



Root Policy Research

6740 E Colfax Ave, Denver, CO 80220

www.rootpolicy.com

970.880.1415

Public Comment Draft

State of Indiana 2023 Action Plan

PREPARED FOR:

Office of Community and Rural Affairs
Indiana Housing and Community Development Authority
www.in.gov/ocra
www.in.gov/ihcda

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Table of Contents

I. 2022 Action Plan

Executive Summary 1
The Process: Consultation and Citizen Participation 8
Annual Goals and Objectives 28
Methods of Distribution 42
Projects 60

Appendices

Methods of Distribution and Funding Applications A
 CDBG Method of Distribution
 HOME Homebuyer Program Draft Policy (forthcoming)
 HOME Rental Construction Draft Policy (forthcoming)
 National Housing Trust Fund (HTF) Draft Policy (forthcoming)
 ESG Written Standards
Public Notice and Comments (forthcoming) B
Form SF-424s and Certifications (forthcoming) C
Citizen Participation Plan D

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The State of Indiana is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs. These grant funds include the: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for People with AIDS (HOPWA) and the National Housing Trust Fund (HTF). The dollars are primarily meant for investment in the State's less populated and rural areas (“nonentitlement” areas), which do not receive such funds directly from HUD.

The Indiana Office of Rural and Community Affairs (OCRA) receives and administers CDBG. The Indiana Housing & Community Development Authority (IHCDA) receives and administers HOME, ESG, HOPWA, and HTF. As a condition for receiving HUD block grant funding, the State must complete a five-year strategic plan called a Consolidated Plan for Housing and Community Development (Consolidated Plan). The Consolidated Plan identifies the State’s housing and community development needs and specifies how block grant funds will be used to address the needs. Each year, the state completes an Annual Action Plan which determines how the funds will be spent in the coming program year (PY).

The 2020-2024 five-year Consolidated Plan was approved by HUD in July 2020. This document, the 2023 Annual Action Plan, is the fourth action plan in the 2020-2024 Five-year Consolidated Plan cycle. It describes how OCRA and IHCDA plan to allocate HUD block grant funds during the 2023 program year (PY2023), which runs from July 1, 2023 through June 30, 2024.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

During PY2023, the State of Indiana expects to be able to receive approximately \$65 million in housing and community development block grant funds. **Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.**

- \$31,325,031 in the Community Development Block Grant (CDBG);
- \$16,239,186 in the HOME Investment Partnerships grant (HOME);
- \$3,955,447 in the Emergency Solutions Grant (ESG);
- \$1,940,337 in the Housing Opportunities for Persons with HIV/AIDS grant (HOPWA);
- \$11,745,382 for the National Housing Trust Fund (HTF).

CDBG will prioritize wastewater and drinking water improvements (approximately 40% of CDBG funds) and public facilities (13%); stormwater improvements (13%); Blight Clearance (10%); planning grants (5%); owner occupied rehabilitation (10%); PreservINg Main Street (6%); and technical assistance and admin set-asides are 1% and 2% respectively.

HOME funds will prioritize rental construction projects (approximately 50% of HOME funds); innovative developments as part of the Stellar Communities program (15%); tenant based rental assistance (TBRA, 7%), and affordable homeownership development (11%). The remaining 15% goes to Administration (10%) and CHDO Operating (5%).

For ESG, IHCD plans to allocate funding to approximately 15-19 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration. IHCD also allocates ESG funds to agencies to administer to emergency shelters and street outreach.

HOPWA will continue to assist persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.

IHCD intends to allocate all of its HTF dollars for affordable rental housing, specifically for supportive housing for extremely low income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental Housing Tax Credit developments.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

OCRA remains committed to continuous improvement, and to ensuring that its CDBG programs consistently serve and prioritize the most current needs of rural areas. A recent study conducted by Ball State University and commissioned by the Office of Community and Rural Affairs in 2022 shows that many Hoosier counties are primed for success, and that how our agency develops plans to enhance that potential is critical.

Along with the BSU study, OCRA instituted a review of its entire CDBG grant program with the goal of reducing redundancies, and unnecessary burdens placed on communities. In 2021 and 2022, OCRA

completed a series of in-person meetings (15 total) with local grant administrators to gather feedback on OCRA's current programs. During these meetings, OCRA received diverse input on evolving needs and opportunities in non-entitlement communities post pandemic, along with ways to improve its CDBG program delivery.

This review has already resulted in numerous improvements to the grant programs and process such as:

- Updating OCRA's current CDBG forms and resources to ensure alignment with all current federal and state requirements.
- Providing more guidance and instruction on the appropriate use and submission of all required forms to improve the timeliness and accuracy of form submissions by grantees.
- Making improvements to OCRA's electronic grants management system (eGMS) to better assess data and process applications;
- Utilizing new virtual meeting technologies to facilitate safe attendance at CDBG trainings and to promote the timelier delivery of technical assistance needed;
- Expanding training opportunities for program staff to serve as subject matter experts and;
- Reallocating funds to ensure obligation and expenditure rates.

As the needs of communities have continued to evolve post-pandemic, OCRA will subsequently make additional adjustments to its program allocations during FY 2023. These adjustments will include the reinstatement of formerly suspended programs (Stellar Pathways) and the addition of both pilot programs (Owner Occupied Rehabilitation and PreservINg Main Street) launched in 2021 to its regular menu of program offerings based on feedback from the selected pilot communities and various stakeholder organizations about how these programs could be adapted to meet the changing needs of the residents they serve.

Prior to the COVID-19 pandemic, OCRA also proposed revisions to its Grant Evaluation Criteria in order to promote meeting the national objectives of the CDBG program. These included revised community distress factors, program-specific points, and bonus points for regional collaboration, comprehensive planning, and a positive environmental impact. Due to the ongoing impacts of COVID-19, OCRA delayed the full implementation of these proposed Grant Evaluation Criteria until FY 2023.

Changes that will be implemented in 2023 Round 2 include:

- OCRA will adjust how National Objective Points are awarded to projects that aid in the elimination or prevention of slums and blight - Project sites must either be listed on the IFA Brownfields registry or must provide a letter from the IFA Brownfield program states the site is a brownfield.
- OCRA has partnered with Stats Indiana, an Indiana University entity to update the various factors utilized to determine the distress of a community. Revisions to the Community Distress Index include:

Replacing total housing vacancy rate with non-seasonal vacancy rates - Many rural communities have significant seasonal housing used for recreation/second homes or for seasonal workers. These units are considered vacant when calculating a total vacancy rate. The non-seasonal vacancy rate excludes these homes from the calculation.

Replacing median housing value with housing cost burden - The median housing value variable is strongly correlated with median household income, making it redundant in the previous distress score index. The housing cost burden variable—which here is defined as the share of renters and homeowners with a mortgage who spend more than 30% of household income on housing-- adds a new dimension to the index by including information on affordability.

Replacing labor force participation rate with population change - Some factors that are unrelated to distress can impact labor force participation. Population change shows the degree to which communities retain current residents and attract new ones.

- Program Specific Points will be adjusted for the Wastewater Drinking Water (WDW) & Stormwater Improvement Programs (SIP).

Financial Gap points will be adjusted to a maximum of 10 points per each \$1 in financial gap.

Green Infrastructure will be added and set at a maximum of 15 points for the inclusion of green infrastructure elements in the project.

For WDW, OCRA will begin adjusting its dated User Rate Benchmarks to address legislative taskforce recommendations and to better align with other common funding sources. OCRA will explore additional adjustments to these benchmarks in future funding years.

WDW - Combined utility rates for the ongoing operation and maintenance activities of the wastewater, drinking water, and/or stormwater systems.

- 0 points – Less than \$40 combined user rates
- 10 points – \$40-\$70 combined user rates
- 25 points – More than \$70 combined user rates

IHCDA values strong performance of organizations that receive these monies. To ensure this occurs, the agency monitors sub-recipients funding for compliance on an annual basis. These performance reviews are taken into consideration of future funding levels and opportunities. Moreover, IHCDA has mechanisms throughout the program year to track and review compliance for performance.

Please see the "Summary" section for the continuation of this response.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Stakeholder interviews – Interviews are being conducted with local government officials, organizational leaders, housing and social service providers, emergency shelter staff, and affordable housing developers.

Stakeholder focus groups – Three virtual focus groups were conducted with those who work in rural and urban housing spheres in December of 2022. Participants included five Public Housing Authority leaders, one CDBG administrator, and two representatives of economic development corporations in rural areas.

Stakeholder survey – A statewide survey of residents and stakeholders who work in the fields of housing, homelessness, and community development launched in January and will remain open until March 3rd 2023. This survey will collect data on current housing and community development needs in Indiana’s nonentitlement communities. It also asks stakeholders about the state’s allocation of HUD block grant funds among activities and if changes are needed to better address current needs.

Public comment period – A 45-day public comment period is being held between February 15th, 2023 through March 31st, 2023. The draft plan was posted on both the OCRA and IHEDA websites beginning on February 15th, 2023.

Public hearings – Two public hearings on the Draft 2023 Action Plan are scheduled to take place. The first hearing was held on February 9th at 5pm ET both online via Zoom and in person at Indiana Government Center South in Indianapolis. The second hearing is scheduled for March 7th at 10am ET both online via Zoom and in person at Indiana Government Center South in Indianapolis. Notifications of the hearings were posted through RED notices and reached more than 4,000 people.

5. Summary of public comments

This section will summarize the public comments received; all comments will be appended to the Action Plan (unless the commenter asks for them to be excluded).

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments will be reviewed and accepted unless irrelevant to the Action Plan.

7. Summary

Response continued from “Evaluation of Past Performance” above:

IHCDA efforts include:

- IHCDCA has implemented a policy which expands the number of eligible project locations by allowing for non-profits certified as CHDOs to request funding for projects located in participating jurisdictions receiving less than \$500,000 of HOME funding within a Program Year. To increase the number of total applicants for the HOME program, IHCDCA has developed scoring criteria for new HOME applicants to ensure diversity in applications. IHCDCA is also tracking the number of rental units and homeownership units awarded each Program Year and those projects closed every year.
- IHCDCA will continue to track the number of clarifications and technical errors issued to each partner during HOME application rounds in order to evaluate partner capacity and the clarity and ease of use of its own program policies.
- IHCDCA will also continue to assess public comments on their respective policies and continue to make changes, when appropriate to the policies.

To end long-term homelessness, ESG funded organizations are required to work in coordination with Balance of State Continuum of Care (CoC) funded organizations to reduce the length of time people experiencing homelessness stay in shelters. This strategy manifests itself through the uses of IHCDCA's Coordinated Entry and HMIS systems to ensure clients vulnerability is assessed and the correct program is applied to their needs. These programs are administered within the same IHCDCA division, Community Services, that partners with the CoC Balance of State Board of Directors.

In 2023, IHCDCA and the Indiana Balance of State Continuum of Care will engage a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDCA has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

The Indiana Balance of State Continuum of Care Strategic Plan 2023-2025 has established an objective to provide guidance, training, and technical assistance to support Regional Planning Councils in order to strengthen internal operations to ensure organizations and people are supported within the homeless response system. Action steps towards fulfilling this objective will require a monitoring schedule of ESG projects to ensure that necessary information is included to meet HUD and CoC requirements and developing consistent metrics to evaluate active participation by HUD-funded programs in Coordinated Entry and Housing First implementation. This allows for continuity across programs policies and procedures, ensuring individuals are tracked throughout their experience in homelessness.

PR-05 Lead & Responsible Agencies – 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	Christmas Hudgens	Office of Community and Rural Affairs
ESG, HOPWA Administrator	Kristin Svyantek Garvey	Indiana Housing and Community Development Authority
HOME, HTF Administrator	Peter Nelson	Indiana Housing and Community Development Authority

Table 1 – Responsible Agencies

Narrative

Above are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Consolidated Plan Public Contact Information

Christmas Hudgens, CDBG Program Director
OCRA
One North Capitol Ave, Suite 600
Indianapolis, IN 46204
317.499.6563 | ocra.IN.gov | chudgens@ocra.IN.gov

AP-10 Consultation – 91.110, 91.300(b); 91.315(I)

1. Introduction

This section describes the consultation efforts undertaken for the 2023 Action Plan.

Provide a concise summary of the state’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

During PY2022, the state continued its efforts to support the needs of businesses as they returned to pre-pandemic operations. IHEDA, OCRA, in partnership with the several other State Agencies under the Lt. Governor’s Family of Business, and in partnership with Ball State University and Purdue University released the Rural Road to Recovery Plan. This plan identified goals and priorities for both units of local government, social services agencies, and non-profits, to identify challenges caused by the COVID Pandemic, and outline a framework to aid in recovery of rural cities and towns throughout Indiana.

In August 2022, Lt. Governor’s Family of Business in partnership with Purdue University released the Rural Road to Recovery Impact Study. The study highlights the impacts of \$153 million of federal CARES Act funds and state emergency funds invested in rural communities in direct response to the health and economic crisis caused by the COVID-19 pandemic. The five agencies worked with every Indiana city and town in all 92 counties. This included direct assistance to at least 645 households and 3,158 businesses. The preliminary analysis of outcomes shows that the actions of the (5) five agencies made a difference in rural Indiana.

IHEDA will continue to coordinate with partners on recovery and identify how to streamline policies when appropriate and allowable, collaborate with health organizations and the development community to ensure the pipeline of safe and affordable housing across the housing spectrum, and work with non-profit partners on trainings, and will continue to work on identifying additional support for those non-profits so they can continue to serve their communities.

Continued partnerships and involvement in state taskforces with multiple state agencies and key stakeholders include:

- The “Housing as Medicine” taskforce that includes representatives from the state’s health department and Medicaid office.
- The “Social Determinants of Health” task force includes representatives from the state’s health department and Medicaid office. The group is currently reviewing and evaluating a spectrum of state programs and policies for alignment opportunities and to promote healthy outcomes.
- The “Recovery Housing” task force led by the Governor’s Office and the Family and Social Services Agency’s Division of Mental Health and Addiction and is reviewing best practices in

recovery housing models to identify gaps and potential legislative proposals needed to better fund and operate recovery housing in the state.

- IHCD has partnered with the State's Division of Mental Health and Addiction and the Family and Social Service Agency to provide capital HOME funding to support the construction of housing specifically for persons at risk of homelessness who have a Substance Use Disorder or Mental Health Disorder.
- In cooperation with FSSA Division of Aging, IHCD is studying the anticipated supply and demand of assisted living units and services across the state.
- IHCD also manages the CHDO Working Group – of which 8-10 Community Housing Development Organizations meet quarterly to discuss best practices in their implementation of HOME-funded affordable housing projects.
- The IHCD Community Services division has also entered into a partnership with the Indiana Department of Health on a Homeless Health Infectious Disease initiative, which will allow IHCD to hire three staff members who will be charged with working with congregate shelters to mitigate infectious diseases and ensure ongoing protocols.

Please see the "Narrative" field for a continuation of this response.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The IN-502 Continuum of Care (CoC) Board serves and acts as the oversight and planning body on preventing and ending homelessness for the CoC General Membership Body. The Board comprises a diverse set of geographically representative stakeholders with the knowledge and expertise to create policy priorities and make funding decisions related to homelessness. The CoC Board or the Executive Committee meets a minimum of 4 times per year. IN-502 covers every county in the state except Marion County (equivalent to the City of Indianapolis).

The CoC Board members represent populations in the homeless community, including subpopulations such as chronic homeless, seriously mentally ill, chronic substance abuse, families, domestic violence, youth and veterans as well as two representatives from the Regional Planning Councils on Homelessness. As the Collaborative Applicant and HMIS Lead for the BoS CoC board, IHCD, through the Community Services (CS) Division, oversees COC, ESG, and HOPWA funding sources. This structure allows for open communication and collaboration between CoC and ESG sub-recipients, which contributes to effective and equitable coordination of efforts to address the needs of homeless persons as well as continuity across funding sources and performance measures. Being located in Indianapolis also allows IHCD to meet and partner with the Indianapolis CoC for statewide communication and coordination.

The BoS CoC board has committees set up to help reach special populations experiencing homelessness as well as governance of the CoC and its funds and continues to work on its organizational effectiveness to address homelessness throughout the state. The BoS CoC has approved their 2023-2025 CoC Strategic Plan, which was informed by stakeholders who observed additional challenges due to the COVID-19 pandemic and are concerned about the reduction and expiration of resources provided through the CARES Act. As part of the Strategic Plan, the IN BoS CoC will work to advocate for more resources that support the homeless response system and to right-size and refine programs across the housing spectrum for people experiencing homelessness.

The State ESG program presents their program plans to the BoS CoC Board, in addition to entitlement cities at their meeting annually. Per the 2023-2025 CoC Strategic Plan, further collaboration will begin to build a more efficient and performance-based system to end homelessness. A related Action Item in the Strategic Plan aims to incorporate appropriate racial equity analysis to inform the Coordinated Entry system's assessment tool, process and prioritization scheme. Metrics for performance will be considered and as appropriate will become CoC policy.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In determining the ESG Allocation, a request for proposals is distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, current subrecipients of the ESG program, and current permanent supportive housing rental assistance programs who have had experience with rental assistance. The application is also available publicly on the IHEDA website and any new partners interested in the funds are sent a reminder once it is public.

Each proposal is reviewed by at least one IHEDA Community Services staff person. The reviewer completes a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Once applications have been scored they are presented to the IHEDA board for approval and the CoC Board as a courtesy.

The performance standards for ESG were developed in collaboration with the governing body for the Balance of State CoC Board through the Funding & Resource Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act. These performance standards will be reviewed annually to reaffirm that performance standards continue to be in alignment. The 2023-2025 CoC Strategic Plan included an

Action Item to develop metrics for participation in HUD-funded programs in Coordinated Entry and Housing First.

2. Agencies, groups, organizations and others who participated in the process and consultations

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	
	Agency/Group/Organization Type	
	What section of the Plan was addressed by Consultation?	
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	

Identify any Agency Types not consulted and provide rationale for not consulting

None; all relevant organizations and agencies were invited to participate in the process. OCRA and IHCD utilized email notifications that reach more than 4,000 stakeholders and residents to encourage participation in the survey and public hearings.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	IHCD	ESG goals are developed in collaboration with CoC planning through the inclusion of one board member that represents an ESG entitlement city collaborate interest
2020 Next Level Agenda	State of Indiana Governor’s Office	CDBG goals and priorities support many aspects of the plan including supporting recovery from substance abuse addiction and enhancing educational attainment and broadband access.
OCRA Strategic Plan	OCRA	CDBG goals and priorities relate to rural challenges identified in the plan including the addiction crisis, affordable housing shortages, and aging water infrastructure.

Table 3 - Other local / regional / federal planning efforts

Narrative

Continued from above.

IHCD also offers training and webinars to partner organizations on topics ranging from program application requirements to funds management to weatherization courses. IHCD maintains resources on its website with detailed manuals that instruct its partners on how to develop and administer programs.

IHCD has also partnered with the State Department of Health on Lead based Paint through its Lead Hazard Reduction Demonstration Grant and the Health Homes Resource Program. Continuum of Care and ESG recipients are taking Lead Based Paint training to be able to better assist

clients with identifying health concerns in units older than 1978. In 2023, IHCD will provide training on Lead-Based Paint to all COC, ESG, and HOPWA recipients to insure they understand and adhere to all related policies and procedures.

IHCD has also established a strong relationship with the Family and Social Services Administration (FSSA) to coordinate affordable assisted living rental housing production and housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

IHCD has taken a leadership role among Indiana Public Housing Authorities to promote the development of Permanent Supportive Housing and increase utilization of the VASH program. IHCD has utilized its housing choice voucher program to provide rental assistance in PSH developments around the state. In the VASH program, IHCD has developed relationships with PHAs around the state to allow veterans to utilize the VASH program where they would like regardless of if the local PHA has a VASH program.

The Continuum of Care continues its work with entitlement cities that receive ESG funds to provide consultation and review project performance. The 2023-2025 CoC Strategic plan modified the terms of service of all board members. Board members (including the ESG representative) serve a 2-year term that can be renewed for another two years. Terms can be renewed three times. This is a collaboration between the Cities, State and the HUD CPD office to begin the process of utilizing funding with efficiency and to meet the most pressing needs statewide. IHCD will continue to sponsor a host of learning opportunities for ESG and HOPWA grantees on the topics of Fair Housing, Rapid ReHousing (RRH), Housing First and other case management trainings to support their work statewide.

Finally, IHCD staff members participate on a number of housing and community related boards and councils where key staff meet on a regular basis to train and partner. In 2022, IHCD entered into a formal partnership with the Indiana Department of Education to hire regional navigators who work with McKinney Vento Liaison Coordinators to create a bridge between community and school resources for youth and their families experiencing housing instability. IHCD regularly meets with the following housing and community related groups.

- National Association of Housing and Redevelopment Officials (NAHRO) Board,
- Youth Justice Oversight Committee,
- Indiana Mental Health and Addiction (IMHA) Planning and Advisory Council,
- Indiana Housing Trust Fund Advisory Committee,
- Family and Social Services Administration (FSSA) Division of Aging workgroup for the Indiana Master Plan on Aging,
- Back Home in Indiana Alliance,

- National Association of Homebuilders Housing Credit Professionals Board,
- Recovery Supports Workgroup (DMHA/FSSA),
- Indiana Pregnancy Promise Steering Committee (FSSA),
- Department of Workforce Development Work One centers,
- Indiana Commission on Higher Education outreach coordinators, and
- CoC network for the Balance of State and Marion County.

The list continues with many other city, county, and industry organizations.

Low and Moderate Income resident consultation: Consultation of LMI residents is largely conducted by interviewing service providers that work directly with these populations. During the development of the PY2023 Action Plan, stakeholders serving seniors, persons with HIV/AIDS, persons with disabilities, low-income households, residents vulnerable to housing discrimination, as well as local government and economic development interests participated in interviews and a survey to help identify priority needs. **Additional information about consultation will be added when consultation is complete. Including the number of participants.**

Public Housing Authority consultation: IHCD acts as the statewide housing authority for areas not otherwise covered in Indiana. IHCD administers the Section 8 housing voucher program for the balance of state. IHCD was an active participant in drafting the 2023 Action Plan through review, edits, input, and public hearings. In addition, a focus group with local public housing authorities was held in December 2022 to discuss the 2023 Annual Action Plan, PHAs were invited to complete the PY2023 Action Plan survey, and several participated in interviews.

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

Stakeholder consultation and resident participation for the 2023 Action Plan included an online survey, available in February and March 2023; four virtual stakeholder focus groups, including public housing authorities, economic development professionals, and local governments; and interviews of housing providers, organizations that assist persons at-risk of and experiencing homelessness, advocacy organizations, units of local government, and community and economic development organizations and officials. Additionally, the Indiana Association of Regional Councils (IARC), a statewide association of regional planning organizations that promotes regional strategies and solutions to address local issues, was engaged through a presentation and facilitated discussion during their February regular meeting.

OCRA marketed the survey using the Community Liaison Team through their assigned districts. It was also posted on OCRA's website and social media pages and was discussed during relevant stakeholder meetings including meetings with the Indiana Association of Regional Councils (IARC), Accelerate Indiana Communities (AIM), American Council of Engineering Companies Indiana (ACEC), Indiana Main Streets, etc. The marketing of the survey is estimated to have reached more than 1,100 stakeholders.

IHCDA marketed the survey through the following listservs (with number of recipients in parentheses):

1. IHCDA Updates (13,216)
2. IHCDA Real Estate Department (RED) Updates (3,377)
3. IHCDA Continuum of Care List (2,600)
4. IHCDA Community Services Contacts (342)
5. Regional Planning Council Chairs (23)

A summary of citizen participation and stakeholder consultation appears in the table below.

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
1	Online survey	Stakeholders and Residents		<p>See Grantee Unique Appendix for a complete summary.</p> <p>The survey captured residents' and stakeholders' perspectives on a variety of housing and community development needs and priorities, their experiences with State programs, and their suggestions for changes and improvements.</p>	All surveys were reviewed and accepted.	https://www.research.net/r/StakeholderSurvey23

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
2	Stakeholder discussions	Housing providers, organizations that assist persons at-risk of and experiencing homelessness, advocacy organizations, units of local government, and community and economic development organizations and officials.	17 scheduled; number will be updated once interviews are complete	See Grantee Unique Appendix for a complete summary. Stakeholders from throughout the state shared their perspectives on a variety of housing and community development needs and priorities, their experiences with State programs, and their suggestions for changes and improvements.	All input was considered in funding allocation and priority setting.	
3	Public hearings	Broad community		Public hearing comments will be included once they are complete.	All verbal and written comments were accepted and considered in finalizing the PY2023 Plan	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
4	Virtual Focus Groups	Organizations that work in rural housing spheres	Participants included five Public Housing Authority leaders, one CDBG administrator, and two representatives of economic development corporations in rural areas.	<ul style="list-style-type: none"> • Consistent funding to build and maintain affordable housing stock; • Development of housing for all income levels; • Increased rehabilitation funding for owner-occupied housing, public housing, and commercial spaces; • A targeted effort to attract and retain city staff; • More efficiency between private development and public management; • Ensuring low-income families can pay for and access internet. 	All input was considered in funding allocation and priority setting.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (if applicable)
5	Facilitated Discussion	Indiana Association of Regional Councils (IARC)	IARC Board Members	<ul style="list-style-type: none"> • Infrastructure is needed for housing development in rural areas. • Lack of supply and housing planning. • Issues with planning grant program being too prescriptive for utility plans. • Reporting required can become an administrative burden. • Maintain lists of eligible contractors to reach MBE/WBE goals. • All programs should require a grant administrator and participants are anticipating a new manual from OCRA. 	All input was considered in funding allocation and priority setting.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

This section specifies the expected amount of resources for the PY2023 Action Plan, based upon sources of funds. **Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.**

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	31,325,031	0	0	31,325,031	31,235,031	\$13 million for Wastewater Drinking Program, \$4 million for Public Facilities, \$3 million for Blight Clearance Programs, \$4 million for Stormwater Improvements, \$3 million for Owner Occupied Rehabilitation (OOR), \$2 million for PreservINg Main Street, \$1.5 million for Planning Grants, \$200,000 for Technical Assistance, and \$625,031 for Admin Costs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	16,239,186	6,849,314	25,659,761.93	48,748,261.93	16,239,186	\$8,315,267 rental projects/ construction; \$1,750,000 homeownership projects/ construction; \$1.2 million Tenant Based Rental Assistance (TBRA) (if not utilized, will be converted to rental construction). (TBRA may be used in other Participating Jurisdictions.) \$850,000 for CHDO operating and predevelopment; \$1.6 million administrative uses; \$2.5 million for the HOME Innovation Round (TBA). If these funds are not utilized, they may convert to HOME rental construction and made available for rental, homebuyer or CHDO operating funds. Any Program Income collected in PY 2022-23 can be utilized in PY 2023.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$1,940,337	0	0	\$1,940,337	1,940,337	\$745,000 in TBRA \$350,000 for housing information activities \$420,000 short-term rental, utilities and mortgage assistance \$160,000 support facility operations and supportive services \$85,000 Permanent Housing Placement \$180,337 subrecipient and grantee administration

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,955,447	0	0	3,955,447	3,955,447	\$2.2 million emergency shelters with operations, essential services, and outreach \$1.5 million rental assistance for rapid re-housing \$255,447 for administration

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	11,745,382	0	0	11,745,382	11,745,382	IHCDA will allocate all of its HTF dollars for affordable rental housing, specifically for supportive housing for extremely low income households, (<30% AMI) which may include persons transitioning from homelessness and persons with disabilities. The HTF will also provide gap financing for Rental Housing Tax Credit developments.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the anticipated match may include the following.

Anticipated matches for PY2023 include:

- \$4.35 million from required local government contributions on all CDBG projects,
- In-kind services match for ESG shelter operations projects,
- \$1 million in in-kind services match for ESG RRH projects,
- \$1.5 million in cash matches from ESG subrecipients,
- \$22,000 cash match from subrecipients in assisting clients (in-kind),
- \$4.1 million from HOME recipients.

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds for CDBG projects is 10 or 20 percent of the total estimated project costs. This percentage is computed by adding the proposed CDBG grant amount and the local matching funds amount and dividing the local matching funds amount by the total sum of the two amounts. The current definition of match includes a maximum of 5 percent pre-approved and validated in-kind contributions. The balance of the 10 percent must be in the form of either cash or debt. Any in-kind over and above the specified 5 percent may be designated as local effort. Grant funds provided to applicants by the State of Indiana are not eligible for use as matching funds.

IHCDA match. Recent influxes of program funding from the Federal government, along with several new initiatives that expand IHCDA's vision and overall mission into more comprehensive developments, sometimes pose an issue with obtaining the required level of match/leveraging funds. IHCDA continues to use the match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects. The pool allows applicants that, after exploring all possible avenues of meeting the requirement, are left with a shortfall to still proceed with an award application.

ESG match. ESG subrecipients are required to match 100 percent of the ESG award, and can include cash, grants, and in-kind donations.

HOPWA Leveraging. HOPWA Project Sponsors are expected to provide leveraging totaling \$5,383,995. Please note: this amount is based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022 the anticipated match may

include the above amount. The primary sources of funding are from the Ryan White Grants and public funding from the Indiana State Department of Health and HIV Care Coordination.

HOME match. The HOME program requires a 25 percent match, which is the Federal requirement. Please note: Match requirements were suspended for PY 2020-2021. The Match requirement was reinstated in PY 2022. Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds requested. If the applicant is proposing to utilize banked match for the activity:

- 1) To use the applicant's own banked match, the match liability on the previous award during which the match was generated must already have been met and documented with IHCD for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCD awards made in 1999 or later are eligible to be banked.
- 2) To use another Recipient's match, the applicant must provide an executed agreement with the application verifying that the Recipient is willing to donate the match.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

N/A; the State does not have publicly owned land or properties that will be used to address housing and community development needs during the five-year planning period. If publicly owned and donated land is used for match, that will be listed in the CAPER Match section.

Prior year resources. Prior Year funds will be used for eligible HOME projects, including rental construction projects, homebuyer construction, and the HOME Innovation projects. Prior Year Admin funds can be used for additional admin (up to the allowable cap, and for training contracts).

Discussion

Please see above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Improve Community Water, Wastewater and Stormwater	2020	2024	Non-Housing Community Development		Water, wastewater and storm water system	CDBG: \$17 million	Other: 27 Other
2	Support Community Revitalization	2020	2024	Non-Housing Community Development			CDBG: \$9.5million	Other: 6 Brownfield/Clearance projects, 8 Public Facility projects, 1 PreservINg MS Community projects
4	Provide Planning Grants to Local Governments	2020	2024	Non-Housing Community Development			CDBG: \$1,500,000	Other: 30 Other
5	Owner preservation, aging in place, accessibility	2020	2024	Affordable Housing Non-Homeless Special Needs		Housing for low and very low income persons Homeownership opportunities low income households	CDBG: \$3,000,000 HOME: \$1,750,000	Homeowner Housing Rehabilitated: 186 Household Housing Unit HOME Homebuyer units:

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Create and Preserve Affordable Rental Housing	2020	2024	Affordable Housing		Housing for low and very low income persons	HOME: \$8,315,267 HTF: \$11,734,382	Rental units constructed: 15 Household Housing Unit Rental units rehabilitated: 15 Household Housing Unit
7	Build Nonprofit Housing Developer Capacity	2020	2024	Affordable Housing		Support of comprehensive community development	HOME: \$850,000	Other: 10 Other (capacity building)
8	Rapid Re-Housing and TBRA to Prevent Homelessness	2020	2024	Homeless Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOME: \$1,200,000 ESG: \$1,500,000	Tenant-based rental assistance / Rapid Rehousing: 8000 Households Assisted
9	Provide Operating Support for Shelters	2020	2024	Homeless Non-Homeless Special Needs		Assistance to homeless shelters	ESG: \$2,200,000	Other: 50000 Other
10	Assist HIV/AIDS Residents Remain in Housing- STRMU	2020	2024	Non-Homeless Special Needs HIV/AIDS		Housing for low and very low income persons Tenant based rental and rapid re-housing	HOPWA: \$420,000	Housing for People with HIV/AIDS added: 1000 Household Housing Unit
11	Provide Housing Information and Placement Services	2020	2024	Non-Homeless Special Needs		Support of comprehensive community development	HOPWA: \$435,000	Other: 250 Other
12	Support Facilities Serving HIV/AIDS Residents	2020	2024	Non-Homeless Special Needs HIV/AIDS			HOPWA: \$160,000	Other: 250 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
13	Assist HIV/AIDS Residents Remain in Housing--TBRA	2020	2024	Non-Homeless Special Needs		Tenant based rental and rapid re-housing	HOPWA: \$745,000	Tenant-based rental assistance / Rapid Rehousing: 700 Households Assisted

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Improve Community Water, Wastewater and Stormwater
	Goal Description	<p>OCRA will allocate \$13,000,000 of its FY 2023 CDBG funds for the Wastewater Drinking Water (WDW).</p> <p>Applications will be accepted in rounds, and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. WDW shall have a maximum grant amount based on present combined user rates (water, wastewater, and stormwater). The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.</p> <p>OCRA will allocate \$4,000,000 million of its FY 2023 CDBG funds for the Stormwater Improvements Program (SIP).</p> <p>Applications will be accepted in rounds, and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The SIP shall have a maximum grant amount of \$600,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for this program.</p>

2	Goal Name	Support Community Revitalization
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<p>Goal Description</p>	<p>OCRA will allocate \$3,000,000 million of its FY 2023 CDBG funds for the Blight Clearance Program (BCP) 2.0. BCP 3.0 is currently under evaluation while OCRA determines the feasibility of expanding the program in the future to include residential properties.</p> <p>Applications will be accepted in rounds, and awards will be made on a competitive basis. OCRA will award grants to applications that meet the criteria outlined in Attachments C and D hereto. The BCP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for this program.</p> <p>OCRA will allocate \$4,000,000 of its FY 2023 CDBG funds for the Public Facilities Program (PFP) 2.0.</p> <p>Applications will be accepted in rounds, and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachments C and D hereto. The PFP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for this program.</p> <p>OCRA will allocate \$2,000,000 of its FY 2023 CDBG funds for PreservINg Main Street.</p> <p>PreservINg Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period.</p> <p>Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for \$2,000,000 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district.</p> <p>The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match (\$200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot.</p> <p>Of that 10%:</p> <ul style="list-style-type: none"> • 50% will be put in a permanent endowment/revolving loan fund for downtown projects • 50% will be supplied to the Main Street organization for long-term sustainability.
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		<p>For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years</p> <p>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.</p> <p>OCRA will allocate \$0 of its FY 2023 funds to the Stellar Pathways Program</p> <p>The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.</p>
4	Goal Name	Provide Planning Grants to Local Governments
	Goal Description	<p>OCRA will allocate \$1,500,000 of its FY 2023 CDBG funds for planning-only activities.</p> <p>OCRA will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a quarterly basis. The Planning Grant program shall have a maximum grant amount of \$90,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for this program.</p> <p>A list of eligible plans and their specific maximum grant amounts are available on OCRA’s CDBG website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.</p>

5	Goal Name	Owner preservation, aging in place, accessibility
	Goal Description	<p>OCRA will allocate \$3,000,000 of its FY 2023 funds for Owner Occupied Rehabilitation (OOR). OCRA piloted an OOR program with a 2019 Stellar Finalist during the 2020 program year and extended that pilot to include (9) additional communities in the 2021 and 2022 program years. The purpose of the pilot is to determine OCRA’s capacity to offer an OOR program in the future.</p> <p>Applications will be accepted in rounds, and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachments C and D hereto. The OOR program shall have a maximum grant amount of \$250,000. Matching funds of at least 10% of the total project cost are required for all this program.</p> <p>\$1,004,069.57 of HOME will be allocated for homeownership projects.</p>
6	Goal Name	Create and Preserve Affordable Rental Housing
	Goal Description	<p>HOME and NHTF will be used to create and preserve affordable rental housing.</p> <p>HOME dollars will provide subsidies in the form of grants and loans to selected applicants for the acquisition, rehabilitation, and/or new construction of rental housing for low and very low-income households.</p> <p>\$8,315,267 (HOME) and \$11,745,382 (HTF) will be allocated to rental projects and new construction. \$2.5 million will be allocated to the HOME Innovation Round (TBA). If these funds are not utilized, they will convert to HOME rental construction.</p>
7	Goal Name	Build Nonprofit Housing Developer Capacity
	Goal Description	This goal builds nonprofit capacity through pre-development funds and operating funds for CHDOs. CHDO pre-development funds are also available to eligible CHDOs on a rolling basis until funds are exhausted. CHDO operating fund dollars are also available to eligible CHDOs if they are funded for a CHDO Reserve project.
8	Goal Name	Rapid Re-Housing and TBRA to Prevent Homelessness
	Goal Description	The \$1.2 million of HOME funds allocated to TBRA will be converted to rental construction if not used. TBRA may be used in other participating jurisdictions.

9	Goal Name	Provide Operating Support for Shelters
	Goal Description	There will be approximately 60 agencies that will apply for the emergency shelter component that includes operations, essentials, and financial assistance and approximately 5-6 agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials, and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, nonprofits) who have had experience with rental assistance and will be published on the IHCD and Balance of State C of C website.
10	Goal Name	Assist HIV/AIDS Residents Remain in Housing- STRMU
	Goal Description	Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.
11	Goal Name	Provide Housing Information and Placement Services
	Goal Description	\$350,000 for housing information activities and \$85,000 for permanent housing placement. Funds will be made available in the following percentages of the total awards made to project sponsors: 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.

12	Goal Name	Support Facilities Serving HIV/AIDS Residents
	Goal Description	Care Coordination Sites for one-stop shopping for persons to access the level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services, and housing as needed.
13	Goal Name	Assist HIV/AIDS Residents Remain in Housing--TBRA
	Goal Description	<p>Funds will be made available in the following percentages of the total awards made to project sponsors:</p> <ol style="list-style-type: none"> 1) At least 60 percent to direct housing assistance: long-term rental assistance, short-term rental assistance, and facility based operations; 2) No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; 3) No more than 35 percent to housing information and permanent housing placement activities; and 4) No more than 35 percent to supportive services that positively affect recipients' housing stability.

AP-25 Allocation Priorities – 91.320(d)

Introduction:

The State of Indiana does not prioritize the allocation of CDBG, HOME, or ESG geographically.

For CDBG awards, OCRA allocates funds to the areas of greatest need based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

Due to the COVID-19 pandemic, several OCRA programs including Stellar Regions, Owner-Occupied Rehabilitation (OOR), and the Main Street Revitalization Program (MSRP) were temporarily paused for FY 2020, FY 2021, and FY 2022. This pause gave the State the ability to reallocate CDBG funds to aid in the response to COVID-19 and to reassess the impact of these programs in accordance with Executive Order 20-05.

As part of this reassessment effort, OCRA launched a new OOR pilot program in FY 2020. This program was subsequently expanded in FY 2021 and FY 2022. The Indiana Office of Community and Rural Affairs announced its Owner-Occupied Rehabilitation (OOR) pilot program was open for competitive applications on July 22, 2021. Four Indiana communities were awarded Owner-Occupied Rehabilitation grants totaling \$939,900 on Sept 24, 2021. One (1) additional Stellar Community was also awarded additional funds in the amount of \$250,000. On September 15, 2022, OCRA announced a second round of its OOR pilot was open for applications in order to prioritize the timely expenditure of all remaining OOR pilot funds allocated in FY 2021. In December 2022, OCRA announced an additional 4 communities were awarded OOR funding in the amount of \$100,000,000. At this time, OCRA is working with these pilot communities to explore local community resource and training needs related to OOR in preparation to deploy funding allocated to the OOR program FY 2023.

Exact criteria vary by program, yet all programs prioritize assisting low-income households. Most of IHCD's housing programs prioritize 50

percent AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

Funding Allocation Priorities

	Improve Community Water, Wastewater and Stormwater (%)	Support Community Revitalization (%)	Provide Planning Grants to Local Governments (%)	Owner preservation, aging in place, accessibility (%)	Create and Preserve Affordable Rental Housing (%)	Build Nonprofit Housing Developer Capacity (%)	Rapid Re-Housing and TBRA to Prevent Homelessness (%)	Provide Operating Support for Shelters (%)	Assist HIV/AIDS Residents Remain in Housing - STRMII (%)	Provide Housing Information and Placement Services	Support Facilities Serving HIV/AIDS	Assist HIV/AIDS Residents Remain in	Total (%)
CDBG	54	41	5	0	0	0	0	0	0	0	0	0	100
HOME	0	0	0	7	80	6	8	0	0	0	0	0	100
HOPWA	0	0	0	0	0	0	0	24	25	9	42		100
ESG	0	0	0	0	0	0	40	60	0	0	0	0	100
HTF	0	0	0	0	100	0	0	0	0	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

ESG allocates emergency shelter and rapid re-housing, homeless prevention and outreach activities statewide.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions. Because IHCDCA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDCA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHCDCA will work with the regional sponsor to tailor services to meet the needs of the population.

IHCDCA will continue its competitive Rental Construction rounds, to be held 1-2 times a year (depending on the availability of funds). IHCDCA will allow for non-profit partners who are proposing HOME rental projects in PJs that receive less than \$500,000 to apply for IHCDCA HOME fund through the competitive stand-alone HOME round. IHCDCA will also allow for the use of HOME funding as supplemental gap financing for tax-credit projects.

IHCDCA will launch its third “HOME Innovation round” in 2023. IHCDCA is actively developing the policy for this activity.

IHCDCA will hold \$1.75 million of HOME Funding for HOME Homebuyer Construction activities.

The Indiana Supportive Housing Institute is an important element of the Indiana Permanent Supportive Housing Initiative (IPSHI), which was launched by IHCDCA and the Corporation for Supportive Housing (CSH) in 2008 to further the strategy to end long-term and recurring homelessness. The focus is on funding lasting solutions instead of stop-gap programs. The 2023 Institute aims to design supportive housing to those referred from the Coordinated Entry system. The Institute will help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year’s Institute developments will be eligible for HOME Investment Partnerships Program American Rescue Plan (HOME-ARP) funds and National Housing Trust Fund (HTF) dollars for a total of up to \$5 million dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2023 Institute will provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Teams will receive over 80 hours of training including individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from IHCDCA, will provide insight on property management, financing, and building design.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

IHCDA's method of distribution continues to target the various housing and homelessness priorities identified in the Consolidated Plan. IHCDA targets low- and very low-income persons through its HOME Rental Program and Tenant Based Rental Assistance (TBRA) Program; IHCDA will continue to target this population through the second HOME Innovation Round. The TBRA Program helps income-eligible households with rent, security deposits, and utility deposits, with specific attention towards low-income households with at least one member who is formerly incarcerated or who is exiting the corrections system without secure, stable housing. IHCDA also has higher subsidy limitations on HOME rental projects for units which target households at or below 50% AMI. IHCDA also awards competitive points through this policy for projects which have 20% of the units targeting 30% or 40% AMI households.

IHCDA will also continue to set aside funding for the HOME Homebuyer Program and will continue to provide technical assistance to those organizations interested in participating. IHCDA has continued to streamline the application process for those who wish to apply under this program. IHCDA will also continue to work with the State Habitat for Humanity Office to provide technical assistance on the program. IHCDA will continue working with the first HOME Innovation round cohort on their projects throughout PY 2023.

To meet the priority need of supporting comprehensive community development, IHCDA will maintain its training schedule and will work alongside OCRA on the relaunch of the Stellar Program. The Stellar Program has been re-evaluated and is set to relaunch in 2023.

In FY 2023, CDBG funds will be prioritized for basic health and safety improvements—specifically water and sewer infrastructure investments, public facilities, and clearance of blighted commercial and industrial sites—in rural areas that do not have the financial capacity or resources to make such critical improvements. Nearly half of the distribution of CDBG is typically allocated for these priority needs that help to address gaps in public infrastructure and services that arise as the needs of residents' change. The balance will address priority needs related to aging housing stock, economic growth and revitalization of rural communities with the goals identified in the Consolidated Plan through programs such as:

Stellar Pathways - The Stellar Pathways Program will be relaunched in FY 2023. Combining OCRA and IHCDA's experience with Stellar Communities, Regional Stellar, and the Hoosier Enduring Legacy, Stellar Pathways will elevate how regional planning occurs while partnering with universities and agency leadership in their community & economic development efforts. Stellar Pathways will guide regions to think innovatively and to take a holistic approach aligning identified needs and existing assets across four pathways. Regions will select projects within the Pathways following robust community outreach and engagement and through facilitated, pathway-specific focus groups. All finalists will develop Strategic Investment Plans that responds to the Region's identified needs.

PreservINg Main Street – This is a multi-faceted community development program designed to build a sustainable historic preservation community ethic, build local capacity for local Main Street programs, and serve as a comprehensive downtown revitalization model. Lessons learned from both pilot communities will be incorporated into how available funding for this program is allocated.

Owner Occupied Rehabilitation (OOR) - OCRA recognizes that the effective management and administration of the (OOR) program is a significant effort at both the state and local level. As the needs of our rural communities continue to grow, the advantages of housing made available through the rehabilitation of existing homes seem evident based on public comment received. OCRA is also aware that numerous challenges exist which can impede the successful administration of this activity in accordance with all applicable federal requirements. For example, locally, there can be a great deal of variation from project to project and from community to community. Existing homes across the state differ in condition, age, etc. which can make the rehabilitation process far less predictable. Smaller rural communities with limited administrative capacity must often rely on regional partnerships, and/or other non-profits that act as sub-recipients for the OOR program because of the expense and complexity of the monitoring and oversight requirements. Challenges related to these requirements have become increasingly prevalent since the COVID-19 public health crisis and the resultant economic recession. The Office of Community and Rural Affairs (OCRA) recognizes the role of the OOR program in meeting the state's affordable housing needs and will prioritize funding in FY 2023 to encourage greater use of the OOR program in rural communities to benefit aging and disabled residents.

The distribution of housing funds addresses the critical and growing need for affordable rental housing. IHCD, as part of its HOME and HTF application review, assesses market need, developer financial capacity, the experience of the developer, and the financial capacity of the project through the period of affordability. IHCD also scores applications on the past performance of the applicant, if the location of the proposed project is near areas of opportunity through its "Opportunity Index" (e.g., in counties with low unemployment), if the location of the project promotes positive health outcomes through its "Health Needs Index" (e.g., proximity to pharmacies and health care providers) and if the project will provide a high level of broadband access.

Additionally, in FY 2023, the ROZI state team will launch a self-guided course for rural communities interested in strategically identifying and securing investment opportunities for rural Opportunity Zones. Utilizing expertise acquired from past rounds, the course will assist communities in creating their own prospectus documents to spur such investment in qualified projects to drive growth.

AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

This section summarizes the Methods of Distribution (MOD) for CDBG, HOME, HTF, ESG, and HOPWA for PY2023. Full MODs are appended to this Action Plan.

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	Emergency Solutions Grant (ESG)
	Funding Sources:	ESG
	Describe the state program addressed by the Method of Distribution.	<p>The ESG application and more information can be found at: https://www.in.gov/ihcda/program-partners/emergency-solutions-grant-esg/.</p> <p>ESG uses different applications for each activity type (street outreach, shelter, rapid re-housing).</p> <p>Funding through the Emergency Solutions Program assists persons and families who are homeless find shelter, avoid homelessness and transition into permanent housing.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>IHCDA plans to allocate funding to approximately 10-12 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration.</p> <p>There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance and will be published on the IHCDA and Balance of State CoC website.</p> <p>Each proposal will be reviewed by at least one IHCDA Community Services staff person. The reviewer will complete a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>

<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>IHCDA plans to allocate funding to approximately 12-14 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Components of the ESG program for line items: Housing Relocation & Services (financial and services), Rental assistance and administration.</p> <p>There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately one-two agencies that may apply for an outreach component. No more than the maximum allowed 60 percent of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance.</p> <p>Each proposal will be reviewed by at least one IHCDA Community Services staff person. . The reviewer will complete a built in scoring tool in the application, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

	<p>Describe how resources will be allocated among funding categories.</p> <p>No more than the maximum allowed of 60 percent of ESG funds will be allocated to operations and TBRA.</p>
	<p>Describe threshold factors and grant size limits.</p> <p>The amount of each award could be between \$50,000 - \$350,000</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p> <p>The goal of ESG is to prevent homelessness and assist families and individuals experiencing homelessness to find housing as quickly as possible. Please see the ESG MOD for the performance standards expected of ESG subrecipients.</p>
2	<p>State Program Name: HOME</p>
	<p>Funding Sources: HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The HOME applications and information can be found at: https://www.in.gov/ihcda/4084.htm</p> <p>Tenant based rental assistance programs funded with HOME have a separate application, found here: https://www.in.gov/ihcda/4102.htm</p> <p>HOME Partnerships Investment Program is used to fund affordable rental unit construction and rehabilitation, develop affordable owner-occupied housing, assist special needs and homeless residents with housing needs (including through TBRA) and support the work of CHDOs.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Scoring appears in the HOME MODs for rental and homeownership programs. Those pairing HOME funding with the Indiana Permanent Supportive Housing Institute or the Rental Housing Tax Credit Program must also meet the requirements of those applications to be eligible.</p> <p>HOME rental applications are evaluated based on a policy that has undergone public comment. The criteria include: Project characteristics, Development Features, Project Readiness and Developer Capacity, Leveraging Other Sources, Unique Features and Bonus. The scoring also incorporates points for accessibility and visitability features in housing developments.</p> <p>HOME homebuyer applications are accepted on a rolling basis. If there are not sufficient eligible homebuyer applications, these funds may revert to the rental program. The scoring incorporates points for accessibility and visitability features, as well as units with 4+ bedrooms in housing developments.</p> <p>CHDO Pre-Development Funds are also available to eligible CHDOs on a rolling basis until funds are exhausted.</p> <p>CHDO Operating Funds are also available to eligible CHDOs if they are funded for a CHDO Reserve project.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.</p> <p>For the 2023 program year, the \$16,239,186 (2023 Allocation) expected HOME funding will be allocated among the following programs:</p> <ul style="list-style-type: none"> \$8,315,267 rental construction projects \$1,750,000 homebuyer construction projects \$1,200,000 Tenant Based Rental Assistance (TBRA) (if not utilized, will be converted to rental construction). TBRA may be used in other Participating Jurisdictions \$850,000 CHDO Operating and CHDO Pre-Development loans \$1,623,919 administrative uses - \$700,000 organizational capacity, \$923,919 admin \$2.5 million for the HOME Innovation Program, Rental housing construction. If these funds are not utilized, they may convert to HOME rental construction. <p>The balance of funds remaining and current year program income will be used for eligible activities which may include rental and homeownership construction, TBRA, and CHDO Operating funds.</p> <p>If IHEDA does not receive sufficient eligible homebuyer applications or TBRA applications, then these set-aside funds may revert to rental construction after two years.</p>
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<p>Describe threshold factors and grant size limits.</p>	<p>The maximum request amount per application is \$1,000,000 for Rental (non-CHDO or CHDO in an eligible PJ); \$1,500,000 (CHDO); and \$500,000 for homebuyer projects.</p> <p>HOME funds used for acquisition, rehabilitation, new construction, soft costs, relocation, rent-up reserve, and developer fee combined cannot exceed the following amounts for units designated 50% AMI or higher on rental units :</p> <p>\$104,000 for a studio, \$121,000 for a 1-bedroom unit, \$139,000 for a 2-bedroom unit, \$170,000 for a 3-bedroom unit; and \$185,000 for a 4-bedroom+ unit;</p> <p>or the following for units designated 40% or lower: \$130,000 for a studio, \$152,000 for a 1-bedroom unit, \$174,000 for a 2-bedroom unit, \$210,000 for a 3-bedroom unit and \$232,000 for a 4-bedroom+ unit</p> <p>The minimum amount of HOME funds to be used for rehabilitation or new construction is \$1,000 per unit.</p> <p>HOME funds cannot be used for reserve accounts for replacement or operating costs but may be used as a Rent-Up Reserve.</p> <p>Lead hazard and homebuyer counseling are limited to \$1,000 per homeowner or homebuyer.</p> <p>Tenant Based Rental Assistance will be made available to Partners through a Request for Qualifications.</p> <p>TBRA may pay for rent, security deposits and utility deposits. Eligible participants under this program are households in which at least one household member was formerly incarcerated and is experiencing housing instability. TBRA is available statewide. Information on the TBRA Administration Plan and the RFQ may be accessed here: https://www.in.gov/ihcda/4102.htm</p>
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	What are the outcome measures expected as a result of the method of distribution?	Actual outcomes will depend on the types of applications received. All programs have the same goal of improving the quality of existing housing stock in Indiana. Metrics are typically expressed in number of households assisted or units created.
3	State Program Name:	Housing Opportunities for Persons with HIV/AIDS
	Funding Sources:	HOPWA
	Describe the state program addressed by the Method of Distribution.	The HOPWA award manual and request for qualifications for applicants can be found at: https://www.in.gov/ihcda/program-partners/housing-opportunities-for-persons-with-aids-hopwa/ Housing Opportunities for Persons with HIV/AIDS assists persons with HIV and/or AIDS and who also have an income below 80% of AMI with housing placement and rental subsidies.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	<p>IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:</p> <ul style="list-style-type: none"> • Required to be a non-profit organization • Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site. • Previous experience providing HOPWA assistance. <p>Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>IHCDA will facilitate a request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:</p> <ul style="list-style-type: none"> • Required to be a non-profit organization • Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site. • Previous experience providing HOPWA assistance. <p>Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region. By having all subrecipients to be or have a relationship with a current Indiana State Department of Health - Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Funds will be made available in the following percentages of the total awards made to project sponsors:</p> <ul style="list-style-type: none"> • At least 60 percent to direct housing assistance: long-term rental assistance, short term rental assistance, and facility based operations; • No more than 7 percent to subrecipient administration and 3 percent to grantee/recipient administration; • No more than 35 percent to housing information and permanent housing placement activities; • No more than 35 percent to supportive services that positively affect recipients' housing stability. <p>Once the Federal budget is determined, IHCDA will make adjustments proportionally to increase or decrease the above HOPWA allocation MOD.</p>

	<p>Describe threshold factors and grant size limits.</p> <p>Because IHEDA allocates HOPWA to all ISDH-established care coordination regions except Region 7 and parts of Region 11, it was determined that IHEDA will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region, IHEDA will work with the regional subrecipient to tailor services to meet the needs of the population.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p> <p>For HOPWA, IHEDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes:</p> <ul style="list-style-type: none"> • Rental Assistance households/units • Short-term rent, mortgage and utility assistance households/units • Facility based housing operations support units • Housing information services households • Permanent housing placement services households <p>Supportive services households</p>
4	<p>State Program Name: National Housing Trust Fund</p> <p>Funding Sources: HTF</p> <p>Describe the state program addressed by the Method of Distribution. National Housing Trust Fund will be allocated in conjunction with HOME, HOME-ARP, and/or LIHTC funding to teams who complete the Indiana Supportive Housing Institute.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, and 7) Use of M/WBE contractors.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>All funds will be allocated to support the rehabilitation or new construction of supportive housing in conjunction with RHTC or HOME developments undertaken by teams that have completed the Indiana Supportive Housing Institute.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>The maximum request amount per application is \$1,000,000 for eligible rental projects. At IHCD's discretion, IHCD may allow recipients to apply for additional HTF funding or award additional HTF funding if the project demonstrates additional needs and meets all subsidy layering and underwriting guidelines.</p> <p>HTF funds used for acquisition, rehabilitation, and new construction combined cannot exceed the following per bedroom limits:</p> <ul style="list-style-type: none"> Studio - \$139,750 1-bedroom - \$163,400 2-bedroom - \$187,050 3-bedroom - \$225,750 4-bedroom+ - \$249,400 <p>Minimum amount of HTF funds to be used for rehabilitation or new construction is \$1,000 per unit. All funds are provided as grants.</p>

	What are the outcome measures expected as a result of the method of distribution?	Number of units constructed, acquired, and/or rehabilitated for <30% AMI households and persons experiencing homelessness.
5	State Program Name:	State Allocation of CDBG
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	<p>The CDBG MOD discusses the allocation of funds to subrecipients within the State programs of:</p> <ul style="list-style-type: none"> • Stellar Pathways Program, • Blight Clearance Program 2.0 , • Main Street Revitalization Program, • Public Facilities Program , • Wastewater Drinking Program, • Stormwater Improvements Program, • PreservINg Main Street, • Owner Occupied Rehabilitation, • Needs Responsive Fund, • Urgent Need Fund, • Pilot Programs, • Planning Grants, • Technical Assistance, and • Administration

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Program criteria vary. In general, applications are accepted, and awards are made on a competitive basis throughout the program year. Criteria to select applications are located in attachments to the CDBG MOD.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Please see the MOD attached to this Action Plan.</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.</p> <p>For the 2023 program year, the \$31.3 million is expected. CDBG funding will be allocated among the following programs:</p> <ul style="list-style-type: none"> • \$13 million for Wastewater Drinking Program, • \$4.0 million for Public Facilities, • \$3 million for Blight Clearance Programs, • \$4 million for Stormwater Improvements, • \$3 million for Owner Occupied Rehabilitation (OOR) • \$2 million for PreservINg Main Street, • \$1.5 million for Planning Grants, • \$200,000 for Technical Assistance, and • \$625,031 for Admin Costs.
<p>Describe threshold factors and grant size limits.</p>	<p>Please see the program specific grant limits and factors located in the CDBG MOD.</p>

What are the outcome measures expected as a result of the method of distribution?	The expected outcomes vary by program; full details are contained in the CDBG MOD.
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Discussion:

Please see above.

AP-35 Projects – (Optional)

Introduction:

Please note: these amounts are based on the FY2022 allocations. As of February 15th, 2023 HUD allocations were not yet available. If allocations are similar to FY 2022, the distribution of funds may reflect similar priorities.

For the 2023 program year, the State proposes to allocate funding to the following activities:

CDBG funds:

- \$13 million for Wastewater Drinking Program,
- \$4.0 million for Public Facilities,
- \$3 million for Blight Clearance Programs,
- \$4 million for Stormwater Improvements,
- \$3 million for Owner Occupied Rehabilitation (OOR)
- \$2 million for PreservINg Main Street,
- \$1.5 million for Planning Grants,
- \$200,000 for Technical Assistance, and
- \$625,031 for Admin Costs

HOME funds:

- \$8,315,267 rental projects/construction
- \$1,750,000 homeownership projects/construction
- \$1.2 million Tenant Based Rental Assistance (TBRA) (if not utilized, will be converted to rental construction). TBRA may be used in other

Participating Jurisdictions.

- \$850,000 for CHDO operating and pre-development
- \$1.6 million administrative uses (\$922,919 internal and \$700,000 organizational capacity)
- \$2.5 million for the HOME Innovation Round, for Rental housing construction. If these funds are not utilized, they may convert to HOME rental construction.
- The balance of funds, and any Program Income collected during PY2023, may be made available for rental, homebuyer or CHDO operating funds (up to the allowable cap). Any Program Income collected in PY 2022 can be utilized in PY 2023.

ESG funds:

- \$2.2 million emergency shelters with operations, essential services, and outreach
- \$1.5 million rental assistance for rapid re-housing
- \$255,447 for administration

HOPWA funds:

- \$745,000 in TBRA
- \$350,000 for housing information activities
\$420,000 short-term rental, utilities and mortgage assistance
- \$160,000 support facility operations and supportive services
- \$85,000 Permanent Housing Placement
- \$180,337 subrecipient and grantee administration

HTF: \$11,745,382 for acquisition, rehabilitation, and new construction of supportive housing to serve <30% AMI households and persons experiencing homelessness.

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

PY2023 allocations prioritize housing needs of the most under-resourced residents, including persons with disabilities, experiencing or at-risk of homelessness, with substance abuse disorders, and/or with mental illness challenges. These Indiana residents have been most impacted by the pandemic and rising housing costs. For CDBG, investments prioritize infrastructure improvements and economic revitalization to assist nonentitlement areas in their continued recovery from the pandemic and jump start private investment.

AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

N/A

Acceptance process of applications

N/A

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

N/A.

AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

The State of Indiana does not prioritize the allocation of CDBG, HOME or ESG geographically. Instead, OCRA and IHCD allocate funds to the areas of greatest need, based on stakeholder and resident consultation and the needs assessment and market analysis. This information is used to guide the funding priorities for each program year.

Exact criteria vary by program, yet all programs prioritize assisting low-income households. Most of IHCD's housing programs prioritize 50% AMI households; ESG and HOPWA generally reach to lower income levels due to the nature of the populations they serve.

For IHCD's HOME program, applications for rental and homeownership projects located within non-participating jurisdictions and those Participating Jurisdictions which receive less than \$500,000 of HOME funding directly from HUD will be considered for funding.

Several IHCD programs are available for projects statewide. This includes IHCD's HOME Tenant Based Rental Assistance Program, and projects selected through its Supportive Housing Institute, which utilize HOME and HTF. Evaluation of the HTF program applications includes a geographic diversity components and leverage of comprehensive community revitalization.

The HOPWA grant does rely on a geographic allocation, determined through the Continuum of Care regions because IHCD allocates HOPWA to all ISDH-established care coordination regions except Washington, Harrison, Floyd, and Clark counties. These four counties are served by Louisville/Jeffersonville, KY-IN MSA. In addition, Dearborn, Franklin, Ohio, and Union Counties are served by the Cincinnati, OH-KY-IN MSA. It was determined that IHCD will fund one HOPWA project sponsor per every care coordination region. This will remain true for all care coordination regions. If a distinct eligible population with specific needs exists in a region (for example, homeless men in Lake County), IHCD will work with the regional subrecipient to tailor services to meet the needs of the population. IHCD will be evaluating the HOPWA program in 2023 and soliciting feedback from service providers to ensure the allocation of funds meet the needs of eligible populations and modernization of the program.

Rationale for the priorities for allocating investments geographically

The State agencies that receive funds determine geographic allocation based on grants that are awarded each year. Both OCRA and IHCD monitor geographic distribution of funds to ensure that application

criteria do not have the effect of disproportionately allocating funds into specific geographic areas.

Discussion

Please see above.

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

This section lists the one year goals for numbers of households supported through HOME funding. These numbers are based on prior year accomplishments (reported in the CAPER) and projected project costs.

One Year Goals for the Number of Households to be Supported	
Homeless	20
Non-Homeless	255
Special-Needs	20
Total	295

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	75
The Production of New Units	200
Rehab of Existing Units	20
Acquisition of Existing Units	0
Total	295

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion:

The precise number of households to be supported through production of new units, rehab of existing units and acquisition of existing units is not yet known. It will be based upon the number of applications received.

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

This section describes IHCD's efforts as a public housing authority to improve the needs of renters receiving public housing subsidies.

Actions planned during the next year to address the needs to public housing

Since January of 2019, IHCD has approved eight Rental Assistance Demonstration projects, preserving 1,081 units across the State of Indiana.

Ten percent (10%) of available annual Rental Housing Tax Credits will be set aside for Developments involving the substantial rehabilitation of existing federally assisted affordable housing and/or the demolition and decentralization of federally assisted affordable housing units utilizing the same site (over 50% of the units must be replaced in the Development/Application).

This includes:

1. Developments that propose the preservation of HUD or USDA affordable housing; or RHTC Developments with Compliance Periods that have expired or are expiring in the current year and the extended use agreement is still in place; or
2. Federally assisted developments which entail demolition and decentralization of units with replacement of units on the same site as described above.

To be eligible for the set-aside, a Development must meet the following requirements:

- If a Development contains multiple building and construction types, at least 50% of the units must qualify as preservation units; and
- Rehabilitation hard costs must be in excess of \$30,000 per unit excluding the costs of furniture, construction of community buildings and common area amenities. However, USDA Rural Development Section 515 properties may include the cost of construction for community buildings and common area amenities in the minimum per unit amount. Note: for Developments competing in all other set-asides, rehabilitation hard costs must be in excess of \$20,000 per unit.

In addition, IHCD also offers points to Rental Housing Tax Credit Applications who propose the preservation of HUD or USDA affordable housing (including, but not limited to Project Based Section 8, Public Housing or RD 515 Properties).

Actions to encourage public housing residents to become more involved in management and

participate in homeownership

N/A; the State does not own or operate public housing developments.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

IHCDA is a High Performing Section 8-only PHA.

Discussion:

Please see above.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

For the 2023 Action Plan, the State considered feedback from service providers and shelters about the growing challenges of assisting residents experiencing homelessness. Stakeholders continued to express concerns about the limited housing and services to assist persons recovery from addiction, especially those leaving the criminal justice system. Housing with an integrated care model is imperative for these residents, and needed for persons with disabilities and seniors.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The State relies on its partners to conduct outreach to persons who are homeless, assess their needs and communicate these needs to the State. To that end, the State will:

- Require all HUD McKinney Vento Funded programs to utilize HMIS for all shelter or transitional housing or permanent supportive housing programs serving homeless individuals and families.
- Require all HUD McKinney Vento Funded programs to participate in the annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCD.
- Require all HUD McKinney Vento Funded programs subrecipients actively participate in their Regional Planning Council on the Homeless meetings regularly.
- Require all HUD McKinney Vento Funded programs to participate in the Coordinated Entry in their Region.

Addressing the emergency shelter and transitional housing needs of homeless persons

In addition to the allocation of ESG to meet the needs of persons who are homeless (see AP-25), emergency shelter and transitional housing needs are addressed through the ESG's participation in their local Regional Planning Council on Homeless in their Region but also through each Committee under the CoC Board. The Committees have been updated by the new CoC Board. They are: Executive Committee, Resources and Funding Committee, Strategic Planning Committee, Performance and Outcomes Committee and Ad Hoc Committees as needed. The State ESG program is part of the work of each committee in some way or another.

The 2023-2025 CoC Strategic Plan was informed by experience from the Board of Directors, stakeholders, and a planning session between the Board of Directors and IHCD. Important goals laid out were to increase affordable housing opportunities for people experiencing homelessness, advocate for resources to support the homeless response system, create a more equitable homeless response

system to support and elevate minoritized people, strengthen internal operations to ensure organizations and people are supported within the homeless response system, and right size and refine programs across the housing spectrum for people experiencing homelessness. These goals in coordination address the holistic needs for both the individual level and state level by incorporating personalized information into the homeless response system and advocating for increased affordable housing opportunities.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Rapid re-housing activities include housing relocation and stabilization services and financial assistance with rent, utilities, arrears, and deposits. The function of these funds is to provide short-term assistance to individuals and families. The State offers shelters a version of RRH that did not include rental assistance, and instead covers one time assistance to support a direct connection from shelter to permanent housing including housing relocation and stabilization services, utilities, arrears, and deposits.

Sub-recipients that receive RRH funds are required to create a Memorandum of Understanding (MOU) with shelters in their region to further strengthen the connection from emergency housing to permanent options including rentals with short/medium term subsidy.

A persistent barrier to the transition to permanent housing is lack of employment. This remains especially difficult in rural areas. Emergency shelters also reported that clients face challenges in moving from the shelter into permanent or transitional housing within the 40-day timeframe, which was the objective. Lack of affordable housing availability continues to be a key factor in extended lengths of stay in shelter while the housing search is in process.

IHCDA has contracted with a consultant to evaluate IHCDA's supportive housing initiatives, specifically whether supportive housing developments are meeting the goals of serving the most vulnerable households experiencing homelessness in their communities, providing appropriate supportive services for those households, and creating positive permanent housing outcomes for those households. The purpose of this study is to determine whether IHCDA's policies and training are effective in meeting these goals or if there are gaps that IHCDA can address with new or existing programs.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities,

foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Indiana Supportive Housing Institute is an important element of the Indiana Permanent Supportive Housing Initiative (IPSHI), which was launched by IHCD and the Corporation for Supportive Housing (CSH) in 2008 to further the strategy to end long-term and recurring homelessness. The focus is on funding lasting solutions instead of stop-gap programs. In 2022, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2023 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME funds HTF dollars for a total of up to \$1.75 million dollars per project, in addition to Low Income Housing Tax Credits.

The 2023 Institute will provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Its focus will be to design supportive housing for those referred from the Coordinated Entry System, with the option to create 55+ age-restricted properties. Teams will receive individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from the Indiana Housing and Community Development Authority (IHCD), will provide insight on property management, financing, and building design.

In 2022, IHCD partnered with the Indiana Department of Education (DOE) to establish the Homeless Youth Regional Program, which establishes staff in both the Indianapolis and Balance of State CoC regions to understand current services for youth experiencing homelessness and creates opportunities for new resources. The Community Support Systems Navigators (CSSN) to improve access to resources for youth who are experiencing or on the verge of homelessness. CSSNs will work in their regions to understand current services for youth experiencing homelessness, create partnerships, and develop opportunities to link youth to those services/resources.

Discussion

Please see above.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	225
Tenant-based rental assistance	125
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	25
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	375

AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Barriers to addressing affordable housing needs that have been identified in the housing analysis from the Consolidated Plan and Analysis of Impediments to Fair Housing Choice (AI) include:

- Poor condition of affordable housing stock according to residents and stakeholders. Inability of residents to make needed improvements due to low incomes. Difficulty obtaining private sector loans to complete needed improvements due to low incomes of those living in units in poor condition.
- Disproportionately high levels of cost burden and lower levels of homeownership for minority populations other than Asian residents due to inadequate levels of publicly subsidized housing to meet their needs. Cost burden gaps are greatest for minority residents earning between 30 and 50 percent of the area median income—those just over the poverty level (lower middle class).
- High mortgage loan denial rates for non-White residents, even when adjusting for income level.

Minority residents and residents with disabilities are most likely to express challenges with home buying associated with saving enough for down payments and meeting mortgage loan qualifications.

- Higher use of publicly-supported housing by African American residents, suggesting challenges obtaining private market housing.
- Housing choice for residents with disabilities restricted by the lack of available, affordable, accessible housing. Nearly one-fourth of residents say the home they live in does not meet their family's disability needs and nearly two-thirds cannot afford to make improvements. The most needed improvement is ramps and handrails.
- Landlords not accepting service animals and charging higher rents or deposits for persons with disabilities requesting reasonable accommodations.
- Lack of rental housing for families with children: on average 72 percent of Housing Choice Voucher wait lists are families with children. PHAs surveyed for the AI consistently rated families with children as the demographic group with the most trouble finding rental housing—even more so than residents with criminal backgrounds.

Economic Opportunity Issues

- Gaps in educational attainment for Hispanic residents.
- Residents with disabilities face challenges finding employment and those who are employed earn less than those without a disability.
- Economic differences contributing to segregation, mostly in urban areas. In some areas,

systemic steering, lack of opportunity and lack of available housing perpetuate racially homogenous neighborhoods.

- Limitations (property tax caps) on State and local tax revenue generation.
- Severe lack of services and trained staff to deliver mental health and supportive services.

The factors contributing to these issues are:

- Economic weaknesses in some nonentitlement areas preventing residents from making needed repairs.
- Lack of accessible housing stock.
- Historically lower incomes of non-White and Hispanic residents and, for Hispanic residents, lower rates of educational attainment.
- Residents with disabilities facing lower employment opportunities and discrimination in housing markets.
- Families with children and non-White and Hispanic residents experiencing discrimination in rental market transactions.
- Landlords not complying with and/or not understanding fair housing laws, particularly reasonable accommodations.
- Insufficient resources to fund ADA improvements to public buildings and infrastructure, particularly in rural areas.

The IndianaHousingDashboard.com is up and running, providing a wide range of data for community organizations and housing planners around the state. IHCD is already working to develop the second iteration of the dashboard which will provide additional sets of data with the granularity of census tracts, all with additional tools for market needs analysis and additional resources for funding and planning.

Also, in its 2023-2024 QAP, IHCD will require all developments in the housing tax credit program to create an Affirmative Fair Housing Marketing Plan (AFHMP) using HUD Form 935.2A. This requirement will affect nearly all rental developments assisted with HOME Funds and HTF.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Since the 2016 AI was developed, OCRA and IHCD have worked closely with the Fair Housing Center of Central Indiana (FHCCI) and the Indiana Civil Rights Division (ICRC) to address the identified barriers. In 2022, IHCD coordinated with FHCCI to provide a workshop for owners, developers, and property staff to better understand Fair Housing laws and compliance. These partnerships will continue during the

2023 Program Year and will focus on: Fair housing testing; Fair housing training and education and outreach; and inspecting and testing IHEDA funded properties for fair housing compliance.

Land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations and policies affecting the return on residential development and largely determined at the local level and are outside of the State's purview.

Discussion:

AP-85 Other Actions – 91.320(j)

Introduction:

This section describes a variety of other efforts the state will continue during the program year to help address housing and community development needs.

Actions planned to address obstacles to meeting underserved needs

The state will continue to provide training for the application process associated with the HUD grants to ensure equal access to applying for funds, and continually review and update its proposed allocation with current housing and community development needs, gathered through the citizen participation plan and demographic, housing market and community development research.

As an example, the IHCD HOME Rental Policy contains an Opportunity Index scoring section. The purpose of this category is to incentivize developments in areas of opportunity. The Opportunity Index awards points for locating projects in areas close to public transportation and fresh produce as well as in areas with low unemployment rates, high job growth, and high median household incomes. Together, these categories enable IHCD to ensure projects are being funded in areas of opportunity and in areas where there is a high need for assistance.

In early 2023, IHCD is hosting a technical assistance webinar to answer general questions about HOME Rental Construction application forms for developers. The webinar also aims to educate applicants about IHCD's goal of funding housing for low-income people that are accessible, energy-efficient, and include MBE, WBE, Federal Disadvantaged Business Enterprise (DBE), VOSB, and/ or SDVOSB contractors and team members.

IHCD will also allow for CHDOs to apply for HOME funding if their project is located within a PJ who receives less than \$500,000 of HOME if the PJ also commits HOME funding to the project; this policy can assist with financing HOME projects which otherwise may have significant financial gaps in markets in which a larger LIHTC project may not be feasible, or in which there is not a market.

IHCD has also worked on providing and supporting capacity building of non-profits and CHDOs, offering a myriad of trainings including, but not limited to: National Development Council Rental Housing Development Certification, CHDO and Non-Profit Executive Course, HOME Fundamentals Training, Project Development Training, Green Building Certification, Lead and RRP Training and Certification, Aging in Place Certification, Universal Design Certification, Fair Housing Training, and training on Environmental Reviews and Section 106. Through this training, IHCD hopes to continue to provide quality training on how to use its federal funding and to ensure the highest quality of affordable housing.

In early 2023, IHCD's compliance team offered a free webinar training for owner and management agents that need to complete the 2022 Annual Owner Certification of Compliance. The training focused

on how payments can be completed in the IHCDAs online payment portal, adding units and utility allowances, recertification, and other related topics. In 2023, IHCDAs, in partnership with TDA consulting and HUD's CHDO Technical Assistance Provider, is providing a 17-week training series on Community Housing Development Organization (CHDO) regulations and non-profit management best practices. The training includes presentations and assignments for participants aimed to improve project management.

IHCDAs is maintaining its level of funding for Tenant Based Rental Assistance. IHCDAs has designed its TBRA program to improve the range of housing options for income qualified formerly incarcerated individuals. Under IHCDAs's TBRA Program, IHCDAs may provide security deposits, utility deposit assistance, or rental assistance. Waivers and extensions which were granted and subsequently extended by HUD in response to the COVID-19 pandemic expired on September 30, 2021. Therefore, all original program requirements have been reinstated.

A separate and distinct program offered by IHCDAs is the RampUp Program. RampUp provides grants to nonprofits to install exterior ramps to homes (up to \$5,000 per home) to improve accessibility for those Hoosiers with mobility and movement challenges. This program can assist any household with a member who is under six years of age, who is over 62 years of age, or who has a disability. Other limited repairs and modifications can be done to improve access, including the widening of doorways and the minimization of thresholds.

In 2023, IHCDAs and the Indiana Balance of State Continuum of Care will engage a contractor to create a new Coordinated Entry System (CES) assessment process to produce more equitable outcomes and ensure households are served in a more trauma-informed manner, stably housed quickly, and matched with the appropriate housing placement. In addition, IHCDAs has also identified an additional contractor to provide an annual evaluation of the CES, which is required by HUD.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the state's CDBG, HOME and HTF funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. IHCDAs uses each of its programs to target a variety of needs and populations including, though not limited to: seniors, persons who are homeless, persons with physical or developmental disabilities, persons with mental impairments, persons with chemical addictions, single parents, victims of domestic violence, abused children families with children six and under veterans, and the re-entry population. IHCDAs has supported numerous trainings on different facets on developing and maintaining affordable housing, and supporting fair housing and access to safe, quality housing across the state.

IHCDAs's HOME program is focused on the following goals:

3. Demonstrate they are meeting the needs of their specific community;
4. Reach low and very low-income levels of income;

5. Link the project to the revitalization of existing neighborhoods, preferably through a comprehensive approach (i.e. as part of a published and approved community revitalization plan);
6. Advance projects that promote aging-in-place strategies for seniors, persons with disabilities, and families with seniors or persons with disabilities;
7. Propose projects that are energy-efficient and are of the highest quality attainable within a reasonable cost structure.

Applicants of IHCD's programs and funds are encouraged to engage in an array of activities necessary to attain the solutions desired by a community, such as:

- Pre-development and seed financing – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Supportive Housing Institute to be considered for an IHCD investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance (not available using HOME funding)
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing

Additionally, the State utilizes other programs (summarized earlier in this section) to help foster and maintain affordable housing and include:

- Affordable Housing and Community Development Fund;
- Indiana Foreclosure Prevention Network;
- Low Income Housing Tax Credits (LIHTC); and
- Section 8 voucher program.

IHCD has also updated its housing counseling requirements for its HOME Homebuyer applicants.

The HOME regulations at 92.254(a)(3) require all homebuyers who receive HOME assistance or purchase units developed with HOME funds must receive housing counseling. In a final rule published by HUD's Office of Housing Counseling, HUD established housing counseling certification requirements provided in connection with a HUD program. All adult household members who will hold title and be a party to the senior loan are required to complete homebuyer counseling.

Under the rule, all homebuyers assisted under the HOME program must receiving housing counseling that is performed by a certified housing counselor who has passed the HUD certification examination **and** is employed by a HUD-approved housing counseling agency.

The Housing Counseling must be independent, expert advice customized to the need of the consumer to address the consumer's housing barriers and to help achieve their housing goals and must, at a minimum include the following process:

- Intake
- Financial and housing affordability analysis
- An Action Plan
- Reasonable effort to have following up communication with the client when possible.

The content and process of housing counseling must meet the standards outlined in 24 CFR part 214. The counseling **must be individualized** to the specific potential homebuyer. The counseling must address all homeownership topics relevant to the client, including:

- The decision to purchase a home;
- The selection and purchase of a home;
- Issues arising during and affecting the period of ownership of a home (including refinancing, default, and foreclosure and other financial decisions);
- The sale or other disposition of a home.

In addition, the counselor must communicate on the importance of obtaining an independent home inspection using the materials available. All homebuyers must be given the two HUD brochures referenced below about the importance of home inspections. The recipient must ensure that each homebuyer signs a receipt acknowledging they were given these items. Both items may be accessed here: <https://www.hudexchange.info/resource/4747/for-your-protection-get-a-home-inspection/>

Eligible housing counseling is not services that provide only housing information, placement or referral services, routine administrative activities (such as intake), case management that provides housing series as incidental to a larger case management and does not fund housing counseling, fair housing advice and advocacy (such as filing claims), or group education without individualized services.

IHCDA will offer pre-purchase and post-purchase counseling as eligible under this policy. The delivery method may be flexible (in-person, by phone or via the internet), but the counseling must be specific to the homebuyer. The counselor at a minimum must provide eight hours of training; at least six hours must be pre-purchase. The certificate is valid for one year after completion of the training. The applicant, prior to entering into the sales contract, must submit documentation of the training to IHCDA for approval. If the pre-purchase training was not conducted or approved by IHCDA at time of the signed sales contract, the grantee will be required to repay HOME funds to IHCDA.

The recipient may not charge servicing, origination, processing, inspection, or other fees for the costs of providing homeownership program assistance.

Actions planned to reduce lead-based paint hazards

Utilize the Healthy Homes Production Grant

IHCDA received awards of \$2 million from the Healthy Homes Production Program and \$4.7 million from the Lead Hazard Reduction Program. Using these two awards, IHCDA has established the “Healthy Homes Resource Program” (HHP) to provide services and programs directly related to health hazards in the home. The program is offered by IHCDA statewide and provides repairs to both owner-occupied and rental housing for critical repairs to health hazards, including Lead Paint Hazard control, Radon Mitigation, Moisture Intrusion, Mold, Structural Issues and Accessibly Barriers. The program also includes cooperative efforts with the Indiana Community Action Agencies.

Healthy Homes Production Grant funding is exclusively for direct costs associated with the identification and remediation of housing related health and safety hazards using the Healthy Home Rating System (HHRS). Those costs allowable with the Healthy Homes Supplemental funding include costs for the

assessment of housing units, for housing-related health and safety hazards, development of scopes of work for remediation of identified housing-related health hazards, conducting such remediation, re-evaluation of the completed work, reporting, notification to occupants and owners, if different, of the nature and results of the remediation.

The Healthy Homes inspection process is a risk-based assessment and will consider the effects on occupants' health. This assessment will be incorporated into the initial lead hazard risk assessment to minimize disruption to the occupants. The top six weatherization deferrals include mold, structural issues, roof leaking, standing water, access issues, and electrical.

From the list of 29 hazards in the Healthy Homes rating chart, IHCD has determined the following hazards, in order of priority, to be addressed based on funding:

- Radon
- Moisture Intrusion
- Electrical Hazards
- Access issues
- Structural issues
- Lead Based Paint

Lead-based paint hazards will primarily be addressed through HOME funded rehabilitation activities. IHCD has developed new lead program application forms and has provided multiple trainings on how to address lead-based paint through both of these programs in partnership with HUD. In late 2022, IHCD released two Requests for Qualifications (RFQ) and three Requests for Proposals (RFP) to improve the health of area residents via housing interventions. Radon mitigation, lead abatement, home repair, and the inspection process are all priorities that IHCD aims to address through the release of these RFQs and RFPs.

IHCD will continue to offer workshops on the Lead Safe Housing Rule and the HUD Lead regulations to administrators and contractors. IHCD will also be addressing the dearth of eligible risk assessors, inspectors and licensed contractors by working with the Indiana Builders Association to advertise trainings. IHCD has also developed a program to allow for reimbursement for contractors to receive their appropriate lead licenses.

IHCD keeps a database of lead-free housing for rental units which undergo lead hazard control through HHP.

As part of the Healthy Homes Resource Program, and in cooperation with the Department of Health, IHCD keeps a website of all state-lead programming, a Lead Paint Safety guide, applications in both English and Spanish for interested families on this website:

<https://www.in.gov/ihcd/homeowners-and-renters/lead-protection-program/>.

Actions planned to reduce the number of poverty-level families

Indiana has a history of aggressively pursuing job creation through economic development efforts at the state and local levels. This emphasis on creating employment opportunities is central to a strategy to

reduce poverty by providing households below the poverty level with a means of gaining sustainable employment.

The Governor's 2020 Next Level plan focuses on expanding educational and skill development opportunities in rural areas; attracting Defense Department-related jobs, and investing in broadband statewide.

In recent years, IHCD has made several program adjustments to more directly target funds to benefit poverty-level families. IHCD has added an Opportunity Index to incentivize the construction of HOME projects in areas with public transit, low unemployment, high job growth, proximity to employers, low poverty rate, and higher household income at the county and census tract level. IHCD also added a new scoring category on Health and Quality of Life Factors to incentive HOME developments near primary care physicians, fresh produce, and proximity to positive land uses.

The State also utilizes the Section 3 requirement (a provision of the Housing and Urban Development Act of 1968). Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving CDBG or HOME funding through OCRA or IHCD, whether those opportunities are generated by the award recipient, a subrecipient, and/or a contractor. The requirements of Section 3 apply to all projects or activities associated with CDBG or HOME funding, regardless of whether the Section 3 project is fully or partially funded with CDBG/HOME. A detailed description of Section 3 requirements is included in OCRA/IHCD's award manual. A notice of Section 3 requirements is included in bid solicitations and is covered during the award trainings.

Actions planned to develop institutional structure

OCRA and IHCD will continue to build capacity, leadership, and institutional structure in rural areas through:

- Regional Capacity Building workshops;
- Webinars and regional meetings to discuss funding opportunities and answer questions from grantees;
- Participation in state conferences to market programs;
- The Indiana Permanent Supportive Housing Institute;
- CHDO working group – a group of eight to ten CHDO across the State of Indiana to discuss successes and challenges with the HOME Program, and to provide peer-to-peer support on non-profit capacity building.
- Trainings on Fair Housing and Reasonable Accommodations, Lead Based Paint, Certified Green Professional Certification, Certified Aging in Place Training and Universal Design; and
- Affordable housing development training.

IHCD continues to offer its trainings at no cost to partners and in an online format for those from

around the state who wish to participate without the burden of additional expenses related to travel.

Actions planned to enhance coordination between public and private housing and social service agencies

The State has an active network of community development corporations, many of which have become increasingly focused on housing and community development issues. These organizations are engaged in a variety of projects to meet their communities' needs, from small-scale rehabilitation programs to main street revitalization. Public housing authorities exist in the major metropolitan areas and in small to medium-sized communities throughout the State.

The State also has several organizations that advocate for State policies and organize housing and community development activities at the State level. Prosperity Indiana provides policy coordination, as well as training and technical assistance, to support nonprofit housing and community development activities. The Back Home in Indiana Alliance is composed of Indiana leaders in several affordable-housing and disability-related organizations and help people with disabilities become homeowners in several Indiana communities.

Through provision of training and technical assistance (discussed above), OCRA and IHEDA support coordination and help to build partnerships with and among these organizations. Examples from prior program years, which will be continued in PY2023, include:

IHEDA's and OCRA's executive leadership and staff speak at public and private housing and community development events. IHEDA staff have spoken at a variety of conferences for Accelerate Indiana Municipalities (AIM); the Indiana Association of Regional Councils (IARC); Indiana Housing Conference; and the Indiana Township Trustees Association. OCRA regularly presents and attends conferences hosted by AIM, Association of Indiana Counties (AIC), and IARC as well.

OCRA holds regular "listening sessions" in non-entitlement areas throughout the state to gather information on economic development and housing challenges. Those sessions provide an opportunity for various housing, service, and community development interests to explore solutions to their needs and foster working relationships.

OCRA's community liaisons (OCRA's can be found at <https://www.in.gov/ocra/2330.htm>) partner with local units of government, the private sector, and nonprofits to locate and proactively work to locate funding and other resources for community and economic development projects, as well as facilitate the meeting of local officials, state, and federal agencies. They also provide technical assistance on all OCRA programs.

IHEDA's two Real Estate Production Analysts each cover a region of the state (North and South) and provide frequent outreach and technical assistance. Outreach is provided by email, over the phone, and in-person when requested. Production Analysts also traditionally attend ribbon cutting,

groundbreakings, and other promotional events.

IHCDA conducts regional outreach meetings every year. These meetings are held three to five times a year and are each located in a different area of the state in order to ensure that partners in all areas of the state are able to easily attend. The information provided at these meetings is also tailored to address the specific needs of the region in which the meetings is being held. Local projects are highlighted as well. Production Analysts and other IHCDA staff utilize their existing contacts to invite current and potential partners to these meetings. Outreach meetings provide an opportunity for partners to meet their analysts as well as ask questions and provide input on IHCDA policy. Due to COVID precautions, these meetings have been held virtually and can continue to be conducted as webinars if necessary.

IHCDA also sponsors, in partnership with the Indiana Affordable Housing Council, the Indiana Housing Conference. The Indiana Housing Conference is an annual conference for affordable housing professionals in which industry news and best practices are discussed. The conference also provides an opportunity for networking between affordable housing professionals from across the state and country.

In 2022, the Permanent Supportive Housing Institute addressed issues of homelessness with a focus on serving people with high needs who are on the Coordinated Entry System. The 2023 Institute will continue to help supportive housing partners learn how to navigate the complex process of developing housing with supportive services to prevent and end homelessness. Participation in the Institute is expected to reduce the time it takes to obtain funding for supportive housing by improving the planning and development process. This year's Institute developments will be eligible for HOME Investment Partnerships Program American Rescue Plan (HOME-ARP) funds and National Housing Trust Fund (HTF) dollars for a total of up to \$5 million dollars per project. Consideration will only be given to responses proposing 100% permanent supportive housing developments.

The 2023 Institute will provide targeted training, technical assistance, and the opportunity to apply for predevelopment financing for both new and experienced development teams. Its focus will be to design supportive housing for those referred from the Coordinated Entry System. Teams will receive individualized technical assistance and resources to assist in completing their project. In addition, industry experts, including staff from the Indiana Housing and Community Development Authority (IHCDA), will provide insight on property management, financing, and building design.

IHCDA and OCRA will also partner on the re-launch of Stellar and will work with DMHA on the HOME Innovation Program to target housing for persons with SUDs and mental health disorders.

IHCDA has also continued to partner with the Indiana Department of Health on its Healthy Homes Resource Program. IHCDA has started the Indiana Healthy Homes Roundtable which meets monthly to

discuss lead-based paint issues throughout the state. The group consists of IHCD and ISDH.

IHCD has also established a strong relationship with the Family and Social Services Administration (FSSA) to assess affordable assisted living supply, along with production of housing for persons with intellectual or developmental disabilities, or persons who have a chemical addiction.

Finally, when funding rounds are open, OCRA and IHCD both hold webinars and regional visits were held to educate potential grantees about the application process.

Discussion:

Please see above and refer to the uploaded Appendix for the continuation of responses that exceeded the character limit in this section.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

This section outlines the program specific requirements for all funding sources.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

HOME Investment Partnership Program (HOME)

Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is

as follows:

N/A

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The recipient must implement recapture restrictions for any homebuyer property purchased, in whole or in part, by a homebuyer that received a direct buyer subsidy from the recipient in an amount greater than or equal to One Thousand and 01/100 Dollars (\$1,000.01) from HOME funds. A homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). Developers, other than CHDOs, are not allowed to provide down-payment or closing cost assistance.; However, a developer may provide a direct subsidy by reducing the purchase price from fair market value to an affordable price.

There are two different consequences that may be associated with a recapture provision: (1) the recapture provision can be triggered (as described just below) or (2) an event of non-compliance can occur (as described further below). The recapture provisions are triggered if any of the following occur during the Affordability Period:

1. The homebuyer transfers or conveys the property by deed, land contract, or otherwise;
2. Foreclosure proceedings are commenced against the property;
3. The property is transferred by an instrument in lieu of foreclosure; or,
4. The title to the property is transferred from the homebuyer through any other involuntary means.

The amount of the homebuyer subsidy shall be reduced by multiplying the homebuyer subsidy by the Forgiven Ratio (defined below) in order to determine the amount that will be forgiven. The amount to be recaptured and shall be limited to the Net Proceeds of the sale. Net Proceeds is defined as the sales price minus superior loan repayment (other than HOME funds) and closing costs. If there are no Net Proceeds, the amount to be recaptured will be zero and the HOME loan is considered satisfied. In the event there is significant market appreciation, once the HOME obligation is recaptured, the homebuyer can retain any appreciation. The amount recaptured cannot exceed the Net Proceeds, if any. Forgiven Ratio means a ratio that calculates the amount of the Direct Subsidy that is forgiven. This ratio shall be calculated by dividing the number of full months that owner occupies the property as its principal residence by the total of number of months in the Affordability Period.

The recipient will be required to ensure that a lien and restrictive covenant agreement , drafted by

IHCDA has been executed and recorded on any HOME-assisted property.

In accordance with CPD Notice 12-003, the recipient must also execute a HOME written agreement with the homebuyer before or at the time of sale. The purpose of the agreement is to ensure that all parties are aware of the provisions related to the lien and restrictive covenant agreement and HOME requirements applicable to the HOME assisted unit (i.e., period or affordability, principal residency requirement, etc.). The recipient will be required to use IHCDA's form of Homebuyer Recapture Agreement.

If there is both a development subsidy and a direct homebuyer subsidy or just a direct homebuyer subsidy, a recapture provision must be implemented. In cases where a direct homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property. Under recapture guidelines the Affordability Period is based upon the total amount of the direct homebuyer subsidy that the homebuyer received in HOME funds. A direct homebuyer subsidy consists of any financial assistance that reduces the purchase price from fair market value to an affordable price, or otherwise directly subsidizes the purchase (e.g., down-payment or closing cost assistance, subordinate financing). A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Please see the Grantee Unique Appendices for the guidelines (HOME Homebuyer policy on pages 31-32). IHCDA does use the home affordable homeownership limits published by HUD.

Recipients will be required to provide an "after rehab" or "construction value" appraisal; whichever is appropriate, from a licensed appraiser for all property assisted with the award with the first draw that includes hard costs. If the applicant is acquiring property, an "as-is" appraisal is required with the first draw request for acquisition reimbursement.

According to 24 CFR 92.254(a)(2) in the case of acquisition of newly constructed housing or standard housing, the property must have a purchase price that does not exceed the Homeownership Values as determined by HUD. For newly constructed housing, the value limits are 95% of the median purchase price for the area based on the Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. HUD has established a minimum limit, or floor, based on the 95% of the U.S. median purchase price for new construction.

For existing housing, the value limits are 95% of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that is available. HUD has established a minimum limit, or floor based on 95% of the state-wide nonmetropolitan area median purchase price for existing housing.

The limits by be accessed from HUD here:

<https://www.hudexchange.info/resource/2963/homefires-vol10-no1-max-price-after-rehab-expiration-stimulus-hera-2008/>

It is important to note that while these are the maximum limits, the amount may not be affordable to a potential HOME-buyer. IHCDA, through its underwriting as defined in the earlier section, may deny the final sales contract if the purchase price (the mortgaged amount), even reduced, is

determined to be higher than the homebuyer may safely afford. The HOME-assisted housing unit must be occupied as the homebuyer's principal residence throughout the affordability period.

3. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A

Emergency Solutions Grant (ESG) Reference 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Please see the Grantee Unique Appendices for the guidelines.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHEDA is the collaborative applicant within the CoC and IHEDA was awarded the Coordinated Access Grant. With the assistance of the CoC Board, IHEDA has developed and continues to improve upon the coordinated access system.

Access: The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG subrecipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system.

Assessment: Each homeless person will be assessed and triaged based on their needs in order to prioritize the most vulnerable and those with the highest barriers for first assistance. This priority would include the chronic homeless population.

Assign: Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region.

3. Identify the process for making sub-awards and describe how the ESG allocation available to

private nonprofit organizations (including community and faith-based organizations).

IHCDA plans to allocate funding to a maximum of 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: housing relocation and services (financial and services), rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two - six agencies that may apply for the Annual Action Plan street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and by a member of a Committee under the CoC Board. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between \$60,000 and \$250,000 each.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State ESG recipient- IHCDA - has a member the Balance of State CoC Board who has been formerly homeless and currently lives in a permanent home after recently leaving permanent supportive housing. As a member of the committee Board of Directors, this representative considers all committee provides guidance to our CoC Programs and their policies and procedures and is currently participating in the CoC's Strategic Planning Process. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system. The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. This will be a threshold item and will require the subrecipient to provide documentation around their policies for verification. This issue is also reviewed during program

monitoring visits.

5. Describe performance standards for evaluating ESG.

The performance standards were developed in collaboration with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from the ESG CAPER reports for the current grant prior year. Two of the standards are specific to the subrecipients program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCD A would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.

ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

**Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

b Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible applicants include CHDOs, non- and for-profit affordable housing developers, and joint venture partnerships. Awards will be allocated based on the following criteria:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;
4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the current QAP; and,
5. The availability of HTF funds.

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Application requirements are described in detail in Part I of the 2021 HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Appendix A MOD also includes HOME Rental Application Policy, HOME Homebuyer Policy, and HOME Innovation Round RFP, and Institute RFP.

Eligibility will be determined based on:

1. Whether the development demonstrates a need for HTF in order to make a greater number of units affordable to extremely low and very low households;
2. Whether the development meets State and Federal requirements of all programs for which the applicant is applying, including the threshold requirements;
3. Successful completion of the Permanent Supportive Housing Institute;

4. If the development ranking is sufficient for it to be awarded RHTC pursuant to the RHTC process as outlined in the current QAP; and,
5. The availability of HTF funds.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Selection criteria are described in detail in Part I of the HTF Draft Policy which is part of Appendix A (Methods of Distribution) in the Grantee Unique Appendices. Applicants will be evaluated with the following criteria: 1) Eligible activities, 2) Needs of community, 3) Target populations to be served by the activities (<30% AMI and experiencing homelessness), 4) Support geographic diversity and link to comprehensive revitalization of existing neighborhoods, 5) Organizational capacity, 6) Energy efficiency of project, 7) Use of M/WBE contractors.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligible developments can be located in any city, town or county located in Indiana. There is no geographic preference for the use of the HTF.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Timely Undertaking- moderate priority: As stated under the Threshold Items Section 6.3 (d) of the HTF Policy, the applicant is required to demonstrate their ability to undertake the activities set forth in its application upon receipt of the HTF award, to begin construction within 12 months of receipt of the award, and to complete the development within a 24 month period.

6.3(d): The applicant must demonstrate experience and capacity to conduct an eligible HTF activity as evidenced by its ability to:

Own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development; or

Design, construct, or rehabilitate, and market affordable housing for homeownership.

Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-

income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Project-Based Rental Assistance- high priority: As stated under Threshold Items Section 6.3(c) and 6.3 (e), in order to be eligible for the permanent supportive housing set-aside of the QAP and for HTF funding, the applicant must demonstrate how units will be made affordable to the targeted population of persons experiencing homelessness. All developments are required to identify a source of project-based rental assistance for the supportive housing units, generally through Project-Based Section 8 vouchers or CoC funding. Developments that have not identified an operating subsidy source do not meet threshold and will not be considered for funding. As stated under Section 7.1 Rents Charged, Applicants may be eligible for 16 points for rent targeting.

6.3(c): The Applicant must identify all subsidy sources. Funding commitments must be provided with the RHTC application. If the funding has not yet been committed, application must provide proof of application, a narrative describing the selection process, and a narrative plan on how the development will move forward if the application is denied. HTF cannot be committed until all other sources have been committed.

6.3 (e): The Development must serve populations that are extremely low income and experiencing homelessness. The target population served by the development must be the target population that was identified based on community need and relevant data through the Supportive Housing Institute process and align with the goals of the Consolidated Plan.

g. Describe the grantee’s required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Affordability Period- low priority: As stated under the Threshold Criteria Section 6.3 (a), applicants must meet the minimum 30-year period of affordability to be eligible for funding.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Priority Housing Needs of Indiana- high priority: Through the 2020-2024 Consolidated Plan, the State of Indiana includes extremely low-income households and permanent supportive housing/integrated supporting housing as housing priority needs.

To be eligible for the supportive housing set-aside in the QAP and for HTF, the applicant must further

the creation of community-based housing that targets the extremely low income (less than 30% AMI) with intensive service programs that have a direct impact on reducing homelessness through the Housing First model, to meet the State's priority housing needs of serving extremely low income households. Applicants who have not successfully completed the Supportive Housing Institute and/or who do not meet the set-aside criteria as identified in both the QAP and in Sections 2.1 and 6.3 (e) of this Allocation Plan will not be eligible for funding.

In addition, IHCD may award additional scoring of 93 points under Sections 7.1 Rents Charged; 7.2 Development Characteristics; and 7.3 Sustainable Development to prioritize projects which best serve.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Extent of Non-Federal Funding- moderate priority: As stated under the Threshold Items Section 6.3 (c), the applicant must demonstrate all subsidy sources. IHCD may also award up to 11 points for projects that meet the criteria as outlined in Sections 7.2 (l) Tax Credit Per Unit; 7.2 (m) Tax Credit per Bedroom; 7.4 (a) Leveraging Capital Resources; and 7.4 (c) Previous Funding in a Local Government.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

See Part 4.1 Subsidy and Budget Limitations of the HTF Policy (pp. 16-17) for the per unit subsidy limits. A description of how the limits were determined by be found in the same section.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; and Capital Needs Assessments (if applicable).

All HTF funded projects must meet the property standards outlined in 93.301. The rehabilitation standards are set in a separate appendix.

- Developments must use Uniform Physical Condition Standards (UPCS). A listing of those standards can be found in the Multi-Family Checklist. Beyond the UPCS standards, projects must also comply with IHEDA Rehabilitation Standards (see Exhibit A); and the stricter of the local rehabilitation standards or the Indiana State Building Code.
- The development must meet the accessibility requirements at 24 CFR Part I, which implements Section 504 of the Rehabilitation Act of 1973.

- Covered multi-family units, as defined at 24 CFR 100.201, must meet the design and construction requirements at 24 CFR 100.205, which implements the Federal Fair Housing Act Amendments of 1988.
- Any units utilizing gas appliances must provide carbon monoxide detectors in addition to standard smoke detectors.
- Newly constructed units must meet additional energy efficiency standards for new construction pursuant to section 109 of the Cranston-Gonzalez National Affordable Housing Act.
- Where relevant, the housing must be constructed to mitigate the impacts of potential disaster, in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter “N/A.”

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

The purpose of this Housing Trust Fund (HTF) application is to provide subsidies in the form of grants to selected applicants for the acquisition, rehabilitation and/or new construction of supportive housing for persons with extremely low income (at or below 30% of area median income) and experiencing

homelessness. For this funding cycle, HTF funds will be offered exclusively to Rental Housing Tax Credit developments that (1) apply for funding under the Qualified Allocation Plan (QAP) for the Rental Housing Tax Credit Program (RHTC) and (2) successfully completed the Indiana Supportive Housing Institute and/or HOME Rental Applications.

Eligible applicants for tax credits and HTF funds must have successfully fulfilled all requirements and demonstrated meaningful and successful participation in the Indiana Supportive Housing Institute for the specific development for which they are applying. The Indiana Supportive Housing Institute provides training and support to organizations that plan to create supportive housing. Tenant outreach, selection, property management and service plans must be approved as part of the Institute process and prior to submission of a RHTC application. Participation in the Institute is based on a competitive RFP selection process.

12. Refinancing of Existing Debt. Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A; refinancing of existing permanent debt is not eligible under IHCD's HTF program.

Discussion:

For HOPWA: IHCD will facilitate a request for qualifications (RFQ), advertised through the CoC network, posted online, and provided to current HIV/AIDS service providers. The RFQ is available to all agencies who meet the threshold requirements. Many of the programs that apply through the RFQ started off as grassroots agencies years ago by starting a non-profit program based upon the growing HIV/AIDS epidemic and the need in their community. There was a growing need of resources that were not readily available for this population. The non-profits utilized their partners in the community to build their board membership and collaborated with local hospitals, clinics, and housing agencies to assist in providing education, testing, supportive services, financial assistance, and housing. Nonprofit community organizations that apply are usually mental health centers, HIV/AIDS programs specifically, or local hospital.

The RFQ will gather information on the number of persons/households they plan to serve, housing plans, housing services, organizational capacity, performance goals, supportive services, and their proposed budget. The RFQ applicants need to meet the following thresholds:

- Required to be a non-profit organization

- Required to be or have a relationship with a current Indiana Department of State Health Care Coordination Site.
- Previous experience providing HOPWA assistance.
- Actively attending the local Regional Planning Council/Committees/Leadership roles within their Region.
- No current outstanding findings with HUD or IHCD.

By having the threshold that all applicants must be or have a relationship with a current Indiana State Department of Health Care Coordination Site, we are providing a one stop shop for persons to access level of care that is needed. Persons will be able to receive testing, diagnosis, medical information, supportive services and housing if needed. Care Coordination is a specialized form of HIV case management. Its mission is to assist those living with HIV disease with the coordination of a wide variety of health and social services. Case Management services are available statewide. It provides an individualized plan of care that includes medical, psychosocial, financial, and other supportive services as needed. It is offered free of charge to the person. The primary goals of the program are to ensure the continuity of care, to promote self-sufficiency, and to enhance the quality of life for individuals living with HIV. The trained professionals provide assistance such as: access to health insurance, housing programs, emergency funds, medications, utility assistance, mental health and substance abuse programs, and HIV testing and prevention programs.

The RFQ will be evaluated through a tool that will verify that each applicant meets the threshold requirements and have financial capacity by meeting accounting and financial standards. It will be verified that each subrecipient are certified to be a care coordination site by requiring they attach the certificate or agreement showing they meet the standard.

APPENDIX A.

METHODS OF DISTRIBUTION AND FUNDING APPLICATIONS

CDBG.

METHOD OF DISTRIBUTION (MOD)

STATE OF INDIANA

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

**INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
FY 2023 PROGRAM DESIGN AND METHOD OF DISTRIBUTION**

GENERAL BACKGROUND INFORMATION AND NATIONAL CDBG OBJECTIVES

The State of Indiana, through the Indiana Office of Community and Rural Affairs (OCRA), 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). Per 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 according 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 2023. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2023 is \$31,325,031.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through OCRA.

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 emphasize 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.

OCRA 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

OCRA reserves the right to transfer up to twenty-five percent (25%) of each fiscal year's available allocation of CDBG funds between the programs described herein to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Annual Action Plan.

OCRA will provide citizens and general units of local government with reasonable notice and opportunity to comment on any substantial change to be made in the use of CDBG funds for any open grant year. "Substantial Change" shall mean the movement between programs of more than twenty-five percent (25%) of the total allocation for each fiscal year's CDBG allocation. The twenty-five percent (25%) does not include the reallocation of reverted funds. OCRA, in consultation with the Indianapolis office of the HUD, will determine those actions, which may constitute a "substantial change."

OCRA will submit any Consolidated Plan, Annual Action Plan, or other related documents to HUD before it implements any changes embodied in the given document and before posting the final version publicly.

ELIGIBLE ACTIVITIES/FUNDABILITY

All activities, which are eligible for federal CDBG funding under Section 105 of the Federal Housing and Community Development Act of 1974, as amended, (Federal Act), are eligible for funding under the OCRA's CDBG program. However, the OCRA reserves the right to prioritize funding of those eligible activities; the OCRA prefers to expend federal CDBG funds on activities/projects which will produce tangible results for low- and moderate-income persons in Indiana. Funding decisions will be made using criteria and rating systems, which are used for the State's programs and are subject to the availability of funds. It shall be the policy under the state program to give priority to using CDBG funds to pay for actual project costs and not to local administrative costs. **The State of Indiana certifies that not less than seventy-percent (70%) of each fiscal year's CDBG funds will be expended for activities principally benefiting low- and moderate-income persons, as prescribed by 24 CFR 570.484, et. seq.**

ELIGIBLE APPLICANTS

1. All Indiana counties, cities, and incorporated towns which do not receive CDBG entitlement funding directly from HUD or are not located in an "urban county" or other areas eligible for "entitlement" funding from HUD.
2. All Indian tribes meeting the criteria outlined in Section 102 (a)(17) of the Federal Act.

To be eligible for CDBG funding, applicants may not be suspended from participation in any CDBG funded programs or by OCRA due to findings/irregularities with previous CDBG grants, overdue reports, overdue responses to monitoring issues, or overdue closeout documents on current grants, or other reasons that call into an applicant's ability to be able to comply with all elements of the State's CDBG program. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCD).

All applicants must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) before, or as a part of the proposed CDBG-assisted grant, to be eligible for further CDBG funding from the State.

Other specific eligibility criteria is outlined in the **General Selection Criteria** provided herein.

FY 2020 FUND DISTRIBUTION

Sources of Funds:

FY 2023 CDBG Allocation	\$31,325,031
CDBG Program Income	\$0
Total:	\$31,325,031

Uses of Funds:

1. Owner Occupied Rehabilitation	\$ 3,000,000
2. Stellar Pathways Program	\$ 0
3. Blight Clearance Program	\$ 3,000,000
4. Main Street Revitalization Program	\$ 0
5. Public Facilities Program	\$ 4,000,000
6. Wastewater Drinking Water	\$13,000,000
7. Stormwater Improvements Program	\$ 4,000,000
8. PreserviNg MainStreet	\$ 2,000,000
9. Needs Responsive Fund	\$ 0
10. Urgent Need Fund	\$ 0
11. Planning Fund	\$ 1,500,000
12. Technical Assistance	\$ 200,000
13. Administration	<u>\$ 625,031</u>
Total:	\$31,325,031

The State of Indiana via the Office of Community and Rural Affairs (OCRA) does not project receipt of any CDBG program income for the period covered by this Annual Action Plan. In the event the OCRA receives CDBG Program Income, such funds will be placed in the Blight Clearance Program (BCP) to make additional grants under that program. Reversions of other years' funding will be allocated based on current needs as determined by OCRA. OCRA will allocate and expend all CDBG Program Income funds received before drawing additional CDBG funds from the US Treasury. However, the following exceptions shall apply:

1. This prior-use policy shall not apply to housing-related grants made to applicants by the Indiana Housing & Community Development Authority (IHCD), a separate agency, using CDBG funds allocated to the IHCD by the OCRA.
2. Program income generated by CDBG grants awarded by the OCRA using CDBG funds must be returned to the OCRA if such amounts are equal to or greater than \$35,000 per calendar year according to 24 CFR 570.489.

All obligations of CDBG program income by grantee require prior approval by the OCRA. This includes the use of program income as matching funds for CDBG-funded grants from the IHCD. Applicable parties should contact the CDBG Program Director for guidance on the use of program income before the obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to OCRA. Local governments that have been approved to use their program income to fund at least one project in the previous twelve (12) months will be considered active.

Furthermore, US Department of Treasury regulations require that CDBG program income cash on hand balances be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds can be requested from the OCRA. These US Treasury regulations apply to projects funded both by IHCD and OCRA. Eligible applicants with CDBG program income should strive to close out all active grant projects presently being administered before seeking additional CDBG assistance from the OCRA or IHCD.

METHOD OF DISTRIBUTION

The choice of activities on which the State’s CDBG funds are expended has been determined through a robust review that engaged a variety of stakeholders and considered comments from the public. The eligible activities enumerated in the following Method of Distribution are eligible activities as provided for under Section 105(a) of the Federal Act, as amended.

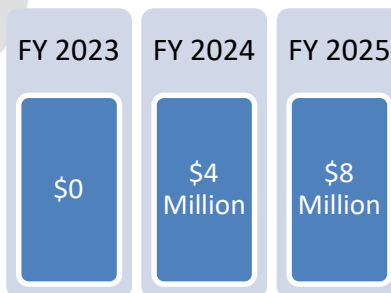
All projects/activities funded by the OCRA will be made on a basis which addresses one (1) of the three (3) national objectives of the Small Cities CDBG Program as prescribed under Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of implementing regulations promulgated by HUD. CDBG funds will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

A. Owner Occupied Rehabilitation Program: \$3,000,000

OCRA will allocate \$3,000,000 of its FY 2023 funds for OOR. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachments C and D on a quarterly basis. The OOR program shall have a maximum grant amount of \$250,000. Matching funds of at least 10% of the total project cost are required for all this program.

B. Stellar Pathways Program: \$ 0

OCRA will allocate \$0 of its FY 2023 CDBG funds for Stellar Pathways. Funds will be allocated to designees in the Action Plan for the fiscal year an application is anticipated from each active designee. Here is a breakdown of the Stellar allocation for FY 2023, 2024, and projected allocation for FY 2025:



Indiana’s Stellar Pathways Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCD), Indiana State Department of Agriculture (ISDA), Indiana Destination Development Corporation (IDDC), Indiana Department of Health

(IDOH), Indiana Department of Natural Resources (DNR), and the Indiana Department of Transportation (INDOT).

The Stellar Pathways Program seeks to engage four (4) regions to achieve a holistic, three-year revitalization strategy that will leverage unified state investment and other available funding from the partnering agencies to complete transformational projects. In the revitalization strategy, selected finalists will identify areas of interest and types of projects along four pathways (Advancing e-Connectivity, Enhancing Quality of Place, Promoting Community Wellness, and Strengthening Local Economies) following robust community outreach and engagement and through facilitated, pathway-specific focus groups. The resultant Strategic Investment Plan (SIP) will produce a schedule to complete projects, cost estimates, identify local match amounts and additional funding resources needed, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the region. Each partnering agency will choose catalyst projects to fund from each SIP, setting communities along a path to become Stellar upon completion of all selected projects.

Evaluation and selection of the final regions to the Stellar Pathways Program will be based on:

- Letter of Intent submitted
- Completion of all outlined requirements of the Stellar Pathway Finalist designation.
- Document the level of need and significance of each project in overall community revitalization efforts.
- Capacity of the applicant to complete all activities and to administer the funds;

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.

All projects funded by IHCDA with CDBG funds 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. All projects funded by IHCDA with HOME, ESG and/or HOPWA funds will meet the specific requirements set forth by those programs.

C. Blight Clearance Program: \$3,000,000

OCRA will allocate \$3,000,000 of its FY 2023 CDBG funds for the Blight Clearance Program (BCP). OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D on a competitive basis. The BCP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

D. Main Street Revitalization Program: \$0

OCRA will allocate \$0 of its FY 2023 CDBG funds for the Main Street Revitalization Program (MSRP).

~~OCRA will award MSRP grants to eligible applicants to assist Indiana communities with streetscape and façade activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:~~

- ~~1) Have a designated Indiana Main Street Organization that:~~

- a. ~~is nationally accredited, or~~
- b. ~~is a traditional Indiana Main Street that is at least three (3) years old;~~
- 2) ~~The Main Street Organization is in good standing and has met all the reporting requirements;~~
- 3) ~~The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past calendar year;~~
- 4) ~~The Main Street organization is functioning within the Main Street 4 Point Approach of Organization, Design, Economic Vitality, and Promotion;~~
- 5) ~~The Main Street organization has current Work Plans for each of its Committees that have been submitted to Indiana Main Street;~~
- 6) ~~The Community has completed a downtown revitalization plan within the past five (5) years that meets OCRA's Minimum Plan Requirements. If a community has an alternative plan that meets OCRA's Minimum Plan Requirements for a downtown revitalization plan, they can use that alternative plan with approval from the CDBG Program Director.~~
- 7) ~~The Indiana Main Street Organization has been involved in the project development process for the application and there is a plan for their continued involvement if awarded.~~

~~Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The MSRP shall have a maximum grant amount of \$600,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 20% for streetscape project and 30% for façade projects of the total project cost are required for all this program.~~

~~To encourage communities and Main Street organizations to achieve National Main Street Accreditation, OCRA will set aside \$600,000 of this allocation for projects that come from communities that have nationally accredited Main Street Organizations.~~

~~Grantees must ensure that local Indiana Main Street Organization remains in good standing with OCRA until the completion of the project. If the local Indiana Main Street Organization falls out of good standing then deobligation or repayments of CDBG funds is possible.~~

E. Public Facilities Program: \$4,000,000

OCRA will allocate \$4,000,000 of its FY 2023 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The PFP shall have a maximum grant amount of \$500,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

F. Wastewater Drinking Water: \$ 13,000,000

OCRA will allocate \$13,000,000 of its FY 2023 CDBG funds for the Wastewater Drinking Water (WDW).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. WDW shall have a maximum grant amounts based on present combined user rates (water, wastewater, and stormwater) as shown in the matrix below. The amount of CDBG funds granted will be limited to \$5,000 cost per project

beneficiary. Matching funds of at least 20% of the total project cost are required for all this program.

Maximum Grant Amounts	Rates for 4,000 gallons		
	User Rates (Over \$70)	User Rates (\$40 to \$70)	User Rates (Under \$40)
Projects over \$1 million in total project cost	\$700,000	\$600,000	\$550,000
Projects under \$1 million in total project cost	\$600,000	\$550,000	\$500,000

E. Stormwater Improvements Program: \$4,000,000

OCRA will allocate \$4,000,000 of its FY 2023 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted in rounds and awards will be made on a competitive basis. The specific threshold criteria and basis for scoring are provided in Attachment C and D hereto. The SIP shall have a maximum grant amount of \$600,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

F. PreservINg Main Street: \$2,000,000

PreservINg Main Street will assist one (1) Nationally Accredited Main Street (NAMS) or Indiana Accredited Main Street (IAMS) community with historic preservation and economic revitalization efforts over a two (2) year period.

Applications from NAMS and IAMS communities with registered downtown historic districts will be accepted in a single round every other program year and awards will be made on a competitive basis. The selected community will be eligible for \$2,000,000 in set aside funds to implement downtown preservation projects based on a two-year preservation and revitalization strategy for their downtown historic district.

The Main Street organization, along with the community foundation and LUG, will be responsible for raising a 10% match (\$200,000) for the project, which could include a mix of private and local funds. The total match must be raised before the end of the 2-year pilot.

Of that 10%:

- 50% will be put in a permanent endowment/revolving loan fund for downtown projects
- 50% will be supplied to the Main Street organization for long-term sustainability.
For example, this could be used for two years of funding a staff position and thus elevating an IAMS community to a NAMS within that two years

Additionally, Indiana Landmarks will work with the Main Street organization and local building owners to provide training and conditions assessments for preservation projects in downtown. The LUG will develop and adopt a local preservation ordinance, lead the formation of a local preservation commission, and pursue designation of a downtown local historic district within the first 18 months.

The Main Street organization will also implement two humanities-based programs and activities focused on historic preservation using Indiana Humanities funding distributed in two tranches. The selected Main Street organization will also attend trainings provided by Indiana Humanities.

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.

G. Needs Responsive Fund: \$0

OCRA will allocate \$0 of its FY 2023 CDBG Funds to the Needs Responsive Fund. The purpose of this fund is to allow OCRA flexibility to respond to the needs of eligible communities. Specifically, this program will allow OCRA to fund projects that are eligible activities under CDBG, but are not covered by other programs.

OCRA will award such grants that meet the minimum scoring criteria outlined in Attachment D throughout the program year. The Needs Responsive Fund shall have a maximum grant amount of \$1,000,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

H. Urgent Need Fund: \$0

The Urgent Need Fund will be available to eligible applicants on a continuing basis. These activities must be eligible for funding under the "urgent need" national objective of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

The Urgent Need Fund will be available to eligible applicants to meet an imminent threat to the health and safety of local populations. The grants may be funded as made available through the Public Facilities Program or reversions when not budgeted from the annual allocation. Special selection factors include need, proof of recent threat of a catastrophic nature, statement of declared emergency and inability to fund through other means. Projects will be developed with the assistance of the Office of Community and Rural Affairs as a particular need arises. To be eligible, these projects and their activities must meet the "urgent need" national objective of Section 104(b)(3) of the Federal Act. Generally, projects funded are those, which need immediate attention and are, therefore, inappropriate for consideration under OCRA's regular programs. The types of projects, which typically receive funding, are municipal water systems (where the supply of potable water has been threatened by severe weather conditions) and assistance with demolition or cleanup after a major fire, flood, or other natural disaster. Although all projects will be required to meet the "urgent need" national objective, the Office of Community and Rural Affairs may choose to actually fund the project under one of the other two national objectives, if it deems it expedient to do so. Applicants must adequately document that other financial resources are not available to meet such needs pursuant to Section 104(b)(3) of the Federal Act and 24 CFR 570.483 of HUD regulations.

Only that portion of a project, which addresses an immediate need, should be addressed. This is particularly true of municipal water or sewer system projects, which tend to need major reinvestment in existing plants or facilities, in addition to the correction of the immediate need. The amount of grant award is determined by the individual circumstances surrounding the request for emergency funds. A community may be required to provide a match through cash, debt or provision of employee labor.

The eligibility of any project is at the full discretion of the Office of Community and Rural Affairs.

I. Planning Grants: \$ 1,500,000

OCRA will allocate \$1,500,000 of its FY 2023 CDBG funds for planning-only activities. OCRA will make planning-only grants to units of local government to carry out planning activities eligible under 24 CFR 570.205 of applicable HUD regulations. OCRA will award such grants that meet the minimum scoring criteria outlined in Attachments C and D on a quarterly basis. The Planning Grant program shall have a maximum grant amount of \$90,000. The amount of CDBG funds granted will be limited to \$5,000 cost per project beneficiary. Matching funds of at least 10% of the total project cost are required for all this program.

A list of eligible plans and their specific maximum grant amounts is available on OCRA's CDBG website. The Office reserves the right to prefer one type of plan over other types of plans when making awards.

The specific threshold criteria and basis for scoring for Planning Grant are provided in Attachment C and D hereto. CDBG-funded planning costs will exclude final engineering and design costs related to specific activities which are eligible activities/costs under 24 CFR 570.201-204.

J. Technical Assistance Set-aside: \$200,000

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State is authorized to set aside up to one percent (1%) of its total allocation for technical assistance activities. The amount set aside for such Technical Assistance in the State's FY 2019 Action Plan is \$200,000, which constitutes less than one-percent (1%) of the State's FY 2020 CDBG allocation of \$30,500,000. The State of Indiana reserves the right to set aside up to one percent (1%) of open prior-year funding amounts for the costs of providing technical assistance on an as-needed basis.

The amount set aside for the Technical Assistance Program will not be considered a planning cost as defined under Section 105(a)(12) of the Federal Act or an administrative cost as defined under Section 105(a)(13) of the Federal Act. Accordingly, such amounts set aside for Technical Assistance will not require matching funds by the State of Indiana. The Department reserves the right to transfer a portion or all of the funding set aside for Technical Assistance to another program hereunder as deemed appropriate by the Office of Community and Rural Affairs, in accordance with the "Program Amendments" provisions of this document.

The Technical Assistance Program is designed to provide, through direct Office of Community and Rural Affairs staff resources or by contract, training and technical assistance to units of general local government, nonprofit and for-profit entities relative to community and economic development initiatives, activities and associated project management requirements. The Technical Assistance Program will also be used by the Office to conduct pilots of new programs or adjustments to current programs.

1. Distribution of the Technical Assistance Program Set-aside: Pursuant to HUD regulations and policy memoranda, the Office of Community and Rural Affairs may use alternative methodologies for delivering technical assistance to units of local government and nonprofits to carry out eligible activities, to include:

- a. Provide the technical assistance directly with Office of Community and Rural Affairs or other State

- staff;
- b. Hire a contractor to provide assistance;
- c. Use sub-recipients such as Regional Planning Organizations as providers or securers of the assistance;
- d. Directly allocate the funds to non-profits and units of general local governments to secure/contract for technical assistance.
- e. Pay for tuition, training, and/or travel fees for specific trainees from units of general local governments and nonprofits;
- f. Transfer funds to another state agency for the provision of technical assistance; and,
- g. Contracts with state-funded institutions of higher education to provide the assistance.

2. Ineligible Uses of the Technical Assistance Program Set-aside: The 1% set-aside may not be used by the Office of Community and Rural Affairs for the following activities:

- a. Local administrative expenses not related to community development;
- b. Any activity that cannot be documented as meeting a technical assistance need;
- c. General administrative activities of the State not relating to technical assistance, such as monitoring state grantees, rating and ranking State applications for CDBG assistance, and drawing funds from the Office of Community and Rural Affairs; or,
- d. Activities that are meant to train State staff to perform state administrative functions, rather than to train units of general local governments and non-profits.

K. Administrative Funds Set-aside: \$625,031

The State (Office of Community and Rural Affairs) will set aside up to \$625,031 of its FY 2023 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount (\$625,031) constitutes less than two-percent (2%) of the State's CDBG allocation (\$31,325,031). The amount of \$525,031 is subject to the \$1-for-\$1 matching requirement of HUD regulations. A \$100,000 is not subject to state match per HUD regulations. These funds will be used by the Office of Community and Rural Affairs for expenses associated with administering its State CDBG Program, including direct personal services and fringe benefits of applicable Office of Community and Rural Affairs staff, as well as direct and indirect expenses incurred in the proper administration of the state's program and monitoring activities respective to CDBG grants awarded to units of local government (i.e. telephone, travel, services contractual, etc.). These administrative funds will also be used to pay for contractors hired to assist the Office of Community and Rural Affairs in its consolidated planning activities.

PRIOR YEARS' METHODS OF DISTRIBUTION

This Annual Action Plan and statement of Method of Distribution is intended to amend all prior Consolidated and Action Plans for grant years where funds are still available to reflect the new program designs. The Methods of Distribution described in this document will be in effect commencing with 2023 Round 2, unless subsequently amended, for all FY 2023 CDBG funds as well as remaining residual balances of previous years' funding allocations, as may be amended from time to time subject to the provisions governing "Program Amendments" herein.

In the case that prior years' funds should become available, they will be placed in any of the currently open programs and become subject to the requirements and allowances set forth in this plan. Non-

expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in any open program for use in that ongoing program.

APPLICATION PROCESSES

Planning Grant applications and Owner-Occupied Rehabilitation (OOR) applications are accepted on a quarterly basis. Eligible units of local governments should first contact their regional Community Liaison to discuss their interest in a planning or OOR grant. Then, an initial application can be submitted for scoring.

Stellar Pathways Program is a single competitive application process. Interested applicants submit a Letter of Intent from which up to four (4) finalists are selected by the partner organizations. Finalists take part in numerous capacity-building, teamwork, and planning activities throughout the year as they build their Strategic Investment Plan (SIP). Each finalist must complete an SIP. The Stellar Teams will review completed plans for Catalyst Projects. Each agency then allocates funding to projects within the SIP based on alignment with the requirements of each funding source and will work collaboratively to have fundable projects for each community identified as a finalist.

PreservINg Main Street is a single competitive application process held every other year. Interested applicants submit a Letter of Intent from which up to one (1) will be selected to participate by OCRA the partnering organizations.

The application process for the Blight Clearance Program (BCP), Public Facilities Program (PFP), Stormwater Improvements Program (SIP), the Main Street Revitalization Program (MSRP), and the Wastewater Drinking Water (WDW) will be a two-stage competitive application process held twice each calendar year with a third-round possible.

For grant programs with a two-stage process, eligible applicants will first submit an abbreviated proposal. After submitting a proposal, eligible projects under the Federal Act will be invited to submit a full application. For each program, the full application will be reviewed and evaluated. OCRA, as applicable, will provide technical assistance to the communities in the development of full applications and require an in-person site visit with the community prior to application.

An eligible applicant may submit only one application at a time. OCRA reserves the right to deny applications lacking credible readiness to proceed.

OTHER REQUIREMENTS

While administrative responsibility for the Small Cities CDBG program has been assumed by the State of Indiana, the State is still bound by the statutory requirements of the applicable legislation passed by Congress, as well as federal regulations promulgated by the U. S. Department of Housing and Urban Development (HUD) respective to the State's CDBG program as codified under Title 24 of the Code of the Federal Register, and with consideration to non-regulatory guidance from HUD. HUD has passed on these responsibilities and requirements to the State and the State is required to provide adequate evidence to HUD that it is carrying out its legal responsibilities under these statutes.

As a result of the Federal Act, applicants who receive funds through OCRA's selection process will be required to maintain a plan for minimizing displacement of persons as a result of activities assisted with

CDBG funds and to assist persons actually displaced as a result of such activities. Applicants are required to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the use of assistance under this program to acquire or substantially rehabilitate property. The State has adopted standards for determining reasonable relocation benefits in accordance with HUD regulations.

CDBG “Program Income” may be generated as a result of grant implementation. The State of Indiana may enter into an agreement with the grantee in which program income is retained by the grantee for eligible activities. Federal guidelines require that program income be spent prior to requesting additional draw downs. Expenditure of such funds requires prior approval from the Office of Community and Rural Affairs (OCRA). The State (Office of Community and Rural Affairs) will follow HUD regulations set forth under 24 CFR 570.489(e) respective to the definition and expenditure of CDBG Program Income.

All statutory requirements will become the responsibility of the recipient as part of the terms and conditions of grant award. Assurances relative to specific statutory requirements will be required as part of the application package and funding agreement. Grant recipients will be required to secure and retain certain information, provide reports and document actions as a condition to receiving funds from the program. Grant management techniques and program requirements are explained in the OCRA’s CDBG Handbook, which is posted on the Office’s website.

Revisions to the Federal Act have mandated additional citizen participation requirements for the State and its grantees. The State has adopted a written Citizen Participation Plan, which is available for interested citizens to review. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements.

The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (OCRA)

The Indiana Office of Community and Rural Affairs intends to provide the maximum technical assistance possible for all of the programs to be funded from the CDBG program. Lieutenant Governor heads OCRA. Principal responsibility for the CDBG program is vested in the Executive Director of OCRA. OCRA also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government through a partnership with the Grant Services Division of the Lieutenant Governor's business office.

Primary responsibility for providing "outreach" and technical assistance for the Stellar Regions Program, Main Street Revitalization Fund, Stormwater Improvement Program, Wastewater Drinking Water, Public Facilities Program, and Planning Grants process resides with the OCRA. Primary responsibility for providing "outreach" and technical assistance for the Housing award process resides with the Indiana Housing & Community Development Authority who will act as the administrative agent on behalf of the OCRA.

The LG's Business Office will provide internal fiscal support services for program activities. The OCRA has the responsibility for the development of the Consolidated Plan and the CAPER, CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to 2 CFR 200 will conduct audits. Potential applicants should contact the OCRA with any questions or inquiries they may have concerning these or any other programs.

Information regarding the past use of CDBG funds is available at the:

**Indiana Office of Community and Rural Affairs
CDBG Program Director
One North Capitol, Suite 600
Indianapolis, Indiana 46204-2288
Telephone: 1-800-824-2476
FAX: (317) 233-6503**

DEFINITIONS

Low- and Moderate-Income - is defined as 80% of the median family income (adjusted by size) for each county. For a county applicant, this is defined as 80% of the median income for the state. The income limits shall be as defined by the U. S. Department of Housing and Urban Development Section 8 Income Guidelines for “low-income families.” Certain persons are considered to be “presumptively” low and moderate-income persons as set forth under 24 CFR 570.208(a)(2); inquiries as to such presumptive categories should be directed to the CDBG Program Director.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The level of local matching funds required for CDBG projects based on each program. This percentage is computed by adding the proposed grant amount and the local matching amount, and dividing the local matching funds amount by the total sum of the two amounts. The definition of match includes a maximum of 5% pre-approved and validated in-kind contributions. The balance of the match requirement must be in the form of either cash or debt. Any in-kind over and above the specified 5% may be designated as local effort. Other funds provided to applicants by OCRA are not eligible for use as matching funds.

Proposal - A document submitted by a community which briefly outlines the proposed project, the principal parties, and the project budget and how the proposed project will meet a goal of the Federal Act. OCRA encourages communities to submit a proposal that is basically a draft of the application.

Reversions - Funds placed under contract with a community but not expended for the granted purpose because expenses were less than anticipated and/or the project was amended or canceled and such funds were returned to OCRA upon financial settlement of the project.

Slums or Blight - an area/parcel which: (1) meets a definition of a slum, blighted, deteriorated, or deteriorating area under state or local law (Title 36-7-1-3 of Indiana Code); and (2) meets the requirements for “area basis” slum or blighted conditions pursuant to 24 CFR 570.208(b)(1) and 24 CFR 570.483(c)(1), or “spot basis” blighted conditions pursuant to 24 CFR 570.208(b)(2) and 24 CFR 570.483(c)(2). More Specifically, OCRA defines blight as:

An area possessing a substantial amount of buildings (public or privately owned), and or public improvements which demonstrate:

1. General deterioration, seen through:
 - a. Neglect or lack of maintenance on the property; or
 - b. Facilities of plumbing, heating, sewage, and/or others that have been disconnected, destroyed, removed, or rendered inadequate; or
 - c. Impaired structural condition, making the building(s) unsafe to a person or property (IC 36-7-9-4); or
 - d. Any combination of these factors
2. Significant noncompliance with current building code, safety code, health code, fire code, state statute, or local ordinance, as seen by:
 - a. Excessive vacancy and/or abandonment of properties; or
 - b. Environmental hazards; or
 - c. Fire hazards; or
 - d. Lack of ventilation, light, or sanitary facilities; or

- e. any combination of these factors
- 3. Building(s) are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, increased criminal activity compared to other areas, and detrimental to public health, safety, morals, or welfare through any of the following conditions:
 - a. Age; or
 - b. Dilapidation; or
 - c. Overcrowding of structures and/or high density population; or
 - d. Excessive land coverage; or
 - e. Impairment of overall economic vitality of community through declines in property value, substantially lower property value than surrounding community areas; or
 - f. any combination of these factors

Urgent Need - is defined as a serious and immediate threat to health and welfare of the community. The Chief Elected Official must certify that an emergency condition exists and requires immediate resolution and that alternative sources of financing are not available. An application for CDBG funding under the “urgent need” CDBG national objective must adhere to all requirements for same set forth under 24 CFR 570.208(c) and 24 CFR 570.483(d).

DISPLACEMENT PLAN

1. The State shall fund only those applications, which present projects and activities, which will result in the displacement of as few persons or businesses as necessary to meet the goals and objectives of the state and local CDBG-assisted program.
2. The State will use this criterion as one of the guidelines for project selection and funding.
3. The State will require all funded communities to certify that the funded project is minimizing displacement.
4. The State will require all funded communities to maintain a local plan for minimizing displacement of persons or businesses as a result of CDBG funded activities, pursuant to the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended.
5. The State will require that all CDBG funded communities provide assistance to all persons displaced as a result of CDBG funded activities.
6. The State will require each funded community to provide reasonable benefits to any person involuntarily and permanently displaced as a result of the CDBG funded program.

GENERAL SELECTION CRITERIA

The Office of Community and Rural Affairs (OCRA) will consider the following general criteria when evaluating a project proposal. Although projects will be reviewed for this information at the proposal stage, no project will be eliminated from consideration if the criteria are not met. Instead, the community will be alerted to the problem(s) identified. Communities must have corrected any identified deficiencies by the time of application submission for that project to be considered for funding.

A. General Criteria (all programs - see exception for program income):

1. The applicant must be a legally constituted general purpose unit of local government and eligible to apply for the state program.
2. The applicant must possess the legal capacity to carry out the proposed program.
3. If the applicant has previously received funds under CDBG, they must have successfully carried out the program. An applicant must not have any overdue closeout reports, State Board of Accounts audit findings or unresolved OCRA/IHCDA monitoring findings (where the community is responsible for resolution.) Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.
4. An applicant must not have any overdue CDBG semi-annual Grantee Performance Reports, subrecipient reports or other reporting requirements of the OCRA/IHCDA. Any determination of "overdue" is solely at the discretion of the Indiana Office of Community and Rural Affairs.
5. The applicant must clearly show the manner in which the proposed project will meet one of the three national CDBG objectives and meet the criteria set forth under 24 CFR 570.483.
6. The applicant must show that the proposed project is an eligible activity under the Act.
7. The applicant must first encumber/expend all CDBG program income receipts before applying for additional grant funds from the Office of Community and Rural Affairs.
8. To be eligible to apply at the time of an application submission, an applicant must not have any of the following:
 - a. Overdue grant reports, sub-recipient reports or project closeout documents; or
 - b. More than three (3) CDBG grants that are open or pending award (Indiana cities and incorporated towns), or four (4) CDBG grants that are open or pending award (Indiana counties) from OCRA;
 - c. For those applicants with an open MSRP, WDW, PFP, SIP or BCP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open MSRP, WDW, PFP, SIP or BCP contract, and a contract for construction of the principal (largest funding amount) construction line item (activity) must have been executed prior to the deadline established by OCRA for receipt of applications for funding.
 - d. For those applicants who have open Planning Fund grants, the community must have final

plan approved by the Office of Community and Rural Affairs prior to submission of MSRP, SIP, WDW, PFP, or BCP application for the project.

9. To be eligible to apply at the time of application submission, an applicant must not have:
- a. Any unresolved complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)¹
 - i. A complaint during the investigation stage can be resolved for the purposes of this application if the applying party provides the response it submitted to the Commissions and provides verification that it is cooperating in the investigation.
 - ii. To resolve a complaint for the purposes of this application that has received a finding of Probable or Reasonable Cause, the complaint must be closed in a manner that includes the applying party taking a fair housing training and implementing a relevant policy to prevent future possible discriminatory incidents. The applying party need not take the training or implement the policy prior to the application being submitted if the applying party can provide proof that it intends to complete the training and implement the policy within a reasonable period of time. If a complaint has been closed and the closure did not include training or the implementation of a policy, then the applying party can elect to contact the Commissions to voluntarily complete training and have Commissions assist in the implementation of a relevant policy.
 - iii. To resolve a complaint that merits litigation, the applying party must submit evidence that the complaint cannot be settled (i.e. settlement ask too high etc.) and evidence that training and a policy are not the impediments to settlement. Possible evidence can include offer letters, statements of disputed legal questions, statements of disputed facts, statements on behalf of the Commissions that they are unwilling to settle the case, or any similar document that illustrates the case is not ripe for settlement.
 - b. An unresolved pattern of complaints filed against the applying party with the Indiana Civil Rights Commission or any other local human relations commission with jurisdiction (collectively “Commissions”)
 - i. A pattern for purposes of this application is defined as any more than an average of two complaints over a period of four years, regardless of outcome.
 - ii. To resolve a pattern of complaints for purposes of this application, the applying party must partner with the Commissions or other equivalent housing organization to fully review the applying party’s current policies for best practices as well as for compliance with the Indiana Fair Housing Act and Indiana Civil Rights Law. Additionally, the applying party must show proof that the applying party intends to undergo annual fair housing training for all of its employees that regularly interact with tenants and biannual training for all supervising employees for at least one year.

10. The cost/beneficiary ratio for all CDBG funds will be maintained at \$5,000.

¹ If agreeable, it would be the Indiana Civil Rights Commissions obligation to provide timely responses as well as to provide data retrieved from other relevant local human relations commissions.

11. Required leveraging based on program (as measured against the CBDG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.
12. The applicant may only submit one proposal or application per round per program. Counties may submit either for their own project or an “on-behalf-of” application for projects of other eligible applicants within the county. However, no application will be invited from an applicant where the purpose is clearly to circumvent the “one application per round” requirement for other eligible applicants.
13. The application must be complete and submitted by the announced deadline.

DRAFT

**GRANT EVALUATION CRITERIA
700 POINTS TOTAL**

Applications must achieve a minimum score of 450 points to be eligible for award.

NATIONAL OBJECTIVE SCORE (100 POINTS):

Depending on the National Objective to be met by the project, one of the following two mechanisms will be used to calculate the score for this category.

1. National Objective = Benefit to Low- and Moderate-Income Persons: 100 points maximum awarded according to the percentage of low- and moderate-income individuals to be served by the project. The total points given are computed as follows:

$$\text{National Objective Score} = \% \text{ Low/Mod Beneficiaries} \times 1$$

2. National Objective = Prevention or Elimination of Slums or Blight: 100 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

National Objective Score = (Total of the points received in each category below)

- Applicant has a Slum/Blight Resolution for project area (50 pts.)
- The project site is a brownfield* (25 pts.)
- The building or district is listed on or is eligible for listing on the Indiana or National Register of Historic Places (10 pts.)
- The building is on the Historic Landmarks Foundation of Indiana's "10 Most Endangered List" (15 pts.)

* The State of Indiana defines a brownfield as an industrial or commercial property that is abandoned, inactive, or underutilized, on which expansion or redevelopment is complicated due to actual or perceived environmental contamination. Points are awarded for sites listed on the IFA Brownfield registry which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. OCRA has partnered with Stats Indiana, an Indiana University entity, to analyze and calculate the distress of Indiana's small cities, towns, counties and townships. Factors used to calculate the Community Distress points used for CDBG scoring include:

- Poverty Rate**
- Median Household Income**
- Unemployment Rate**
- Non-seasonal Housing Vacancy Rate**
- Housing Cost Burden**
- Population Change (10-year % Change)**

Local government scores, which are updated and published annually, can be found at: www.stats.indiana.edu.

LOCAL MATCH CONTRIBUTION (75 POINTS):

A maximum of 75 points based on the percentage of local funds devoted to the project. This total is determined as follows:

$$\text{Total Match Points} = \% \text{ Eligible Local Match} \times 1$$

The points total is capped at 75 points or 75% match, i.e., a project with 75% match or greater will receive 75 points. Below 75% match, the formula calculation will apply.

Eligible local match can be local cash, debt or in-kind sources. Federal, state, and local government grants are considered eligible match. In-kind sources may provide eligible local match for the project, but the amount that can be counted as local match is limited to 5% of the total project budget or a maximum of \$25,000. Use of in-kind donations as eligible match requires approval from the CDBG Program Director approximately 1-2 weeks prior to application submission (date of deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

A maximum of 300 points awarded according to the evaluation in three areas:

Project Description – Is the project clearly defined as to determine eligibility? – 50 points

Project Need - Is the community need for this project documented and compelling? – 125 points

Financial Impact - Why is grant assistance necessary to complete this project? – 125 points

The points in these categories are awarded by the OCRA Scoring Committee when evaluating the projects. Scoring questions for these categories are defined for each round and are provided to applicants that submit a proposal at the site visit. The questions are subject to change each round. **Applicants should refer to the application packet, scoring guide and other resources to address all questions present.** Applicants are encouraged work with their OCRA Community Liaison to identify ways to increase their project's competitiveness in these areas and of the application as a whole.

PROGRAM SPECIFIC POINTS (50 POINTS):

Blight Clearance Program (BCP)

- **IFA Registry** - A maximum of 25 points awarded for sites registered with the IFA Brownfield program which indicates prior involvement of the Indiana Brownfield Program or a letter is provided from the IFA Brownfield program that states the site is a brownfield.
- **Site Development Plan** - A maximum of 25 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

Owner Occupied Rehabilitation (OOR)

- **Targeted Populations:** A maximum of 25 points will be awarded to applicants whose program design parameters prioritize funding assistance to households that belong to at least one of the targeted population groups listed below.
 - Individuals with Disabilities Households with at least one individual living in the home with a disability using the Fair Housing definition of disabled as defined by HUD.
 - Aging in Place Households with at least one elderly individual, as defined by HUD Glossary, living in the home. Repairs made to the home must address accessibility and/or livability.
 - Veterans Households with at least one veteran individual, as defined in HUD, living in the home.
 - Single Parent Head of Household Households with a single parent, grandparent, or guardian head of household.

Household(s) must be the primary residence for qualifying individual(s). Individuals or households that meet the criteria for two or more categories (i.e. a veteran with a disability or a single parent household with a child with a disability) may only be counted for one of the categories in which they qualify.

- **New Administrator Experience:** A maximum of 25 points will be awarded to applicants who are working with administering entities who can demonstrate prior experience in construction management, rehabilitation of built structures, and/or prior CDBG OOR experience through a different funding agency. Applicants must provide a written narrative explaining previous relevant experience and a third-party reference of experience in the above-mentioned fields to receive these points.
 - Less than 3 years – 10 Points
 - Between 3 to 5 years – 15 points
 - Greater than 5 years – 25 Points

Planning Grants (PL)

- **Community Input and Collaboration** – A maximum of 25 points are awarded for communities that document public input and collaboration efforts beyond letters of support and the two required Public Hearings.
- **Connection to Previous Planning Effort** – A maximum of 15 points are awarded for documentation that the plan that is being applied for connects to a previous planning effort done by the community.
- **Implementation of Previous Plan or First-time Plans** – A maximum of 10 points are awarded for communities that document the successful implementation of a previous planning grant plan or for communities that have never receive an planning grant before.

Public Facilities Program (PFP)

- **Philanthropic Contributions** - Points are assigned based on philanthropic contribution to the project (match) as a percentage of total project costs.
 - Less than 1% - 0 points
 - 1-1.99% - 10 points
 - 2-2.99% - 15 points
 - 3-3.99% - 20 points
 - 4%+ - 25 points
- **Project Sustainability** - A maximum of 25 points for the establishment of a (or documentation of existing) permanent Community Facility Fund, to be used for ongoing operation and maintenance activities of the project.
 - 0 points – Less than \$3,000
 - 10 points - \$3,000-\$5,000
 - 25 points – More than \$5,000

Main Street Revitalization Program (MSRP)

- ~~Community is designated as a Nationally Accredited Main Street Organization (10 points)~~
- ~~The district is listed on the Indiana or National Register of Historic Places (5 points)~~
- ~~Documentation of active and continued involvement in the application and project by the Main Street organization (10 points)~~
- ~~The Main Street Organization has a long-term Strategic Plan. (Maximum of 5 points)~~
- ~~The Main Street Organization has a sustainability/fundraising plan in place. (Maximum of 5 points)~~
- ~~For streetscape projects:
 - ~~The project has unique design elements or is part of a community branding effort. (Maximum of 15 points)~~~~
- ~~For façade projects:~~

- ~~Up to 15 points can be awarded for projects that have a lower density. Density is calculated as the Linear Feet (LF) of all the facades in the project divided by the total Linear Feet (LF) of building frontage within the project area. Points are awarded as follows:~~
 - ~~0 points – Less than 30%~~
 - ~~5 points – 30% -40%~~
 - ~~10 points – 40% -50%~~
 - ~~15 points – More than 50%~~

Wastewater Drinking Water (WDW)

- **Financial Gap** – A maximum of 10 points per each \$1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the “gap,” which is the amount by which grant funds will reduce or “buy down” your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed “without OCRA grant funds”. (Maximum 10 points)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of existing combined utility rate for the ongoing operation and maintenance activities of the wastewater and drinking water systems.
 - 0 points – Less than \$40 combined user rates
 - 10 points – \$40-\$70 combined user rates
 - 25 points – More than \$70 combined user rates

Stormwater Improvement Program (SIP)

- **Financial Gap** – A maximum of 10 points per each \$1 in financial gap. The result of the OCRA Gap Calculation Worksheet is the amount that your community would have to increase the monthly utility rate charged to each customer without grant assistance. This is the “gap,” which is the amount by which grant funds will reduce or “buy down” your utility rates. This amount added to the actual rates anticipated with OCRA grant funds will give you the rates needed “without OCRA grant funds”. (Maximum 10 points)
- **Green Infrastructure** – A maximum of 15 points for the inclusion of green infrastructure elements in the project. (Maximum of 15 points)
- **Project Sustainability** - A maximum of 25 points for the establishment of, or documentation of an existing stormwater utility rate for the ongoing operation and maintenance activities of the storm system.
 - 0 points – under \$3 monthly Stormwater utility user rate
 - 10 points – \$3-\$5 monthly stormwater utility user rate
 - 25 points – \$5 or higher monthly stormwater utility user rate

BONUS POINTS POLICY:

It is OCRA’s policy to reward communities that engage in best practices to proactively address their needed as such OCRA will award bonus points for the following items. To receive bonus points applicant must submit the required documentation approximately 1-2 weeks prior to application submission for each round (deadline will be announced each round). Bonus point approvals are only good for the active round, so they will not be reviewed prior to the opening of the round they will apply.

Regional Planning – 25 points

POINTS REDUCTION POLICY:

It is the policy of OCRA not to fund more than one phase or component of a single project type in different funding rounds. This applies to all project types, except OOR, although it is particularly relevant to utility projects. If a community needs to phase a project in order to complete it, they should consider which phase would be most appropriate for CDBG assistance. Even if a community doesn't intentionally phase a project, OCRA will take into account previously awarded projects for the same project type. A Community that has previously been awarded a grant for the same project type will likely not be competitive and will be subject to the follow point reduction. This applies to all project types, although it is particularly relevant to utility projects.

0 – 5 years since previous funding – -50 points

Example: Community submits and receives a Wastewater Drinking Water (WDW) grant in 2015. When applying for a WDW grant in 2020, they would be subject to a point reduction of 50 pts. In 2021 they would have no point reduction.

**CITIZEN PARTICIPATION PLAN
INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS (STATE)**

The State of Indiana, Office of Community and Rural Affairs, pursuant to 24 CFR 91.115, 24 CFR 570.431 and 24 CFR 570.485(a) wishes to encourage maximum feasible opportunities for citizens and units of general local government to provide input and comments as to its Methods of Distribution set forth in the Office of Community and Rural Affairs' annual Consolidated Plan for CDBG funds submitted to HUD as well as the Office of Community and Rural Affairs' overall administration of the State's Small Cities Community Development Block Grant (CDBG) Program. In this regard, the Office of Community and Rural Affairs will perform the following:

1. Require each unit of general local government to comply with citizen participation requirements for such governmental units as specified under 24 CFR 570.486(a), to include the requirements for accessibility to information/records and to furnish citizens with information as to proposed CDBG funding assistance as set forth under 24 CFR 570.486(a)(3), provide technical assistance to representatives of low-and-moderate income groups, conduct a minimum of two (2) public hearings on proposed projects to be assisted by CDBG funding, such hearings being accessible to handicapped persons, provide citizens with reasonable advance notice and the opportunity to comment on proposed projects as set forth in Title 5-3-1 of Indiana Code, and provide interested parties with addresses, telephone numbers and times for submitting grievances and complaints.
2. Consult with local elected officials and other stakeholders on the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.
3. Publish a draft Consolidated Plan and afford citizens and units of general local government the opportunity to comment thereon.
4. Furnish citizens and units of general local government with information concerning the amount of CDBG funds available for proposed community development and housing activities and the range/amount of funding to be used for these activities.
5. Hold one (1) or more public hearings respective to the State's draft Consolidated Plan duly advertised in newspapers of general circulation in major population areas statewide pursuant to I.C. 5-3-1-2 (B), to obtain the views of citizens on proposed community development and housing needs. The Consolidated Plan Committee published the enclosed legal advertisement to thirteen (13) regional newspapers of general circulation statewide respective to the public hearing(s) held on the Consolidated Plan or Action Plan. In addition, this notice was distributed by email to over 6,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the planning process:

**The Republic, Columbus, IN
The Corydon Democrat and Clarian News, Corydon, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Salem Leader and Salem Democrat, Salem, IN
Scott County Journal, Scottsburg, IN
The News and Tribune, Jeffersonville, IN
The Chronicle-Tribune, Wabash, IN**

**Gary Post Tribune, Gary, IN
Tribune Star, Terre Haute, IN
Journal & Courier, Lafayette, IN
Evansville Courier, Evansville, IN
South Bend Tribune, South Bend, IN
Palladium-Item, Richmond, IN
The Times, Munster, IN
The Star Press, Muncie, IN**

6. Provide citizens and units of general local government with reasonable and timely access to records

regarding the past and proposed use of CDBG funds.

7. Make the Consolidated Plan available to the public at the time it is approved by HUD, and;
8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given Consolidated Plan and/or annual Action Plan.

In addition, the State also will solicit comments from citizens and units of general local government on its CDBG Performance Review submitted annually to the U.S. Department of Housing and Urban Developments (HUD). Prior to its submission of the Review to HUD, the State will advertise regionally statewide (pursuant to I.C. 5-3-1) in newspapers of general circulation soliciting comments on the Performance and Evaluation Report.

The State will respond within thirty (30) days to inquiries and complaints received from citizens and, as appropriate, prepare written responses to inquiries or complaints received from such citizens.

HOME.

HOMEBUYER PROGRAM POLICY

HOME.

RENTAL CONSTRUCTION POLICY

NATIONAL HOUSING TRUST FUND.

POLICY

EMERGENCY SOLUTIONS GRANT.

WRITTEN STANDARDS

Emergency Solutions Grant (ESG)
Reference 24 CFR 91.320(k)(3)

1. Include written standards for providing ESG assistance (may include as attachment)

Written Standards for Provision of ESG Assistance

This section includes written standards for providing the proposed assistance and describes the requirements for subrecipients to establish and implement written standards.

- 1) *Describe the standard policies and procedures for evaluating individuals' and families' eligibility for assistance under ESG.***

ESG subrecipients serving households experiencing literal homelessness as defined under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described in paragraph (1) of the "homeless" definition are encouraged to utilize the Arizona Matrix Tool that is embedded in HMIS as well as completion of a Housing Plan to provide a guide for case management and evaluation of a person or family's needs.

- 2) *Describe the policies and procedures for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.***

ESG subrecipients are expected to create MOU's with all shelter providers, housing agencies, community action agencies, township trustees, mental health centers, health clinics and homeless service providers in their proposed service area. Once available in their area, each ESG subrecipient will be required to partner with the Coordinated Access point by providing immediate housing to those persons who are unsheltered, if space is available. Additionally, as part of the proposal process, subrecipients are required to develop a program design that is inclusive not only of other targeted homeless services, but also of other mainstream resources such as public housing programs, programs receiving project-based or tenant-based Section 8, Supportive Housing for persons with disabilities (Section 811), HOME Investment Partnerships Program, Temporary Assistance for Needy Families (TANF), State Children's Health Insurance Program, Head Start, Mental Health and Substance Abuse Block Grants and services funded under the Workforce Investment Act. IHEDA encourages programs to be strategic and comprehensive in their program design by requiring applicants to include all available resources to the maximum extent practicable.

- 3) *Describe the policies and procedures for determining and prioritizing which eligible families and individuals for homelessness prevention assistance and for rapid re-housing assistance.***

Persons who are utilizing Rapid Rehousing Funds must meet the criteria under paragraph (1) of the "homeless" definition in 24 CFR § Part 576.2 or meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other place described

in paragraph (1) of the “homeless “definition to be eligible to receive rapid re-housing assistance.

Those persons who will be utilizing homeless prevention funds must meet the criterion under the interim rule that clarifies the definition of “at risk of homelessness” under section 401(1) of the McKinney-Vento Act. The definition includes three categories under which an individual or family may qualify as “at risk of homelessness.” For an individual or family to qualify as “at risk of homelessness” under the first category of the definition, the individual or family must meet two threshold criteria and must exhibit one or more specified risk factors. The two threshold criteria, as provided in the statute, are:

1. The individual or family has income below 30 percent of median income for the geographic area; and (2) the individual or family has insufficient resources immediately available to attain housing stability. Under the interim rule, the first criterion refers specifically to annual income and to median family income for the area, as determined by HUD.
2. The second criterion is interpreted as, “the individual or family does not have sufficient resources or support networks, e.g., family, friends, faith based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the homeless definition in 24 CFR § Part 576.2.

For homeless prevention, the risk categories to further ensure consistency of interpretation, the interim rule also clarifies several of the risk factors that pertain to the first category of individuals and families who qualify as “at risk of homelessness.” As provided under the statute, the pertinent risk factors are as follows:

1. Has moved frequently because of economic reasons;
2. Is living in the home of another because of economic hardship;
3. Has been notified that their right to occupy their current housing or living situation will be terminated;
4. Lives in a hotel or motel;
5. Lives in severely overcrowded housing;
6. Is exiting an institution; or
7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

4) Describe the standards for determining the share, if any, of rent and utilities costs that each program participant must pay, if any, while receiving homeless prevention or rapid re-housing assistance.

Participants who receive rental assistance through rapid rehousing or homeless prevention are expected to pay 30 percent of their income for rent and utilities if they have income. IHEDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable when household income is entered. Subrecipients will be responsible for ensuring that assisted rental units meet reasonable rent standards, are at or below fair market rent and meet habitability standards before any rental payments are approved. The tenant's portion and ESG subsidy will be calculated based upon acceptance into the program and determination of need for rental assistance.

The tenant portion of rent is calculated on the basis of allowable household income. Tenant rents are paid directly to the landlord and are subject to the same timeliness requirements as the overall rent. Any late fees incurred while receiving ESG will be the responsibility of the tenant to pay.

5) Describe the standards for determining the duration of rental assistance and whether and how the amount of assistance will be adjusted over time.

Participants can receive up to 12 months of rental assistance per award year, and up to a maximum of 24 months of rental assistance in a three year period. The award term to subrecipients is 12-18 months. All funds associated with that award year must be expended upon completion of the award term. Program participants receiving rental assistance must pay 30 percent of their household income each month towards rent and utilities throughout the duration of their participation with ESG. Tenant payments will not be adjusted if income has increased. Payment of rental arrears consisting of a one-time payment for up to six months of rental arrears, including any late fees on those arrears is also an eligible expense. All persons assisted with program will qualify for up to 12 months of rental assistance and up to 18 months of services. Case managers will utilize the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance. The Housing Plan is available for case managers to utilize for each household.

6) Describe the standards for determining the type, amount, and duration of housing stabilization or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive. Limits should include the maximum amount of assistance, maximum number of months the program participant is eligible to receive assistance; and the maximum number of times the program participants may apply for assistance.

Participants can receive up to 12 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three (3) year period. Housing relocation and stabilization services includes financial assistance activities such as moving costs, rental application fees, security deposits, last month's rent, utility deposits and utility payments; and services such as

housing search and placement, housing stability case management, mediation, legal services and credit repair. No limit will be placed on the amount or type of services provided per participant as subrecipients are encouraged to spend the funds as needed by the tenant through active engagement with the participant. The amount and type of services will be determined largely at the time of intake when the housing case manager completes a housing assessment on the participant. The assessment consists primarily of using the Arizona Self-Sufficiency Matrix tool, which uses a vulnerability index to determine the most urgent needs as it relates to housing. This tool is also built into the HMIS. Participants can be assisted with housing stability case management for up to 30 days during the period the program participant is seeking permanent housing and cannot exceed 18 months total during the period the program participant is living in permanent housing.

Training through ESG program Analyst and other formats provided by the CoC Board (CoC Development Day) have been provided to ESG subrecipients and other McKinney Vento funded programs. These trainings have covered areas such as: housing first best practices, motivational interviewing, rule reductions, how to assist in employment, mainstream resources, bed bug prevention, fair housing, best practices for ESG RRH and case management best practice.

Subrecipients will be expected to attend ESG Rapid Rehousing training offered during the grant cycle and participate in peer learning opportunities/trainings offered during the year.

1. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Coordinated Assessment Committee of the Balance of State Continuum of Care Board is working with the State ESG program to develop and coordinate regional centralized intake and triage centers to ensure access to assistance is driven by the needs of persons experiencing homelessness. IHCD is the collaborative applicant within the CoC and IHCD was awarded the Coordinated Access Grant. With the assistance of the CoC Board, IHCD has ~~will~~ developed and improves upon the coordinated access system. **Access:** The Coordinated Assessment will be in the HMIS system and utilized by the Coordinated Access agency within the Region within the Balance of State CoC whether they are an ESG subrecipient or other programs funded by McKinney Vento. Each Region will determine if their Coordinated Access will be a centralized or decentralized system. **Assessment:** Each homeless person will be assessed and triaged based on their needs in order to prioritize the most vulnerable and those with the highest barriers for first assistance. This first priority would include the chronic homeless population. **Assign:** Once assessed the person/family then will be assigned to the right type of housing that best suits their needs whether it is permanent supportive housing, rapid rehousing or VASH voucher and whether it is available in that area or Region.

2. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

IHCDA plans to allocate funding to a maximum of 15 agencies to administer the ESG Rapid Rehousing and Homeless Prevention Activities of the ESG program for line items such as: housing relocation and services (financial and services), rental assistance and administration.

There will be approximately 60 agencies that will apply for emergency shelter component that includes operations, essentials, and financial assistance and approximately two - six agencies that may apply for the street outreach activity. No more than 60% of ESG funds will be allocated to operations, essentials and street outreach. A request for proposals will be distributed to all the Regional Planning Councils on the Homeless throughout the Balance of State, to the current subrecipients of the ESG program, current permanent supportive housing rental assistance programs (mental health centers, housing agencies, community action agencies, non-profits) who have had experience with rental assistance. Each proposal will be reviewed by at least one IHCDA Community Services staff person and verified by an independent person or committee as appropriate, which could include members of the CoC Board. The reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, commitment to the coordinated access intake point, systems coordination, organizational capacity, permanent housing placement strategy, history of administering the rental assistance programs, amount of match provided and coordination with ESG Entitlement City funds (as applicable). Each subrecipient will be awarded based upon the average of their proposal score and the amount of funding that will be available. The amount of each award could be between \$60,000 and \$250,000 each.

3. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The State ESG recipient – IHCDA - consults with the Indiana Balance of State Continuum of Care Board, which is also administered by IHCDA. The CoC Board must have at least one member who is or has been formerly homeless. Currently, the CoC board has two members who meet this criterion and serve as members of critical committees, including the Resource & Funding Committee. This committee provides guidance to our CoC Programs and their policies and procedures. The State of Indiana recognizes the invaluable perspective of individuals who are currently homeless and formerly homeless in developing an effective person-centered program and system.

The State program strongly encourages subrecipients of the ESG program to incorporate this participation, to the maximum extent practicable, in a policy-making function of both the organization and the respective regional Planning Council on the Homeless. The State ESG program application requires subrecipients to demonstrate how participation and input of people experiencing homelessness is utilized at both an organizational level and within their regional Planning Councils on Homelessness. For 2018-19 applications, this will be a threshold item and will require the subrecipient to provide documentation around their policies for verification. This issue is also reviewed during program monitoring visits.

4. Describe performance standards for evaluating ESG.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC Board and the Resource & Funding Committee and approved by the Balance of State CoC Board by using the national standards outlined in Section 427 of the McKinney-Vento Act, as amended by the HEARTH Act.

Baseline performance measurements will be reports generated by the HMIS system and mainly from ~~the Annual Progress Reports and~~ the ESG CAPER reports for the current grant ~~prior~~ year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

ESG subrecipients will be able to set their own goals for the next years on areas such as: discharging persons to permanent housing, increasing employment income and increasing overall income by persons who exit the emergency housing.

Below are goals that IHCD would like to reach on an annual basis:

ESG RR -rental assistance program subrecipients: At discharge from program, 82 percent of persons assisted will still be permanently housed, and 65 percent will increase their income.

ESG program subrecipients that are Emergency shelters that have activities such as operations, essential services and financial assistance: 50 percent of persons will discharge to permanent housing, and 25 percent will increase their income.

ESG program subrecipients that have outreach component: 50 percent of identified caseload will be permanently housed.

ESG program subrecipients that have outreach component: 50 percent identified caseload will increase their income.

The average length of stay of participants in ESG funded and other CoC programs should decrease by at least 10 percent.

APPENDIX B.

PUBLIC NOTICE AND COMMENTS

APPENDIX C.

SF-424S AND CERTIFICATIONS

APPENDIX D.

CITIZEN PARTICIPATION PLAN

State of Indiana Citizen Participation Plan, Program Years 2021-2024

The Citizen Participation Plan (CPP) herein is the CPP established for the State of Indiana's Five Year Consolidated Plan for Housing and Community Development, covering program years 2021-2024. The CPP was developed around a central concept that acknowledges residents as stakeholders and their input as key to any improvements in the quality of life for the residents who live in a community.

Each program year affords Indiana residents an opportunity to be involved in the process. Citizens have a role in the development of the Consolidated Plan, annual Action Plans, and Consolidated Annual Performance and Evaluation Reports regardless of age, gender/sex, race, ethnicity, national origin, disability, familial status, religion, and economic level.

Purpose of the Citizen Participation Plan

The Citizen Participation Plan (CPP) describes the process the state uses to collect public input and involve the public in development of the Five Year Consolidated Plan. The CPP also addresses how the state obtains public comment on its Annual Action Plan and Consolidated Annual Performance and Evaluation Report (CAPER). This CPP was developed in accordance with Sections 91.110 and 91.115 of HUD's Consolidated Plan regulations.

The purpose of the CPP is to provide citizens of the State of Indiana residents residing in communities eligible to receive housing and community development funds from the state maximum involvement in identifying and prioritizing housing and community development needs in the state, and responding to how the state intends to address such needs through allocation of the following federal grants:

- Community Development Block Grant (CDBG);
- HOME Investment Partnerships Program funding (HOME);
- Emergency Solutions Grant (ESG);
- Housing Opportunity for Persons with AIDS (HOPWA) funding; and
- National Housing Trust Fund (NHTF) funding.

This Consolidated Plan typically covers a five-year timeframe. The state's Consolidated Plan is a comprehensive strategic plan for housing and community development activities. The purpose of programs and activities covered by this Consolidated Plan is to facilitate provision of decent housing, a suitable living environment, and growing economic opportunities, especially for low to moderate income residents.

Subrecipient requirements. Applicants must certify to the State that they are following a detailed Citizen Participation Plan which meets Title I requirements. Technical assistance will be provided by the Office of Community and Rural Affairs to assist program applicants in meeting citizen participation requirements. The State has required each applicant for CDBG funds to certify that it has identified its housing and community development needs, including those of low and moderate income persons and the activities to be undertaken to meet those needs.

Encouraging citizen participation. The state recognizes the importance of public participation in both defining and understanding current housing and community development needs and prioritizing resources to address those needs. The state's CPP is designed to encourage citizens of Indiana equal access to become involved each year.

Development of the Plans and Performance Reports

This document outlines how residents and stakeholders of the State of Indiana may participate in the development and review of the state's Five Year Consolidated Plan, each annual Action Plan, each CAPER, and any substantial amendments to a Consolidated Plan and/or Action Plan. The State of Indiana's program year begins July 1 and ends June 30.

The Indiana Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) are responsible for implementing and reporting on all aspects of the Consolidated Plan process. The following schedule provides an approximate timeline for the Consolidated Plan, annual Action Plan, and the CAPER.

Annual schedule. Annually, the preparation of the Action Plan, stakeholder consultation, and citizen engagement approximates the following. This schedule can change based on the timing of funding allocations from HUD, HUD guidance or directives, and/or states of emergency that affect report submissions.

July:

- Begin Consolidated Annual Performance and Evaluation Report (CAPER) process

September:

- 15th: Begin 15-day Public Comment period for CAPER
- 30th: CAPER submitted to HUD

November through February:

- Develop narrative of Annual Action Plan or Five Year Consolidated Plan
- Plan community meetings and public hearings
- Create and launch surveys
- Conduct stakeholder consultation

January—February—March:

- Conduct public participation process for Consolidated Plan including options discussed below
- Draft Consolidated Plan or Action Plan, funding allocation plans/method of distribution (MOD), and policies for public comment
- Update funding allocation plan and policies based on stakeholder consultation

March – April:

- Hold public hearings

April:

- Finalize plan based on stakeholder consultation and public comment

May:

- 15th: Consolidated Plan and Action Plan submitted to HUD

June:

- End of annual Action Plan year

Citizen participation and stakeholder consultation. Annually, the state will choose from the following options for citizen participation and stakeholder consultation into the Plans. These techniques incorporate alternative methods of public process that encourage a broad spectrum of participation and a review of program performance.

- **Resident survey.** A survey of Indiana residents could be conducted during the research phase of the Five Year Consolidated Plan in order to gather additional information on housing and community development needs and priorities for the Consolidated Plan. The survey would be available online using software that is Section 508 compliant. A variety of sampling and distribution methods may be used including a “snowball” sampling technique in which the survey is distributed to housing and community development partners who then circulate the survey to their clients/members. The survey would also be available on agency websites, as part of social media, and in email notifications (e-notifications). The survey would be available in the languages required of the state’s LAP. Special accommodations for persons with disabilities would be made upon request.
- **Stakeholder survey and elected official survey.** An online stakeholder survey may be administered to community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others. During some Consolidated Plan and Action Plan years, the survey may be conducted in the form of key informant interviews from a voluntary sample of stakeholders from throughout the state. Special accommodations for persons with disabilities would be made upon request.

- **Focus groups.** Focus groups may be held with local government leaders and staff, Regional Planning Commissions, advocates for persons with disabilities, Continuum of Care funding recipients, Community Action Agencies and Human Rights Councils, and residents, to gather in-depth information on the challenges Indiana residents face in accessing housing and services in their communities, community and economic development needs, and policy and program changes to address needs. Special accommodations for persons with disabilities would be made upon request.
- **Stakeholder interviews.** A series of interviews may be conducted with key persons or groups who are knowledgeable about housing and community development needs in the state.
- **Public hearings.** A public hearing will always be conducted during the 30 to 45-day public comment period.¹ This meeting will occur at least one month prior to submission of the Plan, generally during the months of March or April. At the State's discretion, the State may elect to host the meeting virtually. Alternatively, the State may choose to conduct in-person hearings and broadcast the hearing to three to four locations throughout the state. These will occur on different days to encourage maximum participation. Special accommodations for persons with disabilities would be made upon request.
- **Written comments.** Written comments will always be accepted at any time during the Consolidated Plan and Action Plan processes in email or in hard copy. Instructions on how to provide comments will be part of public notices and described during the public hearings.

Consolidated Plan

The draft will provide information that includes the amount of assistance the state expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income, if available, and the plans to minimize displacement of persons and to assist any persons displaced.

A reasonable notice—generally two calendar weeks—is given to announce to the public the availability of the draft Consolidated Plan. Availability of the draft Plan is advertised through e-notifications that reach community development organizations, economic development officials, local government leaders and staff, housing developers, housing providers, social service providers, and advocacy organizations, among others, and is posted on OCRA and IHEDA websites. The state's current Language Access Plan (LAP) determines the languages in which notice is provided.

¹ Under special circumstances—such as during the 2020 pandemic when funds needed to be deployed quickly—the comment period may be shorter as allowed by HUD.

A 30 to 45-day public comment period is provided to receive written comments on the draft Plan.² The 30 to 45-day comment period usually begins in March or April and ends in April or early May. The draft Plan can be reviewed at OCRA and IHCDAs websites; emailed or hard copies can be provided upon request.

All written comments provided during the Consolidated Plan process will be considered in preparing the final Consolidated Plan. A summary of the comments received and a summary of the state's reasons for not accepting any comments will be included in the final Consolidated Plan. The state considers these comments before taking final action on the Consolidated Plan.

The final Consolidated Plan is submitted to HUD no later than May 15 each year, unless extensions are granted (e.g., for federal budget allocation delays, in the case of emergency response needs, etc).

Annual Action Plan

Each year the state must submit an annual Action Plan to HUD, reporting on how that year's funding allocation for the CDBG, HOME, ESG, HOPWA, and NHTF grants will be used to achieve the goals outlined in the Five Year Consolidated Plan. The CPP for preparation of the Action Plan is as follows:

The draft Action Plan will be available for 30 to 45 days to gather public comment on the proposed spending allocation.³ The state will hold at least one public hearing to describe the state's proposed allocation of the program year's funding allocation during the 30 to 45-day public comment period. The availability of the draft Plan and public hearings will be publicized on OCRA and IHCDAs websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHCDAs will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

The public hearing will be conducted virtually. Alternatively, the state may choose to conduct in-person hearings in three to four locations throughout the state. These will occur on different days to encourage maximum participation.

During the hearing a facilitator will describe the proposed funding allocation, discuss funding priorities and how they were derived, and instruct attendees on how to submit comments on the draft Plan. In addition, participants will be given an opportunity to

² Under special circumstances—such as during the 2020 pandemic when funds needed to be deployed quickly—the comment period may be shorter as allowed by HUD.

provide feedback or comment on the draft Plan. A summary of the public hearing comments will be included in the final Action Plan.

The state will review and consider all written public comments. The final Action Plan that is submitted to HUD will include a section that summarizes all comments or views in addition to explanations of why any comments were not accepted.

Consolidated Annual Performance and Evaluation Reports

Before the state submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the state will make the proposed CAPER available to those interested for a comment period of no less than 15 days. The availability of the draft Plan and public hearings will be publicized on OCRA and IHEDA websites and circulated through e-notifications to housing and community development partners. In addition, OCRA and IHEDA will collaborate with stakeholder associations to further distribute the notice of the draft plan to their memberships and networks.

The state will consider any comments from individuals or groups received verbally or in writing. A summary of the comments, and of the state's responses, will be included in the final CAPER.

Substantial Amendments

Occasionally, public comments warrant an amendment to the Consolidated Plan. The conditions for whether to amend are referred to by HUD as "Substantial Amendment Criteria." The following conditions are considered to be Substantial Amendment Criteria:

1. A substantial change in the described method of distributing funds to local governments or nonprofit organizations to carry out activities. "Substantial change" shall mean a reallocation of funds among program categories of programs of more than 25 percent of the total allocation for a given program year's block-grant allocation.

Elements of a "method of distribution" are:

- Application process for local governments or nonprofits;
 - Allocation among funding categories;
 - Grant size limits; and
 - Criteria selection.
2. An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of the following:

- There is a federal government recession of appropriated funds, or appropriations are so much less than anticipated that the state makes an administrative decision not to fund one or more activities;
- The governor declares a state of emergency and reallocates federal funds to address the emergency; or
- A unique economic development opportunity arises wherein the state administration asks that federal grants be used to take advantage of the opportunity.

Citizen participation in the event of a substantial amendment. In the event of a substantial amendment to the Consolidated Plan, the state will conduct at least one additional public hearing. This hearing will fall during a comment period of no less than 30 days or a shorter time period as allowed by HUD for such amendments, during which the proposed Plan amendment will be made available to interested parties. Either IHEDA or OCRA will post information regarding the hearing on their website(s) and send out a notice via their distribution list.

In the event of substantial amendments to the Consolidated Plan, the state will openly consider all comments from individuals or groups submitted at public hearings or received in writing. A summary of the written and public comments on the amendments and the state's acceptance or rejection of each comment will be included in the final Consolidated Plan.

Changes in Federal Funding levels

Any changes in federal funding level after the Consolidated Plan's draft comment period has expired, and the resulting effect on the distribution of funds, will not be considered an amendment or a substantial amendment.

Availability and Access to Records

The state provides reasonable and timely access for citizens, public agencies, and other organizations to access information and records relating to the state's Consolidated Plan, annual Action Plan, CAPERs, substantial amendment(s), the Citizen Participation Plan, and the state's use of assistance under the programs covered by the plan during the preceding five years.

The Indiana Office of Community and Rural Affairs webpage is www.in.gov/ocra and the Indiana Housing and Community Development Authority webpage is <https://www.in.gov/ihcda/4048.htm> for citizens interested in obtaining more information about state services and programs or to review the plans and CAPERs. A reasonable number of free copies will be available to citizens that request it. Upon request, these documents will be provided in a reasonable form accessible to persons with disabilities.

Citizen complaints

The state will provide a substantive written response to all written citizen complaints related to the Consolidated Plan, Action Plan amendments and the CAPER within 15 working days of receiving the complaint. Copies of the complaints, along with the state's response, will be sent to HUD if the complaint occurs outside of the Consolidated Planning or Action Plan process and, as such, does not appear in the Consolidated Plan.