, lenders, investors, and nonprofit organizations that use their financing to serve low- and moderate-income Hoosiers.
- IHCDA leverages government and private funds to invest in financially sound, well-designed projects that will benefit communities for many years to come.
- The purpose is to help families become more stable, put down roots and climb the economic ladder. In turn, communities grow and prosper, broadening their tax base, creating new jobs, and maximizing local resources.

• Programs & Resources:

- Indiana Housing Now: <https://www.indianahousingnow.org/Resources.html>
- Indiana Homeowner Assistance Fund: <https://www.877gethope.org/>
- Federal Home Loan Bank of Indianapolis: <https://www.fhlbi.com/>
- Indiana Housing Dashboard: <https://www.in.gov/ihcda/dashboard/>

• Website

- Link: <https://www.in.gov/ihcda/>

Indiana Office of Community & Rural Affairs (OCRA)

• Responsibilities

- The Indiana Office of Community and Rural Affairs works with local, state and national partners to provide resources and technical assistance to aid communities in shaping and achieving their vision for community and economic development.
- Specifically, OCRA administers the CDBG program on behalf of the state for non-entitlement communities. OCRA has established several programs to assist rural communities with a variety of projects such as sewer and water systems, community centers, health and safety programs, and many others.

• Programs & Resources

- CDBG: <https://www.in.gov/ocra/cdbg/>
- Planning Grants: <https://www.in.gov/ocra/cdbg/planning-grants/>
- Blight Clearance Program: <https://www.in.gov/ocra/cdbg/blight-clearance-program/>
- Recovery Housing Program: <https://www.in.gov/ocra/cdbg/rhp/>

• Website

- Link: <https://www.in.gov/ocra/>

Indiana Economic Development Corporation (IEDC)

• Responsibilities

- While most programs under the IEDC are meant to offer business support and expertise to companies, they do focus on improving quality of place, infrastructure, and other assistance to build economic strength and attract talent.
- Multiple communities are leveraging READI to invest in affordable housing.

PROMOTING AFFORDABLE HOUSING

- **Programs & Resources**

- READI: <https://www.iedc.in.gov/program/indiana-readi/overview>

- **Website**

- Link: <https://www.iedc.in.gov/>

Indiana Department of Natural Resources (DNR)

- **Responsibilities**

- The mission of the Indiana Department of Natural Resources (DNR) is to protect, enhance, preserve, and wisely use natural, cultural, and recreational resources for the benefit of Indiana's citizens through professional leadership, management, and education.
- DNR is divided into two distinct areas of responsibility: the Regulatory Management Team and the Land Management Team.
- The Regulatory Management Team consists of the Divisions of Water; Entomology and Plant Pathology; Historic Preservation and Archaeology; Reclamation; and Oil and Gas.
- Outdoor recreation and land management programs are housed within the Land Management Team.

- **Programs & Resources**

- Floodplain Resources: <https://www.in.gov/dnr/water/community-assistance-and-information/>
- Floodplain Information Portal: <https://www.in.gov/dnr/water/surface-water/indiana-floodplain-mapping/indiana-floodplain-information-portal/>

- **Website:**

- Link: <https://www.in.gov/dnr/>

Indiana Department of Environmental Management (IDEM)

- **Responsibilities**

- The Indiana Department of Environmental Management's (IDEM) mission is to implement federal and state regulations to protect human health and the environment while allowing the environmentally sound operations of industrial, agricultural, commercial, and governmental activities vital to a prosperous economy.
- IDEM issues air, water, and solid and hazardous waste permits that restrict discharges to environmentally safe levels. Staff members inspect and monitor regulated entities; provide compliance and technical assistance; monitor and assess air, land, and water quality; use enforcement actions as necessary to ensure compliance; and respond to incidents involving spills to soil or waters of the state.

- **Programs & Resources**

- Citizens Guide to IDEM:
<https://www.in.gov/idem/resources/citizens-guide-to-idem/>
- Programs:
<https://www.in.gov/idem/resources/funding/>



SPECIFIC FEDERAL AND STATE PROGRAMS FOR COMMUNITIES

Several programs outlined below are run by state agencies. This section outlines those specific programs and state agencies that a community will want to work with as they address housing related issues.

Specific Programs

- **Brownfield Remediation Funding**

- The purpose of the Indiana Brownfields Program is to encourage and assist investment in the redevelopment of brownfield properties by helping communities via educational, financial, technical and legal assistance to identify and mitigate environmental barriers that impede local economic growth

- Link: <https://www.in.gov/ifa/brownfields/>

- **HOME/CDBG (Homeowner Repair Assistance)**

- The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

- HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

- HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

- Link: https://www.hud.gov/program_offices/comm_planning/home

- **The Neighborhood Assistance Program (NAP)**

- Offers \$2.5 million in tax credits annually for distribution by not-for-profit corporations.

- Organizations use NAP tax credits as an incentive to help them leverage more contributions from individuals and businesses for certain neighborhood-based programs and projects.

- Eligible projects include affordable housing, counseling, child-care, educational assistance, emergency assistance, job training, medical care, recreational facilities, downtown rehabilitation, and neighborhood commercial revitalization.

- All projects must benefit economically disadvantaged areas and/or persons.

- The NAP program follows the state fiscal year from July 1 to June 30. The maximum tax credit award per organization per fiscal year is \$40,000.00. Tax credits are distributed to donors at 50% of the contribution amount and are subtracted from a donor's state income tax liability. Indiana Code 6-3.1-9 established the NAP program.

- **READI**

- Program administered by the IEDC and funded by the 2021 state budget

- 17 regions awarded grants between \$5M - \$50M from the state

- There is a local match

- Additional Information: <https://www.iedc.in.gov/program/indiana-readi>

INNOVATIVE SUCCESSFUL PROJECTS

LaPorte's Brownfield Cleanup Fills Gap in Upscale Apartment Market

A project made possible by a massive brownfield cleanup of the former Allis-Chalmers machinery manufacturing site is LaPorte's The Banks apartment complex. Acting as the housing anchor for LaPorte's massive 50-acre redevelopment of the property now called NewPorte Landing, The Banks opened as a 200-unit, upscale apartment building in mid-2022. Developer Flaherty & Collins funded the \$35 million housing project in part with state issued redevelopment tax credits and the LaPorte Redevelopment Commission is supporting the project with the use of tax increment financing. Before The Banks issued the first set of keys, Flaherty & Collins announced plans to add another 150 apartments.

Muncie Uses Multiple Tools to Spur Homeownership, Increase Housing Options

The city of Muncie has found creative ways to provide workforce housing options for its residents. Through the redevelopment of 38 sites that once housed dilapidated structures, construction of a 60-unit apartment building, and a new 34-unit subdivision, both renters and homebuyers at multiple price points will have new housing options in Muncie. Working with private-sector developers, some of whom secured workforce housing tax credits, the city has leveraged tax increment financing, federal HOME funds, and economic development income tax dollars to incentivize these projects.

Town of Winona Lake uses Residential TIF to Assist New Subdivision

In 2020, the town of Winona Lake approved the creation of a residential tax increment financing (TIF) district to spur development of new construction homes on various sites around the community, including former golf course, Raccoon Run. Since the creation of the housing TIF, approximately 12 new homes have been built within the district with nearly 140 planned in total. New homes were assessed in 2022 and the district will begin generating revenue in 2023.

The city of Indianapolis Deploys Flood Control Districts to Reduce Flood Insurance Requirements for Homeowners

Indianapolis is in the process of creating its third Flood Control District since the enabling legislation was passed in 2018. These districts act much like TIF districts, using incremental growth in assessed value. The city's latest such district is in the Mars Hill neighborhood, where \$10.1 million in flood control projects are underway in hopes of removing more than 650 parcels from federal flood maps. Doing so would eliminate the need homeowners to obtain flood insurance and other restrictions that come with belonging in a flood plain.

Cook Medical in Orange County

Middle income workforce housing is in short supply, however; Cook Medical has committed to building 300 homes to address the critical need. This will be a multi-year project covering 62 acres in Lawrence, Orange and Owen counties near the Cook Spencer facility with the goal to keep the cost of these single-family homes under \$200,000. Cook also provides employees with education and resources to help them with the home buying process and prepare them to become homeowners.

GLOSSARY

1031 Exchange or Starker Exchange: The delayed exchange of properties that qualifies for tax purposes as a tax-deferred exchange.

Accessory Dwelling Units (ADUs): Also referred to as accessory apartments, second units, or granny flats — are additional living quarters on single-family lots that are independent of the primary dwelling unit.

Agent: The licensed real estate salesperson or broker who represents buyers or sellers.

Aging in place: The ability to live in one's own home and community safely, independently, and comfortably, regardless of age, income, or ability level.

Allocation Area: An area designated by the redevelopment commission consisting of parcels from which the redevelopment commission will receive tax increment revenues from assessed value that arises after the creation of the allocation area.

Amended Value: The actual sale price after the seller successfully markets and sells his or her home through the broker of his or her choice. The sale is turned over to a third-party relocation company for closing, and the guaranteed offer is amended or changed.

Anchor Institution: Place-based, mission-driven entities such as hospitals, universities, and government agencies that leverage their economic power alongside their human and intellectual resources to improve the long-term health and social welfare of their communities.

Appraisal: A document of opinion of property value at a specific point in time.

Area Needing Redevelopment: An area that meets certain statutory criteria, including a finding that the area is an area in which normal development and occupancy are undesirable or impossible because of factors such as lack of development; cessation of growth; deteriorated or deteriorating improvements; environmental contamination; character of occupancy; age; obsolescence; substandard buildings; or other factors that impair property values or prevent a normal use or development of property. (Prior law permitted the use of eminent domain by a redevelopment commission in an area needing development, but redevelopment commissions no longer have that power. As a result, since there is no longer any advantage to creating an area needing redevelopment.)

Assessed Value: The value assigned to property by the assessing officials, on which the amount of property taxes payable by the property owner (after any exemptions or deductions) will be based.

Assessment: The process used by assessing officials to determine the value of taxable property for taxing purposes.

Assessment District: A defined area that receives a special benefit from the construction of one or more public facilities. A Benefit Assessment District is a financing mechanism for providing public infrastructure as allowed under various statutes. Bonds may be issued to finance the improvements, subject to repayment by assessments charged against the benefiting properties. Creation of a Benefit Assessment District enables property owners in a specific area to cause the construction of public facilities or to maintain them (for example, a downtown, or the grounds and landscaping of a specific area) by contributing their fair share of the construction or installation and operating costs.

Back on Market (BOM): When a property or listing is placed back on the market after being removed from the market recently.

Base Assessed Value: The assessed value in a TIF District that will continue to flow to underlying taxing units by virtue of having arisen before the creation of the TIF District.

GLOSSARY

Blight: A condition of a site, structure, or area that may cause nearby buildings and/or areas to decline in attractiveness and/or utility. The Community Redevelopment Law contains a definition of blight used to determine eligibility of proposed redevelopment project areas

Board of Zoning Appeals: to facilitate the implementation of the zoning ordinance, IC 36-7-4-901 requires the common council or town council to establish a board of zoning appeals (BZA). The BZA is a quasi-judicial body. A BZA adopts rules concerning the filing of appeals, the application for variances and special exceptions, the giving of notice and the conduct of hearings. BZAs hear and determine appeals from and review any order, requirement, decision or determination made by an official or staff member charged with the enforcement of a zoning ordinance, and to hear and determine special exceptions, special uses, contingent uses and conditional uses from the terms of the zoning ordinance. Only BZA's, and not plan commissions, have the statutory authority to issue variances. A BZA may not grant a waiver from standards that are fixed in the subdivision control ordinance. The BZA may impose reasonable conditions as a part of any approval. The BZA in all cases it hears must make written findings of fact.

Brownfield: An area with abandoned, idle, or under-used industrial and commercial facilities where expansion, redevelopment, or reuse is complicated by real or perceived environmental contamination.

Build-out: Development of land to its full potential or theoretical capacity as permitted under current or proposed planning or zoning designations.

Building Code: Statewide codes adopted by the Fire Prevention and Building Safety Commission govern the construction, alteration, demolition, occupancy, or other use of buildings used for human habitation and are based on model codes. Local ordinances containing building and fire safety laws must be reviewed by the Commission. A separate (2020) Indiana Residential Code applies to the construction of one- and two-family dwellings and townhouses.

Built Environment: Buildings, roads, parks, and all other improvements constructed by people that form the physical character of a community

Business Improvement Districts (BID): Public-private partnerships among property owners and commercial tenants who collectively contribute to the maintenance, development and promotion of their commercial district.

Capital Project: A project that has a relatively long useful life, such as a building or equipment.

Carrying Costs: Cost incurred to maintain a property (taxes, interest, insurance, utilities, and so on).

CDBG: Community Development Block Grant, federally funded programs used for a variety of local projects.

Census: The nationwide population count conducted every 10 years by the U.S. Census Bureau

Census Tract: Small portions of populated areas in which data is collected for statistical purposes during a census.

Central Business District (CBD): The major commercial downtown center of a community. General guidelines for delineating a downtown area are defined by the U.S. Census of Retail Trade, with specific boundaries being set by the local municipality

Circuit breaker tax credits, or property tax caps: limit the amount of taxes imposed on property by a percentage of the property's gross assessed value: 1% for homesteads; 2% for other residential property, certain long term care property and agricultural property; and 3% for all other real and personal property (IC 6-1.1-20.6). (Originally enacted by legislation in 2006 and codified at IC 6-1.1-20.6-1 et seq., these property tax caps were made permanent by the approval of an amendment to the Constitution of the State of Indiana on November 4, 2010 (see Article 1, Section 10).)

Closing: The end of a transaction process where the deed is delivered, documents are signed, and funds are dispersed

Commercial Development Company, Inc. (CDC): A privately held, diversified real estate acquisition and development company whose principal competency lies within the repositioning of underutilized, distressed, or environmentally challenged properties. Our sustainable redevelopment projects have played a transformative role in bringing hundreds of North American sites out of blight and back to productive use.

Common Open Space (or “Common Area” under IC 6-1.1-10-37.5): Land within or related to a development, not individually owned or dedicated for public use that is designed and intended for the common use of the residents of the development

Community Development Financial Institutions Fund (CDFI Fund): Plays an important role in generating economic growth and opportunity in some of our nation’s most distressed communities. By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities.

Community Development Block Grant (CDBG): A grant program administered by the U.S. Department of Housing and Urban Development on a formula basis for larger “entitlement” communities and by the California Department of Housing and Community Development for smaller “non-entitlement” jurisdictions. This grant allots money to cities and counties for housing rehabilitation and community development, including public facilities and economic development

Competitive Market Analysis (CMA): The analysis used to provide market information to the seller and assist the real estate broker in securing the listing.

Complete Streets: Streets designed to accommodate all modes of travel and enable safe access for all users. Pedestrians, bicyclists, motorists and bus riders of all ages and abilities are able to safely move along and across a complete street.

Comprehensive Plan: Prior to the enactment of a zoning ordinance, a municipality that intends to exercise zoning powers under any must adopt a comprehensive plan (IC 36-7-4-601(a)) to set forth the planning goals for a municipality. (a comprehensive plan must contain: statement of objectives for the future development of the municipality; statement of policy for the land use development of the municipality; and statement of policy for the development of public ways, public places, public lands, public structures, and public utilities.)

Condominium Association: An association of all owners in a condominium.

Contract for Deed: A sales contract in which the buyer takes possession of the property but the seller holds title until the loan is paid. Also known as an installment sale contract.

Contract of Sale: An agreement between the third-party relocation company and the seller (transferee) whereby the third-party company purchases property owned by the seller.

Condominium: A structure of two or more units, the interior spaces of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units

Conventional Mortgage: A type of mortgage that has certain limitations placed on it to meet secondary market guidelines. Mortgage companies, banks, and savings and loans underwrite conventional mortgages.

Cooperative (Co-op): Where the shareholders of the corporation are the inhabitants of the building. Each shareholder has the right to lease a specific unit. The difference between a co-op and a condo is in a co-op, one owns shares in a corporation; in a condo one owns the unit fee simple.

GLOSSARY

Covenant: A private legal restriction that defines how a property may be used or altered. The restriction is recorded in the deed. Covenants are most commonly used in the establishment of a subdivision to provide uniformity in use of individual to a certain type of use (e.g. all single-family units) but may also be used to guarantee views and solar access.

Curb Appeal: The visual impact a property projects from the street.

Debt Financing: Issuance of bonds and other debt instruments to finance municipal improvements and services

Debt Limit: a limit on the total amount of direct debt (excluding certain categories of debt such as utility revenue bonds) that a local governmental entity may have outstanding at any particular time. Redevelopment commissions have their own separate debt limit equal to 2% of the net assessed value (divided by three) of the territory in the jurisdiction of the redevelopment commission. Financings in the form of a lease usually do not count against a local governmental entity's debt limit.

Debt Service: Payment of principal and interest on long-term indebtedness

Density: The amount of development per acre permitted on a parcel under the applicable zoning. Common measures of density include population per acre or square mile and dwelling units per acre. Gross density includes the area necessary for streets, schools and parks. Net density does not include land area for public facilities.

Disclosures: Federal, state, county, and local requirements of disclosure that the seller provides and the buyer acknowledges.

DOM: Days on market.

Down payment: The amount of cash put toward a purchase by the borrower.

Dual Agent: A state-licensed individual who represents the seller and the buyer in a single transaction.

Earnest Money Deposit: The money given to the seller at the time the offer is made as a sign of the buyer's good faith.

Easement: The right to use property owned by another for specific purposes or to gain access to another property. For example, utility companies often have easements on the private property of individuals to be able to install and maintain utility facilities.

Economic Development: the process of improving a community's economic wellbeing through the expansion of available jobs, the increase of assessed value that will generate tax revenues for the provision of high-quality public services, and similar undertakings.

Economic Development Area: The redevelopment commission may establish an economic development area using the same procedures applicable to the establishment of an area needing redevelopment (IC 36-7-14-41). An economic development area, in contrast to a redevelopment area, is an area in which the use of the redevelopment powers will: provide gainful employment for the municipality's residents; attract a major new business enterprise or retain or expand a significant existing business; and improve and diversify the municipal tax base. The redevelopment commission may exercise virtually all of its redevelopment powers in an economic development area.



GLOSSARY

Economic Development Plan: a list of potential projects that a redevelopment commission is required to create for an economic development area.

Empowerment Zones: Areas designated by the U.S. Department of Housing and Urban Development where businesses may be eligible for tax credits and other financial incentives for hiring residents.

Executive: for a city, the Mayor; for a town, the Town Council President; and for a county, the Board of Commissioners.

Extremely Low-Income Household: A household with an annual income no greater than 30 percent of the area median family income adjusted by household size

Fair Market Rent: Amount of rent, including utility allowances, determined by the U.S. Department of Housing and Urban Development for purposes of administering the Section 8 Existing Housing Program.

FHA: Federal Housing Administration. An agency within the U.S. Department of Housing and Urban Development (HUD). FHA insures mortgages made by FHA-approved lenders for single-family and multifamily homes including manufactured homes.

FHA (Federal Housing Administration) Loan Guarantee: A guarantee by the FHA that a percentage of a loan will be underwritten by a mortgage company or banker.

Fiscal Body: For a city, the Common Council; for a town, the Town Council; and for a county, the County Council.

Fiscal Officer: for a second-class city, the Controller; for a third class city, the Clerk-Treasurer; for a town, the Clerk-Treasurer; and for a county, the Auditor.

Fixture: Personal property that has become part of the property through permanent attachment.

Flood Control Program: IFA administered, program and fund to provide loans and other financial assistance to political subdivisions. A political subdivision that receives a loan or other financial assistance is required to undertake and complete work related to the project or activity related to flood control for which the political subdivision is receiving financial assistance and may provide labor, equipment, and materials from any source available to the participant. (IC 5-1.2-13).

Floodplain: The relatively level land area on either side of the banks of a stream regularly subject to flooding. That part of the floodplain subject to a one percent chance of flooding in any given year is designated as an “area of special flood hazard” by the Federal Insurance Administration.

Floodway: The channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the “base flood” without cumulatively increasing the water surface elevation more than one foot. No development is allowed in floodways.

FNMA/“Fannie Mae”: Federal National Mortgage Association. A company that offers banks and other mortgage lenders financing, credit guarantees, technology and services that enable lenders to make more home loans to consumers at favorable rates and terms. First established in 1938 as a government agency, Fannie Mae in 1968 became a private, shareholder-owned company with a charter from Congress to support the housing finance system.



GLOSSARY

For Sale by Owner (FSBO): A property that is for sale by the owner of the property.

Form-Based Codes: A method of regulating development to achieve a specific urban form by controlling physical form primarily, with a lesser focus on land use. Form-based codes address the relationship between building facades and the public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks.

“Freddie Mac”/HLMC: Federal Home Loan Mortgage Corporation. A stockholder-owned corporation chartered by Congress to increase the supply of funds that mortgage lenders can make available to homebuyers and investors in multifamily housing projects. Freddie Mac buys mortgages from lenders (such as commercial banks, mortgage bankers, savings institutions and credit unions) then packages the mortgages into guaranteed securities and sells the securities to investors. Mortgage lenders use the proceeds from selling loans to Freddie Mac to fund new mortgages.

Frontage: The frontage, or front, of a lot is usually defined as the side nearest the street

Good Faith Estimate: Under the Real Estate Settlement Procedures Act, within three days of an application submission, lenders are required to provide in writing to potential borrowers a good faith estimate of closing costs.

Granny Flat: An accessory dwelling unit (ADU), typically for one or more elderly persons, attached to or separate from a main residence on a single lot. Cities and counties may approve such units in single-family neighborhoods

Green Space: Open, undeveloped land with natural vegetation

Greenfield: Farmland and open areas where the lack of prior industrial or commercial activity means that the threat of contamination is lower than in urbanized areas.

Gross assessed value: the assessed value of property before the application of available deductions or exemptions.

Gross sale price: The sale price before any concessions.

Hazard insurance: Insurance that covers losses to real estate from damages that might affect its value.

Highest and Best Use: The use of a property that will bring the greatest profit to its owners. In theory, the economics of the real estate market establish a maximum value for each parcel of land at any given time. However, owners are not necessarily entitled to that use, particularly when that use may have negative effects on the use and enjoyment of neighboring properties.

Homeowners' Association (HOA): A nonprofit organization operating under recorded legal agreements running with the land. Generally, each lot owner in a condominium or similar planned development becomes a member upon purchase. Each lot is subject to a charge for a proportionate share of the expenses for the organization's activities, like maintaining common areas, landscaping, recreation facilities and parking areas. May also be referred to as a Homeowners Association or Homeowners' Association.

HOTIF: A TIF District created to improve the quality and availability of housing in a designated area. (Statutory requirements to creation).

Housing Authority, Local (LHA): A local housing agency established in state law, subject to local activation and operation. Originally intended to manage certain federal subsidies, but vested with broad powers to develop and manage other forms of affordable housing.

Housing and Urban Development, U.S. Department of (HUD): A cabinet-level department of the federal government that administers housing and community development programs.

GLOSSARY

Housing Unit: A house, an apartment, a mobile home or trailer, a group of rooms, or a single room that is occupied as a separate living quarters, or, if vacant, is intended for occupancy as a separate living quarters (2000 U.S. Census definition).

HUD: U.S. Department of Housing and Urban Development.

HUD/RESPA (Housing and Urban Development/Real Estate Settlement Procedures Act): A document and statement that details all of the monies paid out and received at a real estate property closing.



Impact Fee: A fee, also called a development fee, levied on the developer of a project by a city, county, or other public agency to pay for improvements and facilities required to serve new development and to reduce the impacts of new development on a community.

Impervious Surface: A surface through which water cannot penetrate, like a roof, road, sidewalk, or paved parking lot. The amount of impervious surface increases with development and establishes the need for drainage facilities to carry the increased runoff

Improved Land: (1) Raw land to which basic utilities such as roads, sewers, water lines, and other public infrastructure facilities have been added. (2) Land upon which buildings or other structures have been erected.

Incremental assessed value: assessed value in a TIF District that arises after the creation of the TIF District, the taxes on which are given to the redevelopment commission.

Infill Development: Development of vacant or underutilized land (usually individual lots or leftover properties) within areas that are already largely developed.

Infrastructure: Public services and facilities like sewage-disposal systems, water-supply systems, other utility systems, schools, roads, bicycle and pedestrian facilities, and transit systems

Inspection Rider: Rider to purchase agreement between third-party relocation company and buyer of transferee's property stating that property is being sold "as is". All inspection reports conducted by the third-party company are disclosed to the buyer and it is the buyer's duty to do his/her own inspections and tests.

Installment land contract: A contract in which the buyer takes possession of the property while the seller retains the title to the property until the loan is paid.

Interest rate float: The borrower decides to delay locking their interest rate on their loan. They can float their rate in expectation of the rate moving down. At the end of the float period they must lock a rate.

Inventory: A transferee's property the third party relocation company has acquired.

GLOSSARY

Land Banking: The purchase of land by a local government for use or resale at a later date. Banked lands have been used for development of low- and moderate-income housing, expansion of parks, and development of industrial and commercial centers. The federal rail-banking law allows railroads to bank unused rail corridors for future rail use while allowing interim use as trails

Landmark: (1) A building, site, object, structure, or significant tree having historical, architectural, social, or cultural significance and marked for preservation by the local, state, or federal government. (2) A visually prominent or outstanding structure or natural feature that functions as a point of orientation or identification.

Lease financing: a local governmental entity leases the property being financed from a lessor (such as a Redevelopment Authority), and makes lease payments to the lessor. The lessor issues the debt, builds the project, and then leases the project to the local governmental entity. The lessor repays its debt from the stream of lease payments it receives. A long line of Indiana Supreme Court cases have held that the payment of lease payments generally does not constitute “debt” for purposes of debt limits.

Levy: To impose taxes, special assessments or service charges to pay for public programs or facilities; (noun) the total amount of taxes, special assessments or service charges supporting public programs and facilities

Listing: Brokers written agreement to represent a seller and their property. Agents refer to their inventory of agreements with sellers as listings.

Listing agreement: A document that establishes the real estate agent’s agreement with the sellers to represent their property in the market.

Live-Work Quarters: Buildings or spaces within buildings that are used jointly for commercial and residential purposes where the residential use of the space is secondary or accessory to the primary use as a place of work

Loan: An amount of money that is lent to a borrower who agrees to repay the amount plus interest.

Loan Closing Costs: The costs a lender charges to close a borrower’s loan. These costs vary from lender to lender and from market to market.

Loan Commitment: A written document telling the borrowers that the mortgage company has agreed to lend them a specific amount of money at a specific interest rate for a specific period of time. The loan commitment may also contain conditions upon which the loan commitment is based.

Loan Package: The group of mortgage documents that the borrower’s lender sends to the closing or escrow.

Local Income Tax: Tax on the income of specified taxpayers that counties are able to impose and distribute to the county unit and other local governmental units in the county.

LOMR: (Letter of Map Revision) is FEMA’s modification to an effective Flood Insurance Rate Map (FIRM), or Flood Boundary and Floodway Map (FBFM), or both.

Lot: A tract or piece of land having fixed boundaries and designated on a plot or survey map. A lot must meet the requirements of the zoning district in which it is located and must front on a public street or an approved private street

Low-Income Household: A household with an annual income usually no greater than 80 percent of the area median family income adjusted by household size, as determined by a survey of incomes conducted by a city or a county. In the absence of such a survey, the determination is based on the latest available eligibility limits established by the U.S. Department of Housing and Urban Development for the Section 8 housing program

GLOSSARY

Low-Income Housing Tax Credits: Tax reductions provided by the federal and state governments for investors in housing for low-income households

Managing broker: A person licensed by the state as a broker who is also the broker of record for a real estate sales office. This person manages the daily operations of a real estate sales office.

Manufactured Housing: Residential structures that are constructed entirely in a factory. These are regulated under the federal Manufactured Home Construction and Safety Standards Act of 1974 by the U.S. Department of Housing and Urban Development.

Market Familiarization Trip: A visit by the transferee to the new location to view housing market options and location highlights.

Metropolitan Planning Organization (MPO): A regional council of governments within a metropolitan region as defined by the federal government and authorized under federal law to develop a regional transportation plan.

Mixed-Use: Properties on which various uses like office, commercial, institutional, and residential are combined in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. A “single site” may include contiguous properties.

Mobile Home: A structure, transportable in one or more sections, built on a permanent chassis and designed for use as a single-family dwelling unit that (1) has a minimum of 400 square feet of living space; (2) has a minimum width in excess of 102 inches; (3) is connected to all available permanent utilities; and (4) is tied down (a) to a permanent foundation on a lot either owned or leased by the homeowner or (b) is set on piers, with wheels removed and skirted, in a mobile home park.

Modular Unit: A factory-fabricated, transportable building or major component designed for use by itself or for incorporation with similar units on site into a structure for residential, commercial, educational, or industrial use. Differs from mobile homes and manufactured housing by (in addition to lacking an integral chassis or permanent hitch to allow future movement) being subject to state and local building regulations – most notably California housing law design standards, which tend to be more restrictive than federal standards.

Mortgage Banker: One who lends the bank’s funds to borrowers and brings lenders and borrowers together.

Mortgage Broker: A business that or an individual who unites lenders and borrowers and processes mortgage applications.

Mortgage Loan Servicing Company: A company that collects monthly mortgage payments from borrowers.

Multifamily Units: Freestanding buildings composed of two or more separate living units, with each unit having its own bedroom, kitchen and bathroom facilities

Multiple Family Residential: A type of housing that has several residential units on a parcel or parcels of land, such as condominiums and apartments

Multiple listing service (MLS): A service that compiles available properties for sale by member brokers.

Multifamily Housing: Housing accommodations on the mortgaged property that are designed principally for residential use, containing sleeping units or more than two dwelling units where the occupants are primarily permanent in nature. These units may be detached, semidetached, row house, or multifamily structures

National Environmental Policy Act (NEPA): An act passed in 1969 establishing federal legislation for national environmental policy, a council on environmental quality, and the requirements for environmental impact statements.

GLOSSARY

National Flood Insurance Program: federal program that authorizes the sale of federally subsidized flood insurance in communities where such flood insurance is not available privately.

National Historic Preservation Act: A 1966 federal law that established a National Register of Historic Places and the Advisory Council on Historic Preservation. It authorized grants-in-aid for preserving historic properties.

National Register of Historic Places: The official list of national historic sites, districts, buildings, structures, and objects worthy of preservation. Authorized by the National Historic Preservation Act of 1966, the list is part of a program to coordinate and support public and private efforts to identify, evaluate, and protect historic and archeological resources.

Neighborhood: A planning area commonly identified as such in a community's planning documents, and by the individuals residing and working within the neighborhood. Documentation may include a map prepared for planning purposes showing the names and boundaries of neighborhoods. Though neighborhoods are not legal designations, they are among the most commonly recognized and understood land use designations.

Net Assessed Value: The assessed value of taxable property after the application of available deductions and exemptions.

Net Sales Price: Gross sales price, less concessions, to the buyers.

Non-conforming Use: A use that was valid when brought into existence, but by subsequent regulation becomes no longer conforming. It is a generic term and includes (1) non-conforming structures (by virtue of size, type of construction, location on land, or proximity to other structures), (2) non-conforming use of a conforming building, (3) non-conforming use of a non-conforming building, and (4) non-conforming use of land. Thus, any use lawfully existing on any piece of property that is inconsistent with a new or amended general plan, and that in turn is a violation of a zoning ordinance amendment subsequently adopted in conformance with the general plan, will be a non-conforming use. Typically, non-conforming uses are permitted to continue for a designated period of time, subject to certain restrictions.

Off Market: A property listing that has been removed from the sale inventory in a market. A property can be temporarily or permanently off market.

Off-site Improvements: Conditions that can be required of a project that involves the installation of streets, curbs, gutters, sidewalks, street trees and other improvements that are located adjacent to the project on public property

Overlay: A land use designation on the General Plan Land Use Map, or a zoning designation on a zoning map, that modifies the basic underlying designation in some specific manner. For example, overlay zones are often used to deal with areas with special characteristics, like flood zones or historical areas. Development of land subject to an overlay must comply with the regulations of both zones.

Parcel: A lot in single ownership or under single control usually considered a unit for purposes of development

Pedestrian Friendly: A street, neighborhood, or agency that supports, through planning and zoning, the location of stores, offices, residences, schools, recreational areas, and other public facilities within walking distance of each other, and oriented to promote pedestrian access. Such areas also often feature narrow streets, street trees, awnings, covered transit shelters, benches, brick paving or other less conventional paving types, sidewalks on both sides of the roadway, and safe street crossings, among other elements.

Pending: A real estate contract that has been accepted on a property, but the transaction has not closed.

Personal Property: Property other than real estate or fixtures, such as equipment.

GLOSSARY

Planned Community: A large-scale development whose essential features are a definable boundary; a consistent, but not necessarily uniform, character; overall control during the development process by a single development entity; private ownership of recreation amenities; and enforcement of covenants, conditions, and restrictions by a master community association

Planned Unit Development (PUD): Land use zoning which allows the adoption of a set of development standards that are specific to a particular project. PUD zones usually do not contain detailed development standards. Those are established during the process of considering proposals and adopted by ordinance upon project approval

Plan Commission: consider and make recommendations of a comprehensive plan to the legislative body of a unit. Once the comprehensive plan is approved for a jurisdiction, the municipality has to give consideration to the general policy and pattern of development set out in the comprehensive plan as they relate to public structures, utilities, streets, public lands, sewers, etc., as well as to future zoning and subdivision control ordinances. (Plan Commissions: (1) supervising and making regulations for the administration of the affairs of the area plan commission, the advisory plan commission, or the metropolitan development commission); (2) prescribing rules for investigations and hearings; (3) preparing reports and ordinances authorized under the statute; and (4) preparing and submitting an annual budget (with respect to an advisory plan commission) (IC 36-7-4-401).

*Indiana's local planning and zoning statute (IC 36-7-4) sets forth three "types" of planning law pursuant to which a municipality may exercise its planning and zoning powers and duties. A municipality elects a type of planning law by ordinance when it first elects to exercise zoning power.

Plat Committee: hears and makes final decisions on preliminary and final plat (subdivision) requests.

Plat Map: A map of a lot, parcel, subdivision, or development area where the lines of each land division are shown by accurate distances and bearings.

Prequalification: The mortgage company tells a buyer in advance of the formal mortgage application, how much money the borrower can afford to borrow. Some pre-qualifications have conditions that the borrower must meet.

Principal, interest, taxes, and insurance (PITI): The four parts that make up a borrower's monthly mortgage payment.

Prefabricated: Standardized building sections that are created in a factory to be shipped and assembled in another location

Property Tax Back-up: means a commitment by a local governmental entity to levy property taxes as a back-up source for the repayment of debt if the primary repayment source proves to be inadequate. (property tax back-up may result in a lower interest rate.)

Property Tax Base: All the taxable assessed value available for purposes of calculating property taxes.

Public Procurement Laws: Laws requiring specific procedures, which may include public bidding, for the selection by a local governmental unit of a company to construct a public project.

Redevelopment Area: The term formerly used for an area needing redevelopment.

Redevelopment Authority: A three-member body created by a local government unit for the purpose of acting as a lessor to enable redevelopment commissions to undertake financings in the form of a lease and thereby avoid debt limit restrictions.

Redevelopment Commission: A local governmental body, usually with five voting members, who are charged with investigating opportunities for economic development and redevelopment in the unit, and that has the power to create economic development areas, areas needing redevelopment, and TIF Districts (among other powers).

GLOSSARY

Rehabilitation: The repair, preservation, and/or improvement of existing structures, such as substandard housing.

Rider: A separate document that is attached to a document in some way. This is done so that an entire document does not need to be rewritten.

Right-of-Way: A strip of land occupied or intended to be occupied by certain transportation and public use facilities, like roads, railroads, and utility lines.

Secondary Market: An institutional investment market that purchases mortgages from mortgage lenders.

Section 8 Rental Assistance Program: A federal rent-subsidy program (administered by the U.S. Department of Housing and Urban Development) housing assistance for low-income households. The program provides “housing assistance payments” to owners, developers, and public housing agencies to make up the difference between the “Fair Market Rent” of a unit (set by the U.S. Department of Housing and Urban Development) and the household’s contribution toward the rent, which is calculated at 30 percent of the household’s adjusted gross monthly income (GMI). “Section 8” includes programs for new construction, existing housing, and substantial or moderate housing rehabilitation.

Senior Housing: Typically, one- and two-bedroom apartments or condominiums designed to meet the needs of and restricted to occupancy by persons 62 years of age and older or, if more than 150 units, persons 55 years of age and older.

Septic System: A sewage-treatment system that includes a settling tank through which liquid sewage flows and in which solid sewage settles and is decomposed by bacteria in the absence of oxygen. Septic systems are often used for individual-home waste disposal where an urban sewer system is not available.

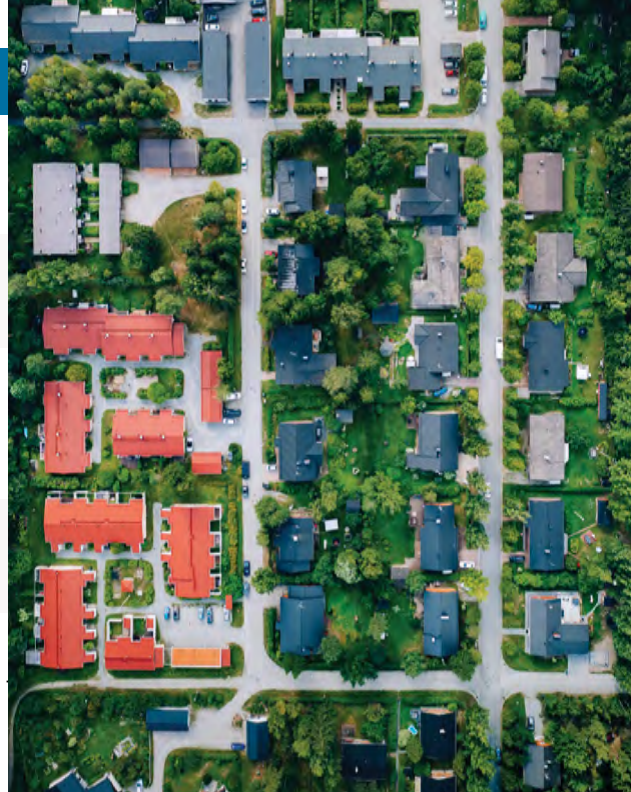
Setback: The minimum distance required by zoning to be maintained between two structures or between a structure and a property line.

Site: A parcel of land used or intended for one use or a group of uses and having frontage on a public or an approved private street.

Site Plan: A plan, to scale, showing uses and structures proposed for a parcel of land. It includes lot lines, streets, building sites, public open space, buildings, major landscape features – both natural and man-made – and, depending on requirements, the locations of proposed utility lines

Single Family home: the home is stand-alone, detached property that doesn’t share common walls or a roof with any other dwelling. A single-family home has no shared property, it is on its own parcel of land and has its own private entrance and exit.

Smart Growth: A broad concept that describes the change in community design from post-World War II development principles to development that better serves the economic, environmental and social needs of communities. The U.S. Environmental Protection Agency identified the following ten principles of smart growth. (1) Mix land uses (2) Take advantage of compact building design (3) Create a range of housing opportunities and choices (4) Create walkable neighborhoods (5) Foster distinctive, attractive communities with a strong sense of place (6) Preserve critical environmental areas (7) Strengthen and direct development toward existing communities (8) Provide a variety of transportation choices (9) Make development decisions predictable, fair, and cost effective (10) Encourage community and stakeholder collaboration in development decisions.



GLOSSARY

Special Assessment: A special and additional charge to a unit in a condominium or cooperative. Also, a special real estate tax for improvements that benefit a property.

Special District: A governmental entity formed to deliver a specific service, like fire protection, water service, recreation or the maintenance of open space.

Subdivision: The division of a tract of land into defined lots, either improved or unimproved, which can be separately conveyed by sale or lease, and which can be altered or developed. The process often includes setting aside land for streets, sidewalks, parks, public areas, and other infrastructure needs, including the designation of the location of utilities.

Taking: A taking occurs when a public agency takes, occupies, or encroaches upon private land for its own proposed use, such as to build roads, create parks, or develop other public uses. These actions—called eminent domain or condemnation actions—are premised upon the payment of just compensation or fair market value for the property.

Tax Abatement: The reduction of the amount of property taxes required to be paid on taxable property for a set period (up to 10 years), in order to incentivize investment in the local governmental unit.

Tax Impact Statement: A financial report produced in connection with creating or expanding a TIF District, which is required to be provided to underlying taxing units to inform them of the impact of the creation or expansion of a TIF District on the amount of taxes to be received by the underlying taxing units.

Tax Increment: The revenue generated by the incremental assessed value in a TIF District that arises after the creation of the TIF District. Tax increment revenues are given to the redevelopment commission instead of the underlying taxing units.

Tax Increment Financing (TIF): Revenues generated by a TIF district. Municipalities may use TIF for the financing of capital improvement projects in areas needing redevelopment or in economic development areas. TIF is a different form of special taxing district financing and its use is widespread among cities and towns.

TIF Allocation Area: Another name for an allocation area.

TIF District: Another name for an allocation area.

Temporary Housing: Housing occupied until permanent housing is selected or becomes available for a given population or qualifying individuals.

Traffic Calming: A strategic set of physical changes to streets to reduce vehicle speeds and volumes. It refers to the use of street design techniques, such as curb extensions, widened sidewalks, traffic circles and speed humps, to slow and control the flow of automobile traffic.

Transaction management fee (TMF): A fee charged by listing brokers to the seller as part of the listing agreement.

Transfer-on-death (TOD): refers to named beneficiaries that receive assets at the death of the property owner without the need for probate, facilitating the executor's disposition of the property owner's assets after their death.

Transit-Oriented Development (TOD): Moderate- to higher-density development, located within easy walk of a major transit stop, generally with a mix of residential, employment, and shopping opportunities designed for pedestrians without excluding the auto. TOD can be new construction or redevelopment of one or more buildings whose design and orientation facilitate transit use.

GLOSSARY

Transitional Housing: Shelter provided to the homeless for an extended period, often as long as 18 months and generally integrated with other social services and counseling programs to assist in the transition to self-sufficiency through the acquisition of a stable income and permanent housing.

Unit: Includes cities, towns and counties.

Upzone: The rezoning of land to a less restrictive zone (for example, from industrial to residential). Upzoning generally increases the economic value of land.

U.S. Army Corps of Engineers: Provides public engineering services in peace and war to strengthen national security, energize the economy, and reduce risks from disasters.

VA: U.S. Department of Veterans Affairs.

Vacant: Lands or buildings that are not actively used for any purpose

Variance: Relief from certain provisions of a zoning ordinance granted to a property owner when, because of the particular physical surroundings, shape, or topographical condition of the property, compliance would result in a particular hardship upon the owner, as distinguished from a mere inconvenience or a desire to make more money. A variance may be granted, for example, to reduce yard or setback requirements, or the number of parking or loading spaces.

Water Table: The upper surface of groundwater, or the level below which the soil is seasonally saturated with water.

Wetlands: Transitional areas between terrestrial and aquatic systems where the water table is usually at or near the surface, or the land is covered by shallow water. Under a “unified” methodology now used by all federal agencies, wetlands are defined as “those areas meeting certain criteria for hydrology, vegetation, and soils.”

Yard: The open space between a lot line and the buildable area within which no structure may be located, except as provided in the zoning ordinance.

Zero Lot Line (ZLL): A development approach in which a building is sited on one or more lot lines. The intent is to allow more flexibility in site design and to increase the amount of usable open space on the lot

Zoning: The division of a city or county by legislative regulations into areas, or zones, that specify allowable uses for real property and size restrictions for buildings within these areas; a program that implements policies of the general plan.

Resources:

- Handbook for Indiana Redevelopment Commission Members and their Attorneys, Barnes and Thornburg, 2021.
- Indiana Elected Municipal Officials Handbook, Accelerate Indiana Municipalities, Ice Miller, LLP Legal Counsel, 2020.



HOUSING

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RESOURCE

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