

STATE OF INDIANA

**STATE COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG) PROGRAM (CFDA: 14-228)**

**INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
FY 2019 PROGRAM DESIGN AND METHOD OF DISTRIBUTION
AMENDMENT 7**

THIS IS AN AMENDMENT TO THE FY 2019 METHOD OF DISTRIBUTION FOUND IN INDIANA'S 2019 ACTION PLAN. PROGRAMS, CRITERIA, AND POLICIES NOT LISTED WITHIN CONTINUE AS-IS. THIS AMENDMENT IS TO ADDRESS THE IMPACTS ON SMALL AND RURAL COMMUNITIES BY THE COVID-19 PANDEMIC AND MEET DIRECTIVES OUTLINED IN EXECUTIVE ORDERS ISSUED BY THE GOVERNOR.

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs, assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). In accordance with 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process pursuant to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2019.

The State of Indiana's allocation of federal Community Development Block Grant (CDBG) funds for FY 2019 is \$81,781,503.

This document applies only to funds allocated to the COVID-19 Response Program which is funded through the federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through its Office of Community and Rural Affairs.

The primary objective of Indiana's Small Cities CDBG Program is to assist in the development and re-development of viable Indiana communities by using CDBG funds to provide a suitable living environment and expand economic opportunities, principally for low and moderate income persons.

Indiana's program will place emphasis on making Indiana communities a better place in which to reside, work, and recreate. Primary attention will be given to activities, which promote long term community development and create an environment conducive to new or expanded employment opportunities for low and moderate income persons.

The Office of Community and Rural Affairs will pursue this goal of investing CDBG wisely and all applicable strategic priorities by distributing CDBG funds in a manner, which promotes exploration of all alternative resources (financial and personnel) when making funding decisions respective to applications for CDBG funding.

PROGRAM AMENDMENTS

The Indiana Office of Community and Rural Affairs reserves the right to transfer up to twenty-five percent (25%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2019 as well as prior-years' reversions balances) between the programs described herein in order to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Consolidated Plan.

The Office of Community and Rural Affairs will provide citizens and general units of local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of FY 2019 CDBG as well as reversions and residual available balances of prior-years' CDBG funds. "Substantial Change" shall mean the movement between programs of more than twenty-five percent (25%) of the total allocation for a given fiscal year's CDBG funding allocation. The twenty-five percent (25%) does not include the reallocation of reverted funds. The Office of Community and Rural Affairs, in consultation with the Indianapolis office of the US Department of Housing and Urban Development (HUD), will determine those actions, which may constitute a "substantial change".

The State (OCRA) will formally amend its FY 2015 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2019 and prior-years' funds** prescribed herein are to be significantly changed. The OCRA will determine the necessary changes, prepare the proposed amendment, provide the public and units of general local government with reasonable notice and opportunity to comment on the proposed amendment, consider the comments received, and make the amendment available to the public at the time it is submitted to HUD.

FY 2019 FUND DISTRIBUTION

Sources of Funds:

FY 2019 CDBG Allocation	\$30,644,288
CDBG-CV1 Allocation	\$18,668,114
CDBG-CV2 Allocation	\$19,783,146
CDBG-CV3 Allocation	\$12,685,955
CDBG Program Income	\$0
Total:	\$81,781,503

Uses of Funds:

1. Housing Programs (IHCDA)	\$ 3,064,428
2. Stellar Regions Program	\$ 4,000,000
3. Blight Clearance Program 2.0	\$ 0
4. Main Street Revitalization Program	\$ 1,200,000
5. Public Facilities Program	\$ 2,500,000
6. Storm Water Improvements Program	\$ 3,000,000
7. Wastewater/Drinking Water Improvements Program	\$11,000,000
8. Urgent Need Fund	\$ 0
9. Planning Fund	\$ 246,650
10. COVID-19 Response Program	\$52,545,149
11. Technical Assistance	\$ 1,030,000
12. Administration	<u>\$ 3,195,276</u>
Total:	\$81,781,503

METHOD OF DISTRIBUTION

The choice of activities on which the State (Office of Community and Rural Affairs) CDBG funds are expended represents a determination by Office of Community and Rural Affairs and eligible units of general local government, developed in accordance with the Office's CDBG program design and procedures prescribed herein. The eligible activities enumerated in the following Method of Distribution are eligible CDBG activities as provided for under Section 105(a) of the Federal Act, as amended.

All projects/activities funded by the State (Office of Community and Rural Affairs) will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will be distributed according to the following Method of Distribution (program descriptions):

COVID-19 Response Program: \$52,354,763

The State of Indiana will set aside \$52,354,763 of its FY 2019 CDBG, CDBG-CV1, CDBG-CV2, and CDBG-CV3 funds for the COVID-19 Response Program. The program is to address the immediate and long-term impacts on small and rural communities due to the COVID-19 pandemic. In order to respond quickly the program policies and processes have been adjusted by OCRA, but those adjustments only apply to this program. There is no local match requirement for this program. Details of the program criteria are outlined below. OCRA may also partner with other state agencies to administer COVID-19 related grant programs to award up to \$10,000,000.

Additionally, under the COVID-19 Response Program OCRA will make up to five awards (5) awards up to \$1,000,000 for the purpose of economic recovery. This award will use a similar select method to the Steller program.

All projects funded by OCRA will be eligible for funding under a national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

PROGRAM APPLICATION

The Phase 1 of the grant program will start with eligible applicants submitting a Letter of Need. In the Letter of Need the applicant outlines the impact of their community, identifies the eligible activity they are proposing, and outline how they will accomplish that activity. Once received by OCRA, each applicant will be assigned an OCRA staff member to guide them through the application process. The applicant will work with the assigned individual to complete the application and administer any award grant funds. Grants will be awarded on a first come first serve basis and the program may be discontinued at any point.

Any additional phase of the grant program will consist of a two-stage process, eligible applicants will first submit an abbreviated proposal. For each proposal, OCRA will work with the community on submission of an application that will then be reviewed and scored. Awards will be made on a competitive basis. The Office of Community and Rural Affairs, as applicable, will provide technical assistance to the communities in the development of an application.

COVID-19 related grant programs administered by other state agencies will determine their own application processes and scoring criteria while still meeting as CDBG regulations and laws.

An eligible applicant may submit only one application at a time. The Office of Community and Rural Affairs reserves the right to deny any request for grant funds if the applicant fails to provide items requested by OCRA, or does not meet the minimum federal requires and program criteria.

