

HOUSING TASK FORCE



**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

Thursday October 27, 2022

DRAFT

INDIANA LEGISLATIVE COUNCIL

2022

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HOUSING TASK FORCE

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Bob Sigalow

Camille Tesch

FINAL REPORT

Housing Task Force

I. LEGISLATIVE DIRECTIVE

The Housing Task Force was established by IC 2-5-50. The Legislative Council (under Legislative Council resolution 22-06) directed the Task Force to study the following issues:

- (A)
 - (i) Review data on housing shortages in Indiana for low income and middle income households.
 - (ii) Review state laws that affect the local regulation of housing.
 - (iii) Review efforts in other states and municipalities to address housing shortages through changes to zoning and land use restrictions.
 - (iv) Consider measures that would encourage increased housing options in Indiana, including the following:
 - (a) Municipal incentives,
 - (b) State mandates,
 - (c) Eliminating or limiting single family only zones, and
 - (d) Allowing greater housing density near transit, jobs, schools, or neighborhood centers.
- (Source: IC 2-5-50 (as added by HEA 1306 (2022))
- (B) Discrimination in housing appraisals.
(Source: Letter from Representatives Miller, Pressel, and Pryor)

The Task Force is required to report findings and recommendations to the executive director of the Legislative Service Agency not later than November 1, 2022, for distribution to members of the General Assembly and the Governor.

II. SUMMARY OF WORK PROGRAM

The Task Force met three times during the 2022 interim session; September 29, 2022; October 20, 2022; and October 27, 2022. All of the meetings took place in Room 404 of the State House, Indianapolis, Indiana.

September 29, 2022: The Task Force heard testimony concerning housing affordability in Indiana and discrimination in housing appraisals.

October 20, 2022: The Task Force heard testimony concerning local, state, and national solutions to the shortage of affordable housing.

October 27, 2022: The Task Force considered findings and recommendations and adopted the final report [This section will be revised as necessary to reflect any other action taken by the Task Force.]

The Task Force meeting minutes and exhibits can be viewed by visiting the following link:

https://iga.in.gov/legislative/2022/committees/housing_task_force

The archived videos of the Task Force's meetings can be viewed by visiting the following link:

https://iga.in.gov/information/archives/2022/video/committee_housing_task_force/

III. COMMITTEE FINDINGS AND RECOMMENDATIONS

1. State funding for housing infrastructure - Support additional state funding for infrastructure projects related to housing development through revolving loans or grants. Housing is a long-term asset that helps communities and families thrive. Investing in housing infrastructure will pay off in private-sector investment and economic growth.
2. Residential TIF - Support removing the current 1% cap on residential TIF to allow for more flexibility for local units to approve larger projects that meet high demand for inventory.
3. Brownfields - Support more resources for brownfields redevelopment and efforts to improve efficiencies at the state agencies who fund and approve brownfields redevelopment projects.
4. Tax incentives - Support tax incentives for homeownership programs targeted at first-time buyers or low income buyers seeking to own their own home and a housing tax credit for workforce multifamily housing as well as property tax abatements to encourage the construction or rehabilitation of multifamily housing.
5. Financial literacy - Support additional state funding for financial literacy efforts to increase the level of financial literacy among prospective homeowners to enable new buyers to obtain the necessary skills to keep a home once they acquire one.
6. Appraisal discrimination - Support required continuing education in the area of fair housing for licensed appraisers to protect valuable equity a homeowner has established.
7. Tax sale reform - Support consideration of novel approaches to tax sales that would enable certain qualified community development groups to compete against institutional investors for tax sale properties (e.g., [SEA 62-2022](#)).
8. READI Program - Support utilizing the opportunities and partnerships provided by the READI grant process to prioritize housing projects that align with regional development plans to ensure success. Housing requests comprised 30% of all funding request in the first round of READI, but more could be done to promote projects that result in the highest end use of limited grant dollars.
9. Underutilized properties - Support further assistance, both financial and technical, to local units for homeowners to age in place or restore/renovate existing homes. Historic rehab tax incentives or incentives for specific home repairs address the needs of existing homeowners and help build equity.
10. Local zoning - Support incentivizing local units to consider voluntary revisions in local zoning to allow, for example, higher density development, construction of accessory dwelling units, adaptive reuse of commercial buildings for residential use, and waiver or elimination of unnecessary regulations that include mandating garage size and placement, steeper roof pitch, minimum lot size, off-street parking, certain design standards, to bring lower cost housing to market. Such changes also reflect evolving community standards and growing amenities, such as public transit.
11. Local permitting and inspections – Support faster approval times for construction permits and timely inspections of projects at the local level. Delays in receiving permits and inspections increases the timeline for completing homes, which adds cost and limits the production of housing over time. Allowing online permitting and third-party inspections could avoid costly delays.

- 12.Statewide building codes – Support continued adoption of statewide building codes that balance safety and cost and are the maximum standard that all agencies and local units can enforce. Allow six (6) months after adoption for new codes to take effect.
- 13.Manufactured housing – Support revisions to state statutes that will put manufactured housing on a more level playing field with all forms of housing in providing quality-built, attractive, attainable housing for Hoosiers.
- 14.Appraisal gaps - Support helping local units fund appraisal gaps in developing areas by offsetting the cost of hookups or providing technical support, such as plans for new construction to the prospective buyer. Communities have invested heavily in past years to clear blighted properties and prepare for growth; however, the high cost of new construction has made it hard for buyers to build in those areas. Infill projects allow utilization of existing infrastructure yet have a hard time appraising for cost due to the low value of surrounding properties.
- 15.Taxing housing - Oppose new taxes on housing, such as transfer fees, property transaction taxes, or new sales taxes on services, which will stifle growth and exacerbate the housing affordability challenges Hoosiers face.

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WITNESS LIST

Jenna Bentley, Government Affairs Director, Accelerate Indiana Municipalities
Jon Bourne, Business Development Manager, Skyline Development Corp
Dan Cheever, Legislative Assistant, Office of U.S. Senator Todd Young
Dax Denton, Chief Policy Officer of the Indiana Bankers Association
Tom Dinwiddie, Indiana Mortgage Bankers Association
Judith Essex, Old Southside Neighborhood in Indianapolis
Robert Evans, Executive Vice President of Homeownership Initiatives,
Indianapolis Neighborhood Housing Partnership
Mark Fisher, CEO of Indiana Association of REALTORS
Jed Fuller, Old Southside Neighborhood in Indianapolis
Eva Guerrero, Indianapolis, Indiana
Gretchen Gutman, Vice President of Public Policy, Cook Group
Joe Hanson, Executive Vice President of Strategic Initiatives,
Indianapolis Neighborhood Housing Partnership
Ryan Hoff, Director of Government Affairs, Association of Indiana Counties
Levon Johnson, President/CEO, Greater Elkhart Chamber of Commerce
Kristen LaEace, CEO of Indiana Association of Area Aging Agencies
Gina Leckron, State Director of Habitat for Humanity
Ezat Nayeri, Engineering Manager, Indiana American Water
Amy Nelson, Executive Director of the Fair Housing Center of Central Indiana
Mike Patarino, President of Construction for CityScape Residential
Representative Cherrish Pryor
Derris Ross, CEO of the Ross Foundation
Justin Schneider, Director of Consumer Affairs, Indiana American Water
Paul Schwinghammer, President of the Indiana Builders Association
Jake Sipe, Executive Director of the Indiana Housing and Community Development Authority
Maggie Stevens, President & CEO, Foster Success
Kerry Thomson, Executive Director, Center for Rural Engagement, Indiana University
Ron Walker, Vice President, CFC Properties