

**HUD Grant Opportunity: Pathways to Removing Obstacles to Housing Grant  
Applicant: Hamilton County, Indiana**

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**Exhibit A – Executive Summary**

**Hamilton County, Indiana**

## **Executive Summary**

It's little wonder Hamilton County, Indiana, is one of the fastest-growing areas in the country, even 200 years after its founding. Individuals and families choose to live here because of the strong schools, the safe streets, and the variety of recreational and cultural amenities. Businesses locate operations here to be part of a thriving local economy.

But our collective prosperity is being threatened as housing costs increase much more quickly than incomes. To sustain its growth and reach its full potential, Hamilton County needs a full range of housing options attainable to residents at all stages of their lives. And to do that, we need to find ways to overcome the obstacles that are in the path of progress.

Hamilton County is located just north of Indianapolis and is considered part of the metropolitan area. With a growing population of over 300,000 people, Hamilton County continues to be one of the nation's fastest-growing areas. Leaders in the county recognized early on the importance of providing diverse amenities and creating an environment which supports sound economic endeavors, develops quality residential communities, and offers a diverse range of recreational and cultural opportunities. Hamilton County has been intentional in its efforts to create and support vibrant, relevant communities, while still maintaining its "Hoosier Hospitality" and country charm. This has earned the county a national designation as a "Best Place to Live and Raise a Family."

The PRO Housing grant is a tool that would allow the County, and its partners, to address the community's housing goals. Hamilton County, with its strong leaders and committed service agencies, is poised to tackle this issue in full force. If awarded, funding from the program would be used to focus on four areas to ensure affordable housing is accessible to all:

- 1) Policy – Analyze each municipality's development policies; recommend and implement "best practices" to loosen restrictive policies.
- 2) People – Identify limitations due to organizational capacity of partners; propose short-term and long-term solutions.
- 3) Production – Support at least one affordable housing construction project, utilizing a newly formed Community Land Trust.
- 4) Promotion – Market the benefits of affordable housing to the community at large, converting NIMBY opponents into YIMBY supporters.

**Exhibit B – Threshold Requirements and Other Submission Requirements**

**Hamilton County, Indiana**

## **Resolution of Civil Rights Matters**

On October 15<sup>th</sup>, 2018, a Voluntary Compliance Agreement (VCA) was executed between HUD, Hamilton County, Indiana, and the City of Noblesville, Indiana, as a result of a fair housing suit filed against the City of Noblesville. This suit regarded existing planning policy in place for Planned Unit Developments which restricted any development that utilized subsidized funding. Hamilton County and the City of Noblesville have met all requirements of the VCA, providing semi-annual reports to Beverly Noble at the HUD Fair Housing Office in Indianapolis. The VCA expired October 15<sup>th</sup>, 2023.

**Exhibit C – Need**  
**Hamilton County, Indiana**

## **Section a. – NEED**

### **Section a. i. – Describe your efforts so far to identify, address, mitigate, or remove barriers to affordable housing production and preservation.**

As an entitlement community, Hamilton County, Indiana, has conducted regular assessments to identify obstacles to affordable housing in the community. The results continue to confirm the ongoing need to increase the rate of production of affordable units as the rapid growth of the county continues. Additionally, as aging affordable units near the end of their compliance periods, many owners are choosing to switch to market-rate, further aggravating the problem. To date, Hamilton County has devoted nearly \$2 million, or 10%, of its modest Community Development Block Grant allocation to affordable housing projects, resulting in the production of ninety units serving residents earning no more than 60% of Area Median Income. It is evident that although there appears to be a great deal of support for the development of affordable housing, rental or otherwise, the current policies and capacity of municipalities and nonprofit organizations have limited the rate of production of affordable housing.

In March 2020, a group of nonprofits and public agencies, including the County’s CDBG administrator, came together as the Hamilton County Housing Collaborative, with an initial goal of ensuring residents remain housed during the economic turmoil that accompanied the COVID-19 pandemic. Working together, Collaborative members distributed millions of dollars of rent, mortgage, and utility assistance to households in need. Once the worst of the crisis had passed, the group broadened its membership and turned its attention to developing long-term solutions to the County’s collective housing challenges.

A CDBG-funded housing assessment released in 2022 estimated it will take 286 years at the current pace of construction to meet Hamilton County’s existing need for affordable housing. And that need continues to grow along with the population. Unlike past studies, the 2022 report went beyond a recitation of the data to include recommended strategies that could mitigate or remove barriers to affordable housing production here. To ensure housing for all, the Hamilton County Housing Collaborative is prioritizing diversity in housing product types and prices, focusing on households earning up to 120% AMI which include workforce housing and encouraging and advocating for lower-cost housing options near jobs and services.

The Collaborative has been working in a coordinated way within and across all sectors. Several initiatives have been identified to expand existing funding sources critical to the long-term implementation and sustainability of affordable housing across the county.

#### **Initiatives**

1. **Public-Private-Philanthropic Partnerships:** Enhance financing, expand services, and create more projects that meet the needs of residents.
2. **Community Land Trust (CLT):** Acquire property and maintain affordability through the CLT by separating the value of land and the improvements like a house.
3. **Housing Trust Fund (HTF):** Establish a fund to support the preservation, production, and access to attainable housing.

4. Land Use & Development: Make modest adjustments to local regulations in order to increase diversity in housing development.

*Progress on Initiatives*

The Collaborative has been using the findings of the housing study to address some of the barriers identified. Through several workgroups created through Public-Private and Philanthropic Partnerships, progress has been made to initiate the first phase of establishing a Community Land Trust and creating a draft plan for an expansive affordable housing Community Engagement initiative to be launched in spring of 2024.

With the support of the Hamilton County Trustees Association, a consultant for the Community Land Trust was hired for the initial step of research and stakeholder engagement. Hundreds of hours have been invested developing an understanding of community land trusts over the past six months and securing the input and feedback of over thirty key stakeholders. Discussions with the Hamilton County Community Foundation and the Hamilton County Commissioners resulted in a proposal to create and incubate the formation of the new CLT as a tax-exempt nonprofit corporation, with the charitable purpose of:

1. Increasing the affordability and diversity of housing opportunities available to low- and middle-income households;
2. Supporting the creation of public facilities and other developments that particularly benefit low-income or otherwise underserved individuals and neighborhoods;
3. Lessening the burden on government by entering into agreements to preserve the quality and affordability of housing made affordable by government subsidies or policies.

Additionally, attention has been given to Community Engagement by establishing a workgroup made up of 15 individuals representing Public, Private, and Philanthropic organizations comprising a cross-section of stakeholders that provide guidance and work within established networks. Realizing community buy-in is vital to address affordable housing needs, the workgroup's role has been to develop relatable messaging for targeted community groups that establish impact and emotion of affordable housing in Hamilton County. Strategies will include creating a localized unique message, utilizing both traditional and social media engagement, marketing and engagement at community events, and capturing impact stories. A public launch of the campaign is anticipated for May 16, 2024, at the HAND Suburban Housing Conference in Hamilton County.

The remaining two initiatives, Land Use/Development and the Housing Trust Fund, have yet to begin due to the limited resources that have been available, and the immediate focus directed on the CLT and Community Engagement. The Community Engagement efforts will be utilized to help secure additional funding and other resources necessary to create further movement on the initiatives identified by the Housing Collaborative and local partners.

The requested PRO Housing Grant would allow Hamilton County and the Housing Collaborative to accelerate efforts and progress in four areas:

***Policy:*** Analyze and propose updates to land use and development strategies in each community as well as county-wide;



**People:** Increase organizational capacity of existing entities and new entities for development of new affordable housing and preservation of existing affordable units;  
**Production:** Address funding barriers and land-cost challenges to build a robust pipeline for development of affordable units; and  
**Promotion:** Engage and inform the community about the urgent need for affordable housing and its benefits to the community.

**Section a. ii. – Do you have acute demand for affordable housing? What are your remaining affordable housing needs and how do you know?**

Hamilton County’s rapid growth has created tremendous demand for housing. Housing production has failed to keep pace, creating an imbalance between supply and demand. The results are rapidly rising home values, lack of supply, and unaffordable conditions for many current residents and employees, causing a strain on each community as they try to maintain the economic well-being of their community. In order to identify remaining housing needs, Hamilton County leaders and the Collaborative will look to active trends in population growth, income, and housing development.

**Population Trends**

Hamilton County is the state’s fastest growing county by population, and one of the top fifty fastest growing counties in the nation, according to US Census data. The demand for housing is likely to further increase given the low vacancy rates across the county. Hamilton County's population grew 30% between 2010 and 2022, from 274,569 to 356,650 people, according to Census Bureau data. That is the highest population increase of counties in Indiana and more than five times the state’s population growth over the past 10 years. According to ACS, Hamilton County is now home to nearly 365,000 residents with 126,371 households. Most households are located in the county’s four largest municipalities of Carmel, Fishers, Noblesville, and Westfield, with much of its growth from older adults (45-64 years of age) and seniors (65+), according to Stats Indiana, 2021. Given this demographic change, housing needs are likely to change as well. Housing types needed to accommodate seniors differ from the larger, single-family homes currently making up much of the production in Hamilton County.

**Income Trends**

In 2021, the median income of Hamilton County households was \$104,858 and among the highest in the state, (ACS 2022). However, not all Hamilton County households are high earning. Low- and moderate-income households often cannot afford housing in Hamilton County. In Hamilton County, there is a clear connection between higher incomes and homeownership, showing higher income households are more likely to be homeowners. While the exact reasons are undocumented, higher incomes create greater opportunities to take on debt in the form of mortgages, more likely to have sufficient savings for down payments, and are more likely to absorb higher cost housing. Higher income households are also more likely to have good credit scores needed to access mortgages and other lending products.

Employment Trends

No longer just a bedroom community to Indianapolis, Hamilton County continues to add to and diversify its employment base. According to the latest data available, between 2017 and 2022 Hamilton County added 17,500 jobs, an increase of more than 10 percent. National job growth during the same period was just 2.4%, according to Invest Hamilton County. This job growth naturally generates increased housing demand. Unfortunately, Hamilton County’s rate of housing production has not kept pace, creating a critical housing shortage.

The 2022 top five occupations in Hamilton County, with average wages, according to the Bureau of Labor Statistics were as follows:

<u>Occupation</u>	<u>Number employed</u>	<u>Average Wage</u>
Office Support	132,000	\$37,720
Transportation	131,000	\$37,730
Sales and Related	92,000	\$30,240
Food Prep & Service	82,000	\$24,270
Healthcare Practitioner	71,000	\$62,870

Additionally, according to 2019 data provided by Census on the Map, 52 percent of Hamilton County jobs realized an annual salary below \$40,000. While a critical part of the economy, these positions often struggle to pay for housing in higher priced markets like Hamilton County. Moreover, these positions are easily found in lower cost markets which may draw workers away from Hamilton County. Employment and job growth will continue to be a driving factor for housing demand in Hamilton County. It will be important to explore the relationship between workers and their housing needs, looking closely at incomes, job openings, and labor shortages.

Housing Trends

Hamilton County has consistently added to their housing inventory over the last decade, adding approximately 3,000 net new housing units annually from 2010 through 2019. From 2019 through 2022 it increased production of inventory adding an average of 4,798 units per year bringing the total number of housing units to 144,203, according to data provided by FRED Economic Data. However, this rate of growth has not kept up with housing demand in Hamilton County and the creation of housing has not been equally distributed across the county. Much of the housing growth has occurred in the larger cities, with Westfield being recognized as the 6<sup>th</sup> fastest growing community in the United States. Relatively, very little housing construction has occurred in the northern rural farm towns. However, Sheridan has started to see more housing production in one existing neighborhood, with a new neighborhood under construction and one proposed for future development.

Another factor to consider is the sales price of new construction homes, which has continued to climb across Hamilton County. This increase is primarily due to labor shortages and rising material costs associated with COVID-19. Resale prices for existing homes in Hamilton County are following similar trends. Over the last decade (2010- 2023) sales prices for existing homes in Hamilton County have grown by 122 percent, increasing by \$245,933 per home. The median sales price of a home at the start of 2010 (January 2010) was \$202,000. By January 2023 the median sales price had climbed to \$434,995 and continued to climb through 2023, reaching \$447,933 in

September (the last month data was available.) (MIBOR Market Review Report, 2023) Prices vary across the county with the northern communities offering more affordable prices but showing greater percentage increases in price year over year. (MIBOR, 2023) In September of 2023, the active inventory of homes for sale in Hamilton County was 626 homes, with an average of thirteen days on the market. Furthermore, the available listings are too high value for households earning below the area median income of \$81,600, for a family of 4 (\$57,200 for one person household) with just 5 homes listed below \$200,000. (MIBOR, 2023)

While there has been growth in construction of new multi-family rental housing options, occupancy rates nearing 100 percent indicate demand is greater than the supply. Median gross rent of \$1,769 is the largest of all counties in the region and 98.5% higher than the state's average of \$891, (ACS and Zillow Research Housing Data 2023.) Diversity in housing options and choices will continue to be lacking if new construction continues to merely reflect the inventory already available in Hamilton County. The relationship between what is planned and built and the development standards across the county must be part of the overall analysis of policies and procedures to better understand what levers could be manipulated to increase diversity in housing choice and price.

What does this mean for affordability? The higher housing costs in Hamilton County make housing affordability difficult for many low- and moderate-income households as well as portions of the workforce who earn lower wages or salaries. Most households earning below 80 percent of the area median income have limited access to attainable housing choices. Given the higher housing costs, compared to most parts of the Indianapolis Metro, nearly two-thirds (63% or 16,770 households) of households earning below 80 percent of the area median income are cost burdened.

Additionally, renters are generally more likely to experience some level of cost burden. In 2021, 20.0% of renters in Hamilton County spent 30-50% of their income on housing (cost burdened), while 14.1% of renters spent more than 50% of their income on housing and were severely cost burdened, for a total of 34.1% of all renters. (Public Use Microdata Sample (PUMS), US Census Bureau) Renter cost burden can sometimes fall disproportionately on specific demographic groups and vulnerable populations--like single parent households or seniors. Additionally, costs related to transportation and access to opportunity may "cost" these households more in the long term. Without additional analysis it is unclear how those costs compare. Expectedly, lower income homeowner households are more likely to be cost burdened. In 2021, 14.1% of homeowners were cost burdened. Of those with a household income of less than \$20,000, 80% were cost burdened and 52% of those making between \$20K and \$35K also struggled with housing costs. Even 24% of homeowners making between \$50K and \$75K were spending more than 30% of their income on housing. (Public Use Microdata Sample (PUMS), US Census Bureau)

The data clearly shows sales prices are still increasing, making attainability difficult for many. Between January, 2010 and January, 2023 the median sales price in Hamilton County increased by 106 percent – from \$211,200 to \$434,995. The majority of that increase, nearly 30%, began in 2020 and has accelerated ever since. (MIBOR Market Review Report) Additionally, Median gross rents are experiencing similar trends with an increase of 40 percent between 2015 at \$1,264 and 2023 at \$1,769. It is 98.5% higher than the state's median gross rent. In Hamilton County, there were 6,890 renter households earning at or below \$35,000 in 2021, with only 3,457 units offering rents affordable to these same households (ACS).

Housing affordability will continue to be an issue as housing costs increase faster than incomes and new construction favors the higher end of the market. Providing sufficient housing options for low- and moderate-income households as well as workers who are essential in growing Hamilton County's economy, will take thoughtful, strategic actions by a variety of partners and players.

With these issues, it is no wonder Hamilton County is considered a "Priority Geography" in the "Housing Affordability Factor," as currently determined by HUD. How can Hamilton County improve the affordability of its housing? Of Hamilton County's fastest growing sectors, employment and income, they still don't generate the average annual earnings sufficient to purchase a median-priced home in the county. With 20% of Hamilton County's workforce commuting from outside the county, 30% of the county's resident workers leave the county for their work, (Indiana Association of Realtors, 2023 presentation). Much of Hamilton County's economic development strategies center on highly skilled, high paying job sectors. Under the surface, this strategy creates a ripple effect across all sectors and is highly dependent on attracting and retaining workers of all skill levels and pay grades. For every one high-wage, high-tech job created in the economy, five other supportive jobs are created. Many of those jobs are low-skill and low-wage, more akin to a commodity. This speaks to the importance of housing on Hamilton County's economic well-being. Diverse housing is a resilient economic development strategy.

Hamilton County's great schools, low crime rates, and well-maintained infrastructure require a dedicated workforce of teachers, police, fire fighters, public works employee, and many more individuals who may not earn enough to live affordably in Hamilton County today. Additionally, housing and place are increasingly important to the workforce and employers. Without appropriate housing, workers are faced with longer commutes, which studies indicate can lead to costly turnover and absenteeism. Studies have shown that replacing an employee can cost a business as much as 1.5 times their annual salary in lost revenue and reduced productivity. Both findings underscore the importance of co-locating housing and jobs. An economic development strategy focused on high-paying jobs still requires a diverse housing strategy to support its workforce.

**Section a. iii. – What key barriers still exist and need to be addressed to produce and preserve more affordable accessible housing?**

**Lack of Inventory Matching Income Levels**

Hamilton County's rapid growth has created tremendous demand for housing. Housing production has failed to keep pace, creating an imbalance between supply and demand. The results are rapidly rising home values, lack of supply, and unaffordable conditions for workers to maintain the economic well-being of Hamilton County. Hamilton County is becoming less affordable to more and more people. Stagnant incomes and growing home values are barriers to affordability for most income groups, but especially for those households earning less than 120% of the area median income. Given current funding and construction trends, it will take approximately 286 years to meet current demand for income-based housing.

Additionally, Hamilton County's affordable inventory is further challenged when existing affordable rental communities transition to market-rate. Each year, an average of 33 subsidized units reach their affordability compliance period, most switching to market-rate, causing an

increase in rents and displacement of low- and moderate-income people. And while the County does also offer the Housing Choice Voucher (HCV) program, all of Noblesville Housing Authority's 194 HCVs are in use. The last time the wait list was opened in 2022, over 900 applications were received for the available 200 vouchers before the wait list was closed. Despite a population of over 364,000, Hamilton County does not have access to enough Housing Choice Vouchers to meet its population's demands. Applicants often spend years on the voucher waiting list, and once obtaining a voucher, still struggle to find available units that accept housing vouchers. Quite simply, there are not enough affordable housing options to meet demand. Hamilton County has multiple service agencies working with households at risk of homelessness, providing them with supportive services, but simply can't place them in housing, as it is not available. Additionally, the existing affordable housing rental communities are all at maximum capacity with a waitlist exceeding two years.

### *Cost of Production Too High*

Land costs and development regulations hamper the ability to quickly increase housing inventory in Hamilton County at all price points, but especially at affordable prices. Nationally, land accounts for 20 to 50 percent of a traditional home's sales price. Land costs were identified by local stakeholders as a barrier to attainable housing production in Hamilton County. Nationally, development regulations (at all levels of government) account for 24 percent of the final sales price of new housing. This was also identified by local stakeholders as a barrier to increasing the inventory of affordably priced homes.

Housing projects can be delayed due to red tape or regulatory challenges. Smaller developers and nonprofits may have viable projects but lack the necessary capital that is required to purchase land. Developing affordable housing typically relies on many funding sources which can take longer to secure, in turn allowing other buyers, with cash in hand, to close on a property more quickly. Developing a funding mechanism through a land bank can help these smaller developers and nonprofits secure land more quickly.

Through various assessments and analyses, it is clear there is a need to address policies, capacity, production, and community engagement. It is one thing to identify barriers, but it is a whole different challenge to remove those barriers. Stakeholders throughout the county all agree multiple barriers exist. The real challenge is implementing actions to truly and effectively eliminate those barriers. With the momentum created by the Housing Collaborative, Hamilton County and its leaders are anxious and excited to begin implementing sensible solutions to address this ongoing crisis.

**Exhibit D – Soundness of Approach**

**Hamilton County, Indiana**

## **Section b. – SOUNDNESS OF APPROACH**

### **Section b. i. – What is your vision?**

Hamilton County leaders believe housing should be attainable for all who desire to call Hamilton County home, at every stage of their lives. Diversity in product types and housing prices will be prioritized to uphold the economic well-being of County. To ensure housing for all, the County will:

1. Work collaboratively with leadership to prioritize diversity in housing product types and prices (prioritizing households earning up to 120% AMI);
2. Encourage and regulate for lower cost housing options near jobs and services;
3. Explore public-private-philanthropic partnerships to expand resources and dollars aimed at removing barriers to attainable housing; and
4. Communicate the importance of attainable housing the County's economy today and in the future.

As stated previously, efforts to remove the obstacles will be conducted in four areas:

***Policy*** – A policy analyst will conduct a detailed assessment of municipal land-use policies and development strategies, propose policy change, and take the necessary steps to implement those changes.

***People*** - Additional staff will be hired to focus on areas in need of increased capacity. This will include positions such as a Director for the Community Land Trust, a construction manager, compliance officer, and others needed to accomplish the tasks outlined in this proposal.

***Production*** - Staff will pursue the production of new affordable housing, working with the Community Land Trust to acquire land.

***Promotion*** - Through the work of the Housing Collaborative, a promotional campaign will be created and implemented to educate specific audiences on the benefits of affordable housing and ensuring all communities have a diverse housing market.

Through the four pillars established, Hamilton County will work with each municipality to establish systems and policies which seamlessly and efficiently produce Affordable housing units alongside market rate units. Hamilton County will also offer support to local organizations working to create additional affordable housing, or those working to provide voucher assistance to eligible households at risk of homelessness. A Community Land Trust will be established as a tool allowing for the acquisition of land which can be made available for Affordable Housing development, both rental and homeownership. Marketing and education campaigns will increase awareness of the value and impact of providing quality affordable housing for the entire county.

### **Section b. ii. – What is your geographic scope?**

The geographic scope of this proposal includes all of Hamilton County. Special attention will be given to the four cities of Carmel, Fishers, Noblesville, and Westfield, as CDBG Entitlement participants experiencing continued rapid growth. The county's four towns and unincorporated areas of the county have different development challenges that will also be addressed.

In the southern half of the county, which is more populated, each municipality has its own land-use policies and development regulations, along with rigorous public processes that make it challenging to build affordable housing.

The northern half of the county, meanwhile, is more rural, with less sophisticated policies and processes. But infrastructure is an additional barrier in the towns and unincorporated areas, given the high cost of providing public water and sewer services.

**Section b. iii. – *Who are your key stakeholders? How are you engaging them?***

Key stakeholders include staff and policymakers for each of the municipalities, local nonprofits serving low-income households, and private housing developers. Representatives for each of these stakeholder groups are among the 50-plus active members of the Hamilton County Housing Collaborative, which meets quarterly.

Smaller work groups researched and vetted housing policies from across the country in preparation for the 2022 Housing Study, and volunteers continue to collaborate to bring about change in various areas. The expected creation of a Community Land Trust will be a direct result of this group’s work, for example, as will the upcoming Community Engagement campaign’s efforts to address the stigma that surrounds affordable housing.

A PRO Housing grant would allow the partners to accelerate their work – and their impact.

**Section b. iv. – *How does your proposal align with requirements to affirmatively further fair housing?***

Hamilton County leaders recognize and understand the importance of equal access for all to safe quality housing which provides opportunities and resources. Through the work of the Housing Collaborative, many barriers have been identified. In order to affirmatively further fair housing, efforts to remove these barriers will be conducted in three ways.

First, to ensure diverse, affordable housing opportunities are available in “well-resourced, low-poverty areas,” focus will be directed toward the communities of Fishers and Westfield which are relatively young communities with recent rapid growth. These communities offer many of the desired amenities and opportunities such as good schools, parks, grocery and other retail, as well as social opportunities. Unfortunately, there are significantly less opportunities for quality affordable housing in these communities. Hamilton County will work with these two communities to identify and implement realistic impactful measures which seamlessly incorporate affordable housing options into the active housing market development.

Second, to encourage reinvestment in “areas which have lost assets and resources due to redirected investment,” focus will be placed on older established areas of the county, including downtown Noblesville, Home Place of Carmel, and the small rural communities of Arcadia, Atlanta, Cicero, and Sheridan. When communities experience growth and expansion, it is common to redirect attention and investment to those areas of growth. Unfortunately, this often leads to disrepair and



neglect of the older areas. Without on-going maintenance, some existing amenities may choose to relocate to the more active developing areas, leaving the residents with fewer choices and opportunities in their neighborhoods. This can lead to an increase in their daily cost of living as they try to meet their needs further away from home. The smaller rural communities in the northern half of the county have also experienced a lack of investment, all while watching the rapid growth of the larger communities moving north to encroach upon the rural farm towns. County leaders wish to support these small towns in preparing for future growth, providing both reasonable housing options and complimentary amenities meeting the local resident's needs.

Recognizing and understanding “our nation’s history of discriminatory housing policies and practices,” the third area of focus will consist of a thorough analysis of planning policies and procedures in each of the communities and county-wide to determine if there are instances by which policy may inadvertently lead to segregation. Many communities across the United States have begun to recognize that some common planning and zoning policies violate fair housing laws. An example of this would be the restriction of certain types projects in a Planned Unit Development (PUD), those which utilize subsidized funding. This type of “exclusionary” zoning allows restrictions, such as minimum lot size or square footage of the dwelling, to be placed on the type of housing that can be built in a designated area. When making new policy recommendations, it has been common to utilize the approach of Inclusionary Zoning, which is a method of policy that can require or encourage private developers to incorporate a set number of affordable units into their proposed market-rate development. Unfortunately, in Indiana, communities are not allowed to utilize this policy tool, therefore additional effort must be made to propose strategies which will comply with State law while still providing affordable housing outcomes. Hamilton county leaders recognize the value of a diverse housing stock and will continue to move their communities towards inclusionary zoning encouraging the development of affordable housing alongside market rate housing.

**Section b. v. – *What are your budget and timeline proposals?***

There is certainly no quick fix to the identified affordable housing obstacles. Time and patience will be key to achieving the goals set forth in this proposal. Fortunately, some actions are already in motion and the team will build on this momentum to initiate the next steps required in each area of focus. Key to the successful implementation of this proposal will be hiring an individual to manage the stated grant activities. In general, it is anticipated to take 24 months to update local land use policies, approximately 8 months to establish an operational Community Land Trust, an estimated 24 to 36 months to complete the construction of an affordable housing project, and just three months to initiate community engagement through strategic messaging. The total budget for the initiatives included in this proposal is \$19,665,350 and detailed in the budget worksheet provided. Full project timelines can be found in Attachment C.

**Policy**

The *Policy* initiative, with a budget of \$283,140, will begin in the second quarter of the first funding year with the hiring of a consultant or firm to analyze the policies and procedures of the first two cities, adding in subsequent communities at an interval of six months. Proposals for amended policies and procedures will begin the first quarter of the second year, again, with other proposals following at roughly six-month intervals. Upon implementation of the amendments, as

assessment of outcomes will be conducted during the third year so that modifications, if necessary, can be made prior to the completion of the full grant.

### People

Building capacity will be critical to the success of this proposal. With a budget of \$1,480,284, the team will seek to hire individuals early in the process, beginning the second quarter of the first year. Once on board, each new team member will focus on their specific area. Overall, by the start of the second year, the CLT and HTF will be operational and ready to support projects.

Additionally, a pipeline of potential properties will be ready to pursue acquisition for housing projects. By the end of year two, the HCV program will have been assessed with recommendations for actions and better utilization of available vouchers.

### Production

With such an urgent need for affordable housing, with a budget of \$17,601,926, the team will initiate the first Affordable Housing project no later than the second quarter of year one, with construction to begin one year later. A second round of projects will be offered during the third year, with completion and lease-up by the end of the fifth year. Additionally, the team will track existing affordable rental communities and make necessary efforts to retain their affordability through acquisition by the CLT or providing support to the active owner wishing to retain the affordable status of the rental community.

### Promotion

The Community Engagement workgroup has already created a comprehensive marketing plan which will be ready to implement in the first quarter of year one. With a budget of \$300,000, the workgroup will oversee five stand-alone ad campaigns which will utilize traditional media outlets as well as social media platforms. Each campaign will cycle over the next five years. In addition to the marketing plan, the workgroup will offer established presentations for volunteers to utilize within their respective communities and networks. The first set of presentations will be available in the second quarter of year one. Details of the Community Engagement plan can be found in Attachment D.

**Exhibit E – Capacity**  
**Hamilton County, Indiana**

## **Section c. – CAPACITY**

### **Section c. i. – *What capacity do you and your Partner(s) have? What is your staffing plan?***

County staff worked with the County’s CDBG administrator, the Noblesville Housing Authority, as well as local nonprofit HAND Inc. on this proposal, and we expect to continue that partnership given the strong working relationship that has been established. This core team is experienced in affordable housing development, can navigate through municipal procedures to update policy, and will utilize its connections to partner with consultants and organizations to achieve its goals.

Hamilton County is in strong financial shape, maintaining a “AAA” general obligation bond rating and an “AAA” bond rating for bonds with a local income tax pledge from Standard & Poor’s. Moody’s Investor Service has given the County an “AAA” general obligation bond rating and an “Aa1” bond rating for bonds with a local income tax pledge. All ratings indicate high quality and strong capacity to pay the County’s bonds. Additionally, the County’s 2021 Comprehensive Annual Financial Report received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of the state and local government financial reports.

The Noblesville Housing Authority has managed the county’s Housing Choice Voucher program since 1978, and the county’s CDBG program since 2004. NHA staff has strong relationships with many of the local service providers and affordable rental communities. Staff also has experience in affordable housing development and overseeing construction projects involving CDBG, HOME, Tax Credit, and AHP funding.

HAND Inc. is a HUD-certified Community Housing Development Organization based in Noblesville that has built or preserved a total of 142 units of affordable rental housing. Founded in 2003, the nonprofit is a founding member of the Hamilton County Housing Collaborative and provides staff support to the volunteer group. It is an active developer, with 15 units currently under construction. Staff certification includes Rental Housing Finance Professional, Fair Housing Specialist, and a licensed Realtor.

Existing capacity is among the barriers to developing more affordable housing in Hamilton County, so we are proposing to invest some of the PRO Housing Grant funds to build capacity at every level.

**Exhibit F – Leverage**  
**Hamilton County, Indiana**

## **Section d. – LEVERAGE**

### **Section d. i. – *Are you leveraging other funding or non-financial contributions?***

Several sources of local and federal funds will be leveraged as part of this effort. Hamilton County has allocated \$5 million of its federal ARPA award to fund an affordable housing “demonstration project” in its jurisdiction, and the county has directed the majority of its discretionary CDBG funding toward affordable housing in since 2020. About 40 percent of the total CDBG allocation goes to the four cities to spend on qualifying projects, but the Collaborative is working with the Housing Authority to encourage cities to use the funds for affordable housing.

Additionally, HAND has HOME-ARP and CDBG funds committed to planned developments already, and it will continue to pursue funding for new construction and acquisition/rehab through State HOME funds, Federal Home Loan Bank AHP funds, and the Low-Income Housing Tax Credit program.

CDBG Entitlement funds and ARPA funds will be utilized for land acquisition and affordable housing construction. In addition to funds already allocated to the Housing Collaborative through the Hamilton County Trustees Association, local Foundation funds and staffing resources will be dedicated to the Community Land Trust startup costs. Corporate donations and grants will help with community engagement efforts and In-kind donations are being identified and secured for creative video content, web content, a social media campaign, print ads and other housing educational materials.

**Exhibit G – Long-term Effect**

**Hamilton County, Indiana**

## **Section e. – LONG-TERM EFFECT**

### **Section e. i. – *What permanent, long-term effects will your proposal have? What outcomes do you expect?***

With updated land use policies and procedures at the municipal level, we will see affordable housing seamlessly created alongside market rate developments. Nonprofit developers will experience reduced red-tape and fees as they propose affordable housing developments to local leaders. The Community Land Trust will maintain strong partnerships with municipalities and private developers to not only create more affordable housing, but also retain the Affordable status through restrictive covenants on Trust-owned properties.

Ultimately, we hope to reduce the NIMBY opposition to affordable housing development in our community. Once residents and policymakers understand the need for a full range of housing options in our community, and we are able to show there is nothing to be afraid of, we hope the barriers keeping us from producing more affordable options will be lowered.