

Passed 7-2 (Ruff, Stosberg)

Resolution No. 2026-06

A Resolution Directing the Housing and Neighborhood Development Department to Develop a Framework for Long-Term Housing Affordability

Preamble

WHEREAS, the Common Council, by its Resolution 18-01, approved a new Comprehensive Plan for the City of Bloomington, which took effect on March 21, 2018; and, thereafter, the Plan Commission initiated and prepared a proposal to repeal and replace Title 20 of the Bloomington Municipal Code, entitled "Unified Development Ordinance" ("UDO") in order to implement the vision for community development put forward in the Comprehensive Plan; and

WHEREAS, the Comprehensive Plan identifies housing affordability as a critical priority and calls for the preservation and expansion of long-term affordable housing opportunities for residents of all income levels; and

WHEREAS, the City of Bloomington, through its Housing and Neighborhood Development Department ("HAND"), administers programs and incentives designed to support the creation and preservation of affordable owner-occupied housing; and

WHEREAS, many affordable owner-occupied housing units created through public subsidy or regulatory incentives do not remain affordable in perpetuity, resulting in the loss of affordable housing stock over time, and communities across the United States have implemented mechanisms such as silent second mortgages and recorded rights-of-first-refusal to attempt to ensure long-term or permanent affordability of housing units; and

WHEREAS, a consistent, citywide framework for long-term affordability would provide clarity to developers, protect public investment, and ensure that affordable housing benefits are preserved for future residents; and

WHEREAS, the Common Council desires to assist and encourage HAND in the development of policies and tools that ensure owner-occupied housing units supported by public resources remain affordable over the long term, including upon resale or transfer; and

WHEREAS, pursuant to IC 36-7-4 et seq. and other applicable provisions of Indiana law, the City may establish policies governing the use of public funds and the disposition of housing supported by such funds;

Be It Resolved by the Common Council of the City of Bloomington, Monroe County, Indiana, that:

Section 1: Directing the Housing and Neighborhood Development Department.

The Common Council directs the Housing and Neighborhood Development Department (HAND) to develop and present a proposal establishing a consistent framework for incentivizing and ensuring long-term affordability of owner-occupied housing units that developers choose to create or preserve through City programs, subsidies, incentives, or other forms of public support including recommendations for any necessary amendments to Title 20 of the Bloomington Municipal Code.

Section 2: Evaluation of Tools.

This framework shall include, but not be limited to, the evaluation and potential implementation of legally-available tools such as silent second mortgages, homeowner association covenants & restrictions, shared equity models, and rights-of-first refusal in favor of the City, its designee, or other entities created for the purpose of developing and maintaining affordable housing.

Section 3: Development of Clear Standards

The framework shall establish clear standards for the duration of affordability, eligibility requirements for purchasers or occupants, resale procedures, and enforcement mechanisms to ensure continued compliance over time.

Section 4: Review of Best Practices.

HAND is directed to review best practices from peer cities and organizations, and to engage relevant stakeholders, including affordable housing developers, community organizations, and financial institutions, in the development of this framework.

Section 5: Presentation of Findings.

HAND shall present its findings and recommendations to the Common Council within one hundred twenty (120) days of the effective date of this resolution, unless granted an extension by the Common Council.

Section 6: Next Steps.

Upon receipt of the recommendations, the Common Council may consider additional legislative or administrative actions necessary to implement the proposed framework of incentives and options

Section 7: Severability

If any section, sentence or provision of this legislation, or the application thereof to any person or circumstances shall be declared invalid, such invalidity shall not affect any of

the other sections, sentences, provisions, or applications of this legislation which can be given effect without the invalid provision or application, and to this end the provisions of this legislation are declared to be severable.

Passed

Passed by the Common Council of the City of Bloomington, Monroe County, Indiana, upon the 20 day of May, 2026.

Signature of Bloomington Common Council President:



Isak Nti Asare
President, Bloomington Common Council

Attestation of Bloomington City Clerk:



Nicole Bolden
Clerk, City of Bloomington

Presentation by Bloomington City Clerk:

Presented by me to the Mayor of Bloomington, Monroe County, Indiana, upon this 02 day of June, 2026:



Nicole Bolden
Clerk, City of Bloomington

Approval by Mayor:

Signed and approved by me upon this upon the 9 day of June 2026,
2026:



Kerry Thomson
Mayor, City of Bloomington

Synopsis

This resolution sponsored by Councilmember Zulich directs the Housing and Neighborhood Development Department (HAND) to develop a legally-permissible framework for ensuring the long-term affordability of housing units supported by the City, including the use of tools such as silent second mortgages, rights-of-first-refusal, and other shared equity mechanisms, and to provide recommendations for any necessary amendments to the Unified Development Ordinance and related provisions of the Bloomington Municipal Code.

Distributed to: Clerk, Council Attorney, HAND, Legal, Mayor, and Planning & Transportation.