Indiana 2013 Action Plan

CDBG, HOME, ESG and HOPWA

DRAFT REPORT

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2013 Annual Action Plan

CDBG, HOME, ESG, HOPWA

Executive Summary

ES-05 Executive Summary

1. Introduction

Each year 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 statewide. These grant funds include: Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG), the HOME Investment Partnerships Program (HOME), and Housing Opportunities for People with AIDS (HOPWA). The dollars are primarily meant for investment in the State's less populated and rural areas, which do not receive such funds directly from HUD.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The 2013 Action Plan is the fourth of five program years covered by the State of Indiana 2010-2014 Consolidated Plan. The five-year, top-level goals that guide funding during this planning period include:

Goal 1. Expand and preserve affordable housing opportunities throughout the housing continuum.

Goal 2. Reduce homelessness and increase housing stability for special needs populations.

Goal 3. Promote livable communities and community revitalization through addressing unmet community development needs.

Goal 4. Promote activities that enhance local economic development efforts.

The goals are not ranked in order of importance, since it is the desire of the State to allow each region and locality to determine and address the most pressing needs it faces.

To achieve the goals, the State will use a combination of federal and state funds, and other public and private funds for project leveraging to address the priority housing and community development needs.

For eCon Plan Suite, these top level goals have been narrowed into subgoals, which appear in section SP-45. (These subgoals are called "objectives" in the 2010-2014 Consolidated Plan). Each subgoal has "goal outcome," for both the five- and one-year planning period.

3. Evaluation of past performance

OCRA and IHCDA past programs and allocation methods have been successful. Changes in priorities and allocation methods for 2013 were based on local government consultation, data collection and the need to continue having the greatest impact with less funding. For example, for the 2013 program year OCRA has implemented a Section 108 loan program, to provide local governments access to capital that is difficult to obtain privately.

IHCDA allocates funds to meet its four strategic goals: ending long-term homelessness, comprehensive community development, sustainable and affordable housing, individual and family economic stability and aging in place. This is third year that IHCDA has made these strategic objectives the priority of our funding allocation of formula grants. Each of these strategic priorities requires funding from multiple funding sources. For example, to end long-term homelessness, ESG funds will be required to work in coordination with Continuum of Care (CoC) funds to reduce the length of time people experiencing homelessness stay in shelter and reduce recidivism by increasing rental assistance programs funded through CoC funds. Our experience has led the agency to allocate formula grant funds in concert with other funding streams necessary to advance IHCDCA's strategic goals.

ESG funding in 2012 was used toward operations, essential services, HMIS and Rapid Rehousing. Many of the ESG Rapid Rehousing agencies had difficulty finding the match requirement so RFP's were increased from three to eight subrecipients. Many agencies also requested homeless prevention as a resource along with rapid rehousing.

Due to installation of a new HMIS system in March 2012, a good performance baseline was not attainable until the system was fully functioning. State of Indiana hopes to collect a good baseline of performance standards data against the 2012 performance goals. The 2013 ESG RFP will require the subrecipients to work toward their performance goals based upon 2012 performance.

4. Summary of citizen participation process and consultation process

Citizen participation and stakeholder consultation was achieved using three tools:

1) An electronic survey of stakeholders, distributed to more than 1,100 local government officials, nonprofit housing and community development professionals, regional planners, Chambers of Commerce and others in nonentitlement areas of the state;

2) An electronic survey of public housing authorities in nonentitlement areas to gather data on client needs, barriers to housing opportunity and market demand; and

3) A series of regional meetings with local officials, nonprofits, businesses and other stakeholders to discuss regional housing and community development needs and how OCRA and IHCDA programs assist in addressing such needs.

5. Summary of public comments

This section will be updated with a summary of public comments received during the 30-day draft comment period.

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

All comments are or will be accepted and are summarized in the Consultation and Participation sections of this Action Plan (see AP-10 and AP-12).

7. Summary

Please see above.

PR-05 Lead & Responsible Agencies

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
Lead Agency	INDIANA	

Table 1 – Responsible Agencies

Narrative

The lead agencies for completion of the 2013 State of Indiana Action Plan include:

1. The Indiana Office of Community and Rural Affairs (OCRA), which administers CDBG;
2. The Indiana Housing and Community Development Authority (IHCDA), which administers HOME, ESG and HOPWA.

Consolidated Plan Public Contact Information

The primary contact for the 2013 State of Indiana Action Plan is:

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AP-10 Consultation

1. Introduction

This section summarizes the consultation between OCRA and IHCDA in development of the 2013 Action Plan, as well as during program years.

Summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

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

The State ESG program presented their program plans to the Funding & Strategy Committee Members in March 2013. The F & S Committee represents homeless providers who provide temporary or permanent housing and/or services to homeless persons, mental health service providers, Regional Planning Council Chairs within the CoC. Department of Education, Supportive Housing Service provider, entitlement city and the Chair is the CoC Collaborative Applicant for all McKinney Vento Funding opportunities. The FSC oversees local, state, and federal funding for the CoC and seeks new opportunities for funding to end homelessness, such as Section 811 PRAD, Mckinney Vento Competitive Applications and the Consolidated Plan Application. The F&S helps to develop funding policy to advance CoC priorities and oversees the integration and use of mainstream resources in the area. The FSC oversees the allocation and helps to set policy for the State ESG in order to integrate CoC and ESG funding under the same performance standards, meeting all the needs and gaps in the CoC area.

The Planning Council has three other committees: Data Collection and Evaluation, Quality and Performance, and Housing and Program Continuum Development. The State ESG program will be part of the work of each committee.

The Data Collection and Evaluation Committee will provide oversight and monitor the use of HMIS to measure performance measures such as length of shelter stays and recidivism as well as tracking housing stability measures for the rapid re-housing program. This committee will also advise the HMIS lead agency during the implementation of the Arizona Matrix as both a vulnerability index to inform case managers developing housing plans with participants and program level performance reports for the Funding and Strategies committee.

The Quality and Performance committee is being consulted to develop shelter quality standards using national best practices and a housing first approach to homeless assistance. The shared quality standards will focus on reduction in the length of homelessness, reduction in the return to homelessness and improved engagement and efficacy of all homeless assistance programs.

The Housing and Program Continuum Development committee will work with the state ESG program to develop and coordinate regional central intake and triage centers to insure access to assistance is driven by the needs of persons experiencing homelessness. The Housing and Program Continuum Development committee will also coordinate the State ESG program with the CoC strategic planning around key community service systems: housing, employment, child care, youth services, primary health care, behavior health care, addiction treatment and other mainstream resources.

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

Agency/Group/Organization	Agency/Group/ Organization Type	What section of the Plan was addressed by Consultation?
Continuum of Care	Services-homeless	Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs – Veterans Homelessness Needs - Unaccompanied youth

Table 2 – Agencies, groups, organizations who participated

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

N/A; all agencies and stakeholders were encouraged and welcome to participate in the 2013 Annual Action Plan.

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	Indiana Planning Council on the Homeless	The Council's Housing and Program Continuum Development committee will work with the state ESG program to develop and coordinate regional central intake and triage centers to insure access to assistance is driven by the needs of persons experiencing homelessness. The Housing and Program Continuum Development committee will also coordinate the State ESG program with the Continuum of Care strategic planning around key community service systems: housing, employment, child care, youth services, primary health care, behavior health care, addiction treatment and other mainstream resources.

Table 3 – Other local / regional / federal planning efforts

Narrative

In addition to the above, IHCDA assisted the Indiana Office of Medicaid Planning and Policy apply to the U.S. Department of Health and Human Service for a Real Choice Systems Change planning grant. The RCSC partnership includes the Office of Medicaid Planning and Policy, Indiana Housing and Community Development Authority, Division of Mental Health and Addiction, Indiana State Department of Health, Corporation for Supportive Housing and Indiana NAMI. The partnership developed and is executing a work plan to link affordable housing for individuals with disabilities with Medicaid, behavior health and primary health services to insure the can live independently in a community of their choice.

AP-12 Participation

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

Citizen Participation Outreach

Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
Public Meeting	Minorities Non-English Speaking - Specify other language: as requested Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Economic development and local officials	Please see the Grantee Unique Appendices, which contains a section that summarizes the participation in the meetings and primary findings.	Please see the Grantee Unique Appendices, which contains a section that summarizes the participation in the meetings and primary findings.	N/A	
Newspaper Ad	Minorities Non-English Speaking - Specify other language: Spanish Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	Public hearing announcements of the draft plan were published in 16 different newspapers of general circulation in major population areas statewide.		N/A	
Other	Minorities Non-English Speaking - Specify other language: as requested Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing Economic development officials	Please see the Grantee Unique Appendices, which contains a section that summarizes the participation in the survey and primary findings.	Please see the Grantee Unique Appendices, which contains a section that summarizes the participation in the survey and primary findings.	N/A	https://www.surveymonkey.com/s/IN_AnnualPlan_andAI

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources

Introduction

This section describes the primary resources the State of Indiana will use to fulfill the goals and objectives of the 2013 Annual Action Plan. The Expected Amount Available figures in the table below were provided by HUD at the time this report was prepared. It is unclear if, due to federal budget constraints, this annual allocation will be similar for the final program year of the Consolidated Plan cycle (2014).

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder 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	27,107,784	0	0	27,107,784	0	
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	950,000	0	0	950,000	0	
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	14,250,000	0	0	14,250,000	0	
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,760,000	0	0	3,760,000	0	

Table 1 - 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

OCRA match. Matching funds include local public or private sector in-kind services, cash or debt allocated to the CDBG project. The minimum level of local matching funds for CDBG projects is 10% 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 2013 definition of match includes a maximum of 5%pre-approved and validated in-kind contributions. The balance of the 10% 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. Funds provided to applicants by the State of Indiana such as the Build Indiana Fund 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 will thus create a match pool, which is a collection of resources taken from closed HOME-funded projects that documented match in excess of the required 25%. 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 grantees are required to match 100% of the ESG award, and can include cash, grants and in-kind donations. **CDBG housing leverage.** The State of Indiana requires 10% leverage for most CDBG funds. IHCDA recipients have used a variety of funding sources to meet this requirement, including Federal Home Loan Bank grants, Rural Development grants, contractor contributions, cash contributions and cash from local government general funds. **HOME match.** The HOME program requires a 25% match, which is a federal requirement. Applicants must demonstrate eligible matching funds equal to 25% of the amount of HOME funds requested, less administration, environmental review and CHDO operating costs. If the applicant is proposing to utilize banked match for the activity:

- And it is the applicant's own banked match, the match liability on the previous award for which the match was generated must already be met and documented with IHCDA for the match to be eligible as of the application due date. Only HOME-eligible match generated on IHCDA awards made in 1999 or later, are eligible to be banked.

- Or, if it is another recipient's match, the applicant must provide an executed agreement with the application verifying that the recipient is willing to donate the match.

Only banked match from awards made in 1999 or later that have fully met their match liability are eligible to donate to another applicant. The award must be closed before the agreement to donate match is executed. Match cannot be sold or purchased and is provided purely at the discretion of the recipient that granted it.

Banked leverage generated on a CDBG award cannot be used as match on a future HOME award. Only banked match generated on a HOME award can be used on a future HOME award.

The HOME regulations outline the very specific types of HOME-eligible matching funds, and IHCDA must document expenditures of matching funds by individual sites. HOME recipients often use Federal Home Loan Bank grants, savings from below-market interest rate loans, and donations of property, as match for their HOME awards. Additionally, IHCDA documents the MRB financing used in the First Home program as a match.

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

N/A.

Discussion

Please see above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
Create New & Rehabilitate Affordable Rentals	2010	2014	Affordable Housing			HOME: $3,000,000	Rental units constructed: 50 Household Housing Unit Rental units rehabilitated: 50 Household Housing Unit
Provide & Support Homebuyer Assistance	2010	2014	Affordable Housing			HOME: $4,000,000	Direct Financial Assistance to Homebuyers: 700 Households Assisted
Develop Affordable Owner Occupied Units	2010	2014	Affordable Housing			HOME: $1,000,000	Homeowner Housing Added: 25 Household Housing Unit
Complete Owner Occupied Rehabilitation	2010	2014	Affordable Housing			CDBG: $3,252,934 HOME: $500,000	Homeowner Housing Rehabilitated: 240 Household Housing Unit
Predevelopment Loan Funding for Affordable Housing	2010	2014	Affordable Housing			HOME: $250,000	Other: 5 Other
Funding for Organizational Capacity	2010	2014	Affordable Housing			HOME: $500,000	Other: 8 Other
Construction & Rehab of Perm Supportive Housing	2010	2014	Homeless Non-Homeless Special Needs			HOME: $4,000,000	Housing for Homeless added: 40 Household Housing Unit
Tenant-Based Rental Assistance	2010	2014	Homeless Non-Homeless Special Needs			HOME: $1,000,000 ESG: $1,170,000	Tenant-based rental assistance / Rapid Rehousing: 308 Households Assisted
Operating Support Funding for Shelters	2010	2014	Homeless Non-Homeless Special Needs			ESG: $1,220,000	Other: 55 Other
Emergency Shelter Essential Services	2010	2014	Homeless			ESG: $200,000	Homeless Person Overnight Shelter:

OMB Control No: 2506-0117 (exp. 07/31/2015)

Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
							15000 Persons Assisted
Rapid Re-Housing	2010	2013	Homeless Non-Homeless Special Needs			ESG: $1,170,000	Tenant-based rental assistance / Rapid Rehousing: 130 Households Assisted
HOPWA Housing Information Services	2010	2014	Non-Homeless Special Needs			HOPWA: $100,000	Other: 100 Other
HOPWA Housing Placement Services	2010	2014	Non-Homeless Special Needs			ESG: $50,000	Other: 75 Other
HOPWA Improve Housing Options	2010	2014	Non-Homeless Special Needs			HOPWA: $800,000	Tenant-based rental assistance / Rapid Rehousing: 200 Households Assisted HIV/AIDS Housing Operations: 7 Household Housing Unit Other: 321 Other
Equipment for Emergency Services	2010	2014	Non-Housing Community Development			CDBG: $2,800,000	Other: 8 Other
Construct Public Facility Projects	2010	2014	Non-Housing Community Development			CDBG: $2,800,000	Other: 7 Other
Historic Preservation Projects	2010	2014	Non-Housing Community Development			CDBG: $900,000	Other: 2 Other
Brownfield/Clearance Projects	2010	2014	Non-Housing Community Development			CDBG: $900,000	Other: 8 Other
Construct & Rehab Infrastructure Improvements	2010	2014	Non-Housing Community Development			CDBG: $8,941,616	Other: 19 Other
Provide Planning Grants to Local Governments/CHDOs	2010	2014	Non-Housing Community Development			CDBG: $1,300,000	Other: 50 Other
Provide Project Support for Community Development	2010	2014	Non-Housing Community Development			CDBG: $5,300,000	Other: 10 Other
Create Jobs for Low to Moderate Income Populations	2010	2014	Non-Housing Community Development			CDBG: $2,000,000	Jobs created/retained: 150 Jobs
Construction & Rehab of Migrant Farmworker Housing	2012	2012	Homeless Non-Homeless Special Needs			CDBG: $500,000	Overnight/Emergency Shelter/Transitional Housing Beds added: 40 Beds

Table 2 – Goals Summary

AP-25 Allocation Priorities

Introduction

The table below contains an estimate of how CDBG, HOME, ESG and HOPWA funding will be allocated among eligible activities during the 2013 Action Plan.

Funding Allocation Priorities

Program	Create New & Rehabilitate Affordable Rentals	Provide & Support Homebuyer Assistance	Develop Affordable Owner Occupied Units	Complete Owner Occupied Rehabilitation	Predevelopment Loan Funding for Affordable Housing	Funding for Organizational Capacity	Construction & Rehab of Perm Supportive Housing	Tenant-Based Rental Assistance	Operating Support Funding for Shelters	Emergency Shelter Essential Services	Rapid Re-Housing	HOPWA Housing Inform. Services	HOPWA Housing Placement Services
CDBG	0	0	0	10	0	0	0	2	0	0	0	0	0
HOPWA	0	0	0	0	0	0	0	0	0	0	0	0	11
HOME	21	28	7	4	2	3	28	0	7	0	0	0	0
ESG	0	0	0	0	0	0	0	0	31	33	5	31	0

CONTINUED	HOPWA Improve Housing Options	Equipment for Emergency Services	Construct Public Facility Projects	Historic Preservation Projects	Brownfield/ Clearance Projects	Construct & Rehab Infrastructure Improvements	Provide Planning Grants to Local Governments/ CHDOs	Provide Project Support for Community Development	Create Jobs for Low to Moderate Income Populations	Construction & Rehab of Migrant Farmworker Housing	Colonias Set-Aside	Total
CDBG	0	0	10	10	3	3	33	5	20	4	0	**100**
HOPWA	5	84	0	0	0	0	0	0	0	0	0	**100**
HOME	0	0	0	0	0	0	0	0	0	0	0	**100**
ESG	0	0	0	0	0	0	0	0	0	0	0	**100**

Table 3 – Funding Allocation Priorities

Reason for Allocation Priorities

The allocation priorities were based on successful outcomes in past years; input from stakeholders through regional meetings and an online survey; and data on housing markets and economic conditions in nonentitlement areas.

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

The 2013 Action Plan addresses the Five-year Strategies, Goals and Objectives similar to past program years. The addition of a Section 108 loan program for community enhancement and economic development activities will offer a much needed source of funding to encourage economic development and job creation in rural areas.

AP-30 Methods of Distribution

Introduction

This section summarizes the Method of Distributions (MOD) used to allocate funds from the four HUD block grants--CDBG, HOME, ESG and HOPWA--to nonentitlement communities in the State of Indiana. The detailed MODs are included in the attached Grantee Unique Appendices.

Distribution Methods

State Program Name	Funding Sources
State of Indiana	CDBG HOPWA HOME ESG

Table 4 - Distribution Methods by State Program

State Programs Addressed

The four programs addressed by the MODs are: CDBG, HOME, ESG and HOPWA. The CDBG MOD discusses the allocation of funds to subrecipients within the state programs of:

- Community Focus Fund,
- Stellar Communities Program,
- Planning Fund,
- Main Street Revitalization,
- Water/Wastewater Partnership Program,
- Brownfield Partnership Program,
- Public Facilities Program,
- Storm Water Systems Program,
- Technical Assistance, and
- Section 108 Program (new).

Criteria and their importance

Each HUD block grant program has a MOD. The criteria used to select applications appears in the MODs on the following pages:

- CDBG MOD--Attachments C through J
- ESG MOD--Pages 9 and 10
- HOPWA MOD--Pages 1 and 2

CDBG only: Access of application manuals

N/A; the CDBG MOD contains detailed selection criteria.

ESG only: Process for awarding funds to state recipients

IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Re-housing and Homeless Prevention Components of the ESG program.

There will be approximately 60 agencies that will apply for the operations, essentials, financial assistance and approximately 1 agency applying for an outreach component. 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 also have had experience with the previous Homeless Prevention and Rapid Re-housing Program (HPRP). Each proposal will be reviewed by at least one IHCDA Community Services staff person and by the Funding and Strategies committee of the Indiana Planning Council on the Homeless. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, centralized 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 sub-recipient will be awarded based upon the homeless need in their community and their ability to provide match. This amount could be between $50,000 - $350,000 each. .

HOPWA only: Method of selecting project sponsors

IHCDA will facilitate a competitive request for qualifications (RFQ), advertised through the CoC network and posted online, for HIV/AIDS service providers. The RFQ will be competitive in order to allocate funding based on six criteria:

- How long the agency has served the population as an Indiana State Department of Health care coordination site.
- What housing services the organization provides.
- Experience providing HOPWA assistance.
- How HOWPA will meet the unmet housing need in an area.
- Involvement with local Regional Planning Council/Committees/Leadership roles within RPC.
- How the agency has been involved with the Indiana Triage Project.

Resource Allocation among Funding Categories

Please see the distribution of funds among program categories appearing on page 3 of the CDBG MOD.

Threshold Factors and Grant Size Limits

Please see the distribution of funds among program categories appearing on page 3 of the CDBG MOD.

Outcome Measures expected as results of Distribution Method

Desired outcomes are addressed in the ESG MOD on page 10 (Performance Standards).

For HOPWA, IHCDA will use the following indicators to measure subrecipient's ability to achieve the desired outcomes:

- 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
- Supportive services - households

Discussion

Please see above.

Projects

AP-38 Project Summary

Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding

Table 5 – Project Summary

AP-35 Projects

Introduction

Please see the spreadsheet that is contained in the Grantee Unique Appendices for details on the State of Indiana 2013 allocation of funds among programs and activities.

#	Project Name

Table 6 – Project Information

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

Please see the allocation priorities and reasons for allocations in SP-25, Priority Needs screen. .

AP-40 Section 108 Loan Guarantee

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

Yes

Available Grant Amounts

Full program description can be found with the Grantee Unique Appendices.

The State of Indiana operates a Section 108 loan funds program; State of Indiana Community Enhancement and Economic Development Loan Program. The program is administered by OCRA and IHCDA.

Acceptance process of applications

Full program description can be found with the Grantee Unique Appendices.

AP-45 Community Revitalization Strategies

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

Yes

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

Please see the CDBG MOD and the new Section 108 Loan Program for more information about the state's programs to conduct community enhancement and economic development activities.

The Stellar Communities Program, funded with CDBG, makes available funds for a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy, communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Summary of Comprehensive Community Revitalization Strategy
- Identify at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts and sources, and additional funding resources.
- Completion of the site visit checklist from the resource team.
- Document and support the level of need for each project and the significance of each project in the overall revitalization efforts within the community;
- Capacity of the applicant to administer the funds; and
- The long-term viability of the strategic community investment plan.

AP-50 Geographic Distribution

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, the State identifies the greatest need for the State (and nonentitlement areas) in general, and this information is used to guide the funding priorities for each program year. For local needs, the State relies on the information presented in the funding applications.

OCRA does include a component of scoring in their CDBG applications where the low and moderate income percentage is a weighted score, therefore a higher percentage of low and moderate income the higher the score. IHCDA includes a preference for application that attempt to reach low and very low-income levels of area median income.

The HOPWA grant does rely on a geographic allocation, determined through the CoC regions. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA 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), IHCDA will work with the regional sponsor to tailor services to meet the needs of the population. In instances where the sponsor cannot meet these needs, the sponsor will have the ability to sub-grant a portion of its HOPWA award to another service provider.

Geographic Distribution

Target Area	Percentage of Funds

Table 7 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Previously the responsibility for deciding how to allocate funds geographically has been at the agency level. The State has maintained this approach, with the understanding that the program administrators are the most knowledgeable about where the greatest needs for the funds are located. Furthermore, the State understands that since housing and community development needs are not equally distributed, a broad geographic allocation could result in funds being directed away from their best use.

Discussion

Please see above.

Affordable Housing

AP-55 Affordable Housing

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	15,300
Non-Homeless	300
Special-Needs	300
Total	15,900

Table 8 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	400
The Production of New Units	50
Rehab of Existing Units	50
Acquisition of Existing Units	0
Total	500

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

AP-60 Public Housing

Introduction

This section describes IHCDA'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

IHCDA will launch the Section 8 HCVP Family Self Sufficiency Program (FSS) during the spring of 2013. FSS is designed to enable families to achieve economic independence and self-sufficiency. By linking the Section 8 Housing Choice Voucher Program (HCVP) vouchers with the help of both private and public resources, families are able to receive job training, educational services and other much needed assistance over a five year period. The goal is to eliminate the family's need for public assistance and enhance their ability to achieve homeownership, if desired.

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

IHCDA, as the state PHA, will also apply for Section 811 Project Based Rental Assistance in 2013. The target population will be for individuals with disabilities in State Operated Facilities and other restricted living

OMB Control No: 2506-0117 (exp. 07/31/2015)

situations. The Section 811 Project Based Rental Assistance will utilize existing HOME and Low Income Housing Tax Credit properties to provide the target population a choice of community-based housing options.

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

Introduction

This section discusses 2013 program year activities that will benefit persons who are homeless and special needs populations.

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 the use of the HMIS for all residential shelter programs serving homeless individuals and families.
- Require participation in annual, statewide homeless Point-in-Time Count in late January and timely submission of this data to IHCDA.
- Require that all ESG grantees actively participate in their Regional Planning Council on the Homeless meetings regularly (minimum 75 percent attendance).

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-20), emergency shelter and transitional housing needs are addressed through the ESG's participation in the Indiana Planning Council on the Homeless, the governing body for the Balance of State program. The Planning Council has three other committees: Data Collection and Evaluation, Quality and Performance, and Housing and Program Continuum Development. The State ESG program is part of the work of each committee.

The strategic objectives of the Planning Council are to:

- Decrease shelter stays by increasing rapid re-housing to stable housing.
- Reduce recidivism of households experiencing homelessness.
- Decrease the number of Veterans experiencing homelessness.
- Decrease the number of persons experiencing Chronic Homelessness.
- Create new permanent supportive housing beds for chronically homeless persons.
- Increase the percentage of participants remaining in CoC funded permanent housing projects for at least six months to 86 percent or more.
- Decrease the number of homeless households with children.
- Increase the number of rental assistance programs and services.
- Increase the percentage of participants in ESG-funded rental assistance programs that move into permanent housing to 82 percent or more.
- Increase the percentage of participants in all CoC funded transitional housing that move into permanent housing to 70 percent or more.
- Increase the percentage of participants in CoC funded projects that are employed at exit to 38 percent or higher.
- Increase persons experiencing homelessness access to mainstream resources.
- Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.
- Improve homeless outreach and triage to housing and services.
- Improve HMIS data quality and coverage, and use data to develop strategies and policies to end homelessness.
- Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

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

Please see above.

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

Please see above.

Discussion

Please see above.

AP-70 HOPWA Goals

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	220
Tenant-based rental assistance	110
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	15
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	5
Total	350

AP-75 Barriers to affordable housing

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

The State of Indiana is in the process of updating its statewide Analysis of Impediments to Fair Housing Choice (AI) to more directly address HUD's current expectations of AIs. Focus groups with residents and stakeholders, especially those in protected classes, were held in the winter and spring of 2013. Surveys to collect stakeholder input on barriers to choice in the communities they serve have also been distributed. These activities will be followed with a review of land use and zoning regulations in a sample of nonentitlement communities, an assessment of state policies that may create barriers to housing choice and a review of private sector barriers. The draft AI will contain a new Fair Housing Action Plan for OCRA and IHCDA. A draft report is expected in fall 2013.

AP-85 Other Actions

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 faces a number of obstacles in meeting the needs outlined in the five-year Consolidated Plan:

- Housing and community needs are difficult to measure and quantify on a statewide level. The Consolidated Plan uses both qualitative and quantitative data to assess statewide needs. However, it is difficult to reach all areas of the State in one year, and the most recent data in some cases are a few years old. Although the State makes a concerted effort to receive as much input and retrieve the best data as possible, it is also difficult to quantify local needs. Therefore, the State must rely on the number and types of funding applications as a measure of housing and community needs;
- The ability of certain program dollars to reach citizens is limited by the requirement that applications for funding must come from units of local government or nonprofit entities. If these entities do not perceive a significant need in their communities, they may not apply for funding; and
- Finally, limitations on financial resources and internal capacities at all levels can make it difficult for the State to fulfill the housing and community development needs of its many and varied communities.

To mitigate these obstacles, during the 2013 program year, 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.

Actions planned to foster and maintain affordable housing

The primary activities to foster and maintain affordable housing are the State's CDBG and HOME funded activities that include the production of new units, homeownership opportunities, home rehabilitation and capacity support for affordable housing developers. Applicants of IHCDA'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
- Operating capacity grants – limited to eligible nonprofits
- Permanent Supportive Housing – Applicants must participate in the Indiana Permanent Supportive Housing Institute to be considered for an IHCDA investment.
- Rental assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of rental housing
- Homeownership counseling and down payment assistance
- Acquisition, rehabilitation, guarantees, refinance, or (re)construction of homebuyer housing
- Rehabilitation, modification, and energy improvements to owner-occupied 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.

Actions planned to reduce lead-based paint hazards

The Indiana Lead and Healthy Homes Program (ILHHP), of ISDH, has as its goal the elimination of lead poisoning as a public health problem, especially among young children whose health and development are most susceptible to the harmful effects of lead. The primary source of lead poisoning is lead-based paint. Addressing the problem through existing and new housing rehabilitation programs is fundamental to reach the Indiana and federal goal of eliminating childhood lead poisoning. Effective January 1, 2010, ISDH has taken responsibility to implement and enforce the state and federal regulations concerning lead-based paint. The regulations are designed to eliminate environmental hazards by ensuring that trained lead professionals are available to conduct the safe and effective elimination of the primary sources of lead poisoning.

The Residential Lead-Based Hazard Reduction Act of 1992 (commonly referred to as "Title X") supports widespread prevention efforts of lead poisoning from lead-based paint. As a part of the Act, in 1991, the Office of Healthy Homes and Lead Hazard Control (OHHLHC) was established by HUD in order to bring together health and housing professionals in a concerted effort to eliminate lead-based paint hazards in America's privately-owned and low-income housing.

HUD has regulations to protect children from the hazards of lead-based paint in federally funded projects. HUD continues to provide training for compliance with these regulations. In October 2009, ISDH was awarded $1,070,000 from HUD to address lead hazards in Indiana homes.

The Indiana Lead-Safe Housing Advisory Council commissioned a study in late 2010. Based on the study the Council will develop housing based primary prevention recommendations. The study will do the following:

- Determine the feasibility and fiscal impact of universal blood lead testing in Indiana.
- Determine statewide prevalence and distribution of elevated blood lead levels as defined by 410 IAC 29.
- Determine the percentage of medical providers administering the questionnaire and the effectiveness of the questionnaire.
- Determine the economic impact of addressing lead hazards on the housing community.
- Determine the type of housing stock where lead hazards are present.
- Determine the sources of poisoning in Indiana based on environmental investigations.
- Review and make recommendations on the timing of the seller’s disclosure form of known lead hazards to provide the consumer the best opportunity to make an informed decision.

Actions planned to reduce the number of poverty-level families

The State of Indiana does not have a formally adopted statewide anti-poverty strategy. In a holistic sense, the entirety of Indiana's Consolidated Plan Strategy and Action Plan is anti-poverty related because a stable living environment is also a service delivery platform. However, many of the strategies developed for the five-year Plan directly assist individuals who are living in poverty.

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.

Other efforts are also needed to combat poverty. Many of the strategies outlined in the Consolidated Plan are directed at providing services and shelter to those in need. Once a person has some stability in a housing situation, it becomes easier to address related issues of poverty and provide resources such as childcare, transportation and job training to enable individuals to enter the workforce. Indiana's community action agencies are frontline anti-poverty service providers. They work in close cooperation with State agencies to administer a variety of State and federal programs.

Education and skill development are an important aspect of reducing poverty. Investment in workforce development programs and facilities is an essential step to break the cycle of poverty. Finally, there continue to be social and cultural barriers that keep people in poverty. Efforts to eliminate discrimination in all settings are important. In some cases, subsidized housing programs are vital to ensure that citizens have a safe and secure place to live.

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 ORCA or IHCDA, 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/IHCDA'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

The State has an efficient institutional structure through which programs are delivered. Several gaps exist in the housing and community development delivery system, however, especially for meeting the need for affordable housing. The primary gaps include:

- Lack of coordination and communication. Many social service providers, local business leaders and citizens continually express frustration about not knowing what programs are available and how to access those programs. Without full knowledge of available programs, it is difficult for communities to start addressing their housing needs. The State continues to address this gap through distribution of information about resources through regional agency networks and at public events.

- Lack of capacity for not-for-profits to accomplish community needs. In many communities, the nonprofits are the primary institutions responsible the delivery of housing and community development programs. These organizations function with limited resources and seldom receive funding designated for administrative activities. The State continues to include planning and capacity-building grants as eligible activities for CDBG and HOME.

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

A number of private-sector organizations are involved in housing policy in Indiana. On an association level, the Indiana Realtors Association, Indiana Homebuilders Association, Indiana Mortgage Bankers Association and other organizations provide input into housing and lending policies. Private lending institutions are primarily involved in providing mortgage lending and other real estate financing to the housing industry. Several banks are also active participants in IHCDA's First Home program. The private sector is largely able to satisfy the demands for market-rate housing throughout the State.

Many not-for-profit organizations or quasi-governmental agencies are putting together affordable housing developments and gaining valuable experience in addressing housing needs on a local level. As of March 2010, the State now has 49 organizations certified as Community Housing Development Organizations (CHDOs).

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. The projects undertaken by community development corporations are often riskier and more challenging than traditional development projects.

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. The Indiana Association for Community Economic Development (IACED) is a membership organization for the State's housing and community development nonprofits and provides top level policy coordination, as well as training and technical assistance. The Back Home in Indiana Alliance is comprised of Indiana leaders in several affordable-housing and disability-related organizations and help people with disabilities become homeowners in several Indiana communities. Rural Opportunities, Incorporated (ROI) is an advocacy organization that focuses on the housing and social service issues of the State's migrant farmworker population.

Many not-for-profit organizations have become more actively engaged in delivering social services. Community mental health centers, religious and fraternal organizations and others provide support in the form of counseling, food pantries, clothing, emergency assistance, and other activities. The State's 16 Area Agencies on Aging have also become more involved in housing issues for seniors.

During the 2013 program year, the State will continue regular outreach to its private and public sector partners through regional staff, workshops and training and opportunities for feedback about program requirements and structure (through regional meetings, surveys, etc).

The State's new Section 108 loan program is also expected to encourage innovative private-public partnerships.

Discussion

Please see above.

Program Specific Requirements

AP-90 Program Specific Requirements

Introduction

The CDBG Program Income section is not applicable.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220.(l)(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.	70.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220.(l)(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:**

   Please see the attachment that specifies HOME resale and recapture guidelines in the Grantee Unique Appendices.

3. **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 attachment that specifies HOME resale and recapture guidelines in the Grantee Unique Appendices.

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:**

   When loaning funds to rehabilitate multifamily developments, IHCDA will consider refinancing existing debt if it is necessary to permit or continue affordability under Sec. 92.252 and meets the priorities set forth in the State's Consolidated Plan.

   To receive full consideration by IHCDA, the following conditions must be met:

   - Rehabilitation must be the primary activity. Therefore, rehabilitation costs must exceed the amount used to refinance existing debt.
   - Except for permanent supportive housing developments, properties located within another Participating Jurisdiction must demonstrate equal and comparable financing from the local unit of government.
   - The development must satisfy a minimum 15-year affordability period.
   - Disinvestment in the property has not occurred.
   - The long term needs of the development can be met.
   - It is feasible to serve the targeted population over the affordability period.
   - Refinancing loans made or insured by any other Federal program, including, but not limited to, FHA, CDBG, or Rural Development is prohibited.

Emergency Solutions Grant (ESG)

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

Please see the Grantee Unique Appendices, ESG Program Requirements, for written standards for providing ESG assistance.

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

The State of Indiana has had a coordinated CoC system for many years. Please see the Grantee Unique Appendices, under ESG Program Requirements, for details about how the ESG program will further the goals of CoC and the state's efforts to end homelessness by establishing common performance goals.

6. 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 approximately 8-10 agencies to administer the ESG Rapid Re-housing and Homeless Prevention Components of the ESG program.

There will be approximately 60 agencies that will apply for the operations, essentials, financial assistance and approximately 1 agency applying for an outreach component. 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 also have had experience with the previous Homeless Prevention and Rapid Re-housing Program (HPRP). Each proposal will be reviewed by at least one IHCDA Community Services staff person and by the Funding and Strategies committee of the Indiana Planning Council on the Homeless. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, centralized 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 sub-recipient will be awarded based upon the homeless need in their community and their ability to provide match. This amount could be between $50,000 - $350,000 each. .

7. **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.**

Any ESG recipient that cannot meet the participation requirement under CFR § 576.405(a) must include a plan that meets the requirements under CFR § 576.405(b).

The State ESG recipient – IHCDA - has a previous homeless person that is member of the Steering Committee that provides guidance to our CoC Programs and their policies and procedures. He currently lives in a permanent supportive housing program. The State of Indiana recognizes the invaluable perspective of homeless and formerly homeless individuals in developing an effective client-centered program and system. The State program strongly encourages sub-recipients 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 applicants to explain how homeless participation is achieved at both an organizational level and within their regional Planning Councils on the Homeless. This issue is also reviewed at each program monitoring visit.

8. **Describe performance standards for evaluating ESG.**

Baseline performance measurements will be reports generated by the HMIS system and mainly from the Annual Progress Reports and the ESG reports for the 2012 year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

For 2013, ESG rental assistance program sub-recipients: At discharge from program, 82 percent persons assisted will still be permanently housing. 65 percent of persons will increase their income.

For 2013 ESG program sub-recipients that are Emergency shelters that have activities: operations, essential services and financial assistance: 50 percent persons will discharge to permanent housing, 25 percent of person's will increase their income.

For 2013 ESG program sub-recipients that are Transitional Housing programs that have activities: operations, essential services and financial assistance: 69 percent will discharge to permanent housing, 50 percent will increase their income.

For 2013 ESG program sub-recipients that have outreach component: 50 percent of identified caseload will be permanently housed.

For 2013 ESG program sub-recipients that have outreach component: 50 percent identified caseload will increase their income.

The final two standards establish system-wide standards for the ESG program. The first sets a standard on the length of time that an individual or family remains homeless in the ESG service area.

1. The average length of stay of participants in ESG funded and other CoC programs should reduce by at least 10 percent by 2014 fiscal year.

2. The second system standard involves the extent to which individuals and families who leave homelessness experience additional episodes of homelessness. HUD has not released a recidivism methodology so until we receive a method, the Steering Committee along with the Data and Evaluation Committee will establish a methodology in the 2013 year. Since we started utilizing a new open HMIS system in March 2012, it has been an easier system to generate reports, utilize case management more thoroughly and produce special reports. Once a methodology is established, the Balance of State CoC will establish a baseline to track recidivism within ESG and all other CoC programs .The Continuum will focus on goals that will reduce returns to homelessness.

Both of these standards were set based upon HUD's stated performance targets for a high performing CoC. The CoC will use the HMIS system to measure these outcomes.

Discussion

Please see above.

Priorities, Goals and Projects

2013 Allocation of CDBG, HOME, ESG, HOPWA

Priorities, Goals and Projects, 2013, State of Indiana

Priorities (also Five-year Goals)		HUD Objective Code	2013 Goals and Projects	Indicator	Project Outcomes Five Year	Project Outcomes Year Four	Funding for Year Four CDBG	Funding for Year Four HOME	Funding for Year Four ESG	Funding for Year Four HOPWA	2013 Year Funds
1. Expand and preserve affordable housing opportunities throughout the housing continuum.	• Rental housing.	DH-2.1	➢ Rehabilitation and new construction	Units	675	100		$3,000,000			**$ 3,000,000**
	• Homeownership opportunities.	DH-2.2	➢ Homeownership education and counseling and downpayment assistance	Households	2,500	700		$4,000,000			**$ 4,000,000**
			➢ Homebuyer development	Units	125	25		$1,000,000			**$ 1,000,000**
			➢ Owner-occupied rehabilitation	Units	1,500	240	$3,252,934	$500,000			**$ 3,752,934**
	• Build capacity for affordable housing developers.	DH-2.3	➢ Predevelopment loans	Units	25	5		$250,000			**$ 250,000**
			➢ Organizational capacity	Units	80	8		$500,000			**$ 500,000**
2. Reduce homelessness and increase housing stability for special needs populations.	• Improve the range of housing options for homeless and special needs populations.	DH-1.1	➢ Permanent supportive housing	Units	250	40		$4,000,000			**$ 4,000,000**
			➢ Rental assistance	Units	1,000	200		$1,000,000			**$ 1,000,000**
			➢ Migrant farmworker housing	Units	N/A	40					
	• Support activities to improve the range of housing options for special needs populations and to end chronic homelessness.	DH-1.2	➢ Operating support	Shelters	55	55			$1,600,000		**$ 1,600,000**
			➢ Essential services	Persons	80,000	15,000			$282,386		**$ 282,386**
			➢ Rapid re-housing	Persons	N/A	130			$1,254,924		**$ 1,254,924**
	• Improve the range of housing options for special needs populations living with HIV/AIDS.	DH-1.3	➢ Housing information services	Households	375	75				$100,000	**$ 100,000**
			➢ Permanent housing placement services	Households	500	100				$50,000	**$ 50,000**
			➢ Supportive services	Households	1,000	0				$0	**$ -**
		DH-2.4	➢ Tenant based rental assistance	Units	1,000	110				$500,000	**$ 500,000**
			➢ Short-term rent, mortgage and utility assistance	Units	1,500	220				$200,000	**$ 200,000**
			➢ Facility based housing operations support	Units	35	15				$50,000	**$ 50,000**
			➢ Short term supportive housing	Units	100	5				$50,000	**$ 50,000**
3. Promote livable communities and community revitalization through addressing unmet community development needs.	• Improve the quality and/ or quantity of neighborhood services for low and moderate income persons.	SL-1.1	➢ Community Focus Fund								
			—Emergency services (stations & fire struck)	Projects	35-45	8	$2,000,000				**$ 2,000,000**
			— Public facilities	Facilities	30	7	$2,000,000				**$ 2,000,000**
			—Historic preservation projects	Projects	10	2	$500,000				**$ 500,000**
			—Brownfield/clearance projects	Projects	10-25	8	$150,000				**$ 150,000**
	• Improve the quality and/or quantity of public improvements for low and moderate income persons.	SL-1.1	➢ Public Facilities Program								
			—Emergency services (stations & fire struck)	Projects		2	$800,000				**$ 800,000**
			— Public facilities	Facilities		2	$800,000				**$ 800,000**
			— Historic preservation projects	Projects		1	$400,000				**$ 400,000**
											$ -
		SL-3.1	➢ Community Focus Fund								**$ -**
			—Infrastructure systems	Systems	120	6	$3,441,616				**$ 3,441,616**
		SL-3.1	➢ Water/Wastwater Partnership Program								
			— Infrastructure systems	Systems		9	$3,500,000				
		SL-3.1	➢ Stormwater Improvements Program								
			— Infrastructure systems	Systems		4	$2,000,000				
		SL-3.2	➢ Planning Fund	Grants	145	50	$1,300,000				**$ 1,300,000**
		SL-3.3	➢ Stellar Communities	Projects		6	$4,000,000				**$ 4,000,000**
			➢ Main Street Revitalization Program	Projects		4	$1,300,000				**$ 1,300,000**
4. Promote activities that enhance local economic development efforts.	• Coordinate with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.	EO-3.1	➢ Section 108 Loan Program	Jobs	1,300	150	$2,000,000				**$ -**
		EO-3.1	➢ Comprehensive Brownfield Redevelopment Program	Projects		5	$750,000				
Administrative and supportive services			➢ CDBG admin. (OCRA and IHCDA)				$642,156				**$ 642,156**
			➢ HOME admin. (IHCDA)					$500,000			**$ 500,000**
			➢ HOPWA admin. (IHCDA)							$100,000	**$ 100,000**
			➢ ESG program admin. (IHCDA)						$257,156		**$ 257,156**
			➢ Tech. assist. set-aside (OCRA)				$271,078				**$ 271,078**
						TOTAL	**$27,107,784**	**$14,750,000**	**$3,394,466**	**$1,050,000**	**$ 46,302,250**

Methods of Distribution

CDBG, HOME, ESG and HOPWA 2013

CDBG Method of Distribution

STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2013 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, assumed administrative responsibility for Indiana's Small Cities Community Development Block Grant (CDBG) Program in 1982, under the auspices of the U.S. Department of Housing and Urban Development (HUD). In accordance with 570.485(a) and 24 CFR Part 91, the State must submit a Consolidated Plan to HUD by May 15th of each year following an appropriate citizen participation process pursuant to 24 CFR Part 91.325, which prescribes the State's Consolidated Plan process as well as the proposed method of distribution of CDBG funds for 2013. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2013 is $27,107,784.**

This document applies to all federal Small Cities CDBG funds allocated by HUD to the State of Indiana, through its Office of Community and Rural Affairs.

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

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

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

PROGRAM AMENDMENTS

The Indiana Office of Community and Rural Affairs reserves the right to transfer up to ten percent (10%) of each fiscal year's available allocation of CDBG funds (i.e. FY 2013 as well as prior-years' reversions balances) between the programs described herein in order to optimize the use and timeliness of distribution and expenditure of CDBG funds, without formal amendment of this Consolidated Plan.

The Office of Community and Rural Affairs will provide citizens and general units of local government with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of FY 2013 CDBG as well as reversions and residual available balances of prior-years' CDBG funds. "Substantial Change" shall mean the movement between programs of more than ten percent (10%) of the total allocation for a given fiscal year's CDBG funding allocation, or a major modification to programs described herein. The Office of Community and Rural Affairs, in consultation with the Indianapolis office of the US Department of Housing and Urban Development (HUD), will determine those actions, which may constitute a "substantial change".

The State (OCRA) will formally amend its FY 2013 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2013 and prior-years funds** prescribed herein are to be significantly changed. The OCRA will determine the necessary changes, prepare the proposed amendment, provide the public and units of general local government with reasonable notice and opportunity to comment on the proposed amendment, consider the comments received, and make the amended FY 2013 Consolidated Plan available to the public at the time it is submitted to HUD. In addition, the Office of Community and Rural Affairs will submit to HUD the amended Consolidated Plan before the Department implements any changes embodied in such program amendment.

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 Indiana Office of Community and Rural Affairs' FY 2013 CDBG program. However, the Indiana Office of Community and Rural Affairs reserves the right to prioritize its method of funding; the Office of Community and Rural Affairs prefers to expend federal CDBG funds on activities/projects which will produce tangible results for principally 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 FY 2013 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 area eligible for "entitlement" funding from HUD.

2. All Indian tribes meeting the criteria set forth in Section 102 (a)(17) of the Federal Act.

In order to be eligible for CDBG funding, applicants may not be suspended from participation in the HUD-funded CDBG Programs or the Indiana Office of Community and Rural Affairs due to findings/irregularities with previous CDBG grants or other reasons. In addition, applicants may be suspended from participation in the state CDBG-funded projects administered by the Indiana Housing & Community Development Authority (IHCDA), such funds being subcontracted to the IHCDA by the Office of Community and Rural Affairs.

Further, in order to be eligible for CDBG funding, applicants may not have overdue reports, overdue responses to monitoring issues, or overdue grant closeout documents for projects funded by either the Office of Community and Rural Affairs or IHCDA projects funded using state

CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs. All applicants for CDBG funding must fully expend all CDBG Program Income as defined in 24 CFR 570.489(e) prior to, or as a part of the proposed CDBG-assisted project, in order to be eligible for further CDBG funding from the State.

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

FY 2013 FUND DISTRIBUTION

Sources of Funds:

FY 2013 CDBG Allocation	$27,107,784
Section 108 Loan Program	$135,000,000 (up to)
CDBG Program Income	$0
Total:	$162,107,784

Uses of Funds:

1.	Community Focus Fund	$8,091,616
2.	Housing Programs (IHCDA)	$3,252,934
3.	Stellar Communities Program	$4,000,000
4.	Planning Fund	$1,300,000
5.	Main Street Revitalization Program	$1,300,000
6.	Water/Wastewater Partnership Program	$3,500,000
7.	IFA Brownfield Partnership Program	$ 750,000
8.	Public Facilities Program	$2,000,000
9.	Storm Water Systems Program	$2,000,000
10.	Technical Assistance	$271,078
11.	Administration	$642,156
12.	Section 108 Loan Program (CEED)	$135,000,000 (up to)
	Total:	**$162,107,784**

(a) The State of Indiana (Office of Community and Rural Affairs) does not project receipt of any CDBG program income for the period covered by this FY 2013 Consolidated Plan. In the event the Office of Community and Rural Affairs receives such CDBG Program Income, such moneys will be placed in the Community Focus Fund for the purpose of making additional competitive grants under that program. Reversions of other years' funding will be placed in the Community Focus Fund for the specific year of funding reverted. The State will allocate and expend all CDBG Program Income funds received prior to 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 (IHCDA), a separate agency, using CDBG funds allocated to the IHCDA by the Office of Community and Rural Affairs.

2. Program income generated by CDBG grants awarded by the Office of Community and Rural Affairs (State) using FY 2013 CDBG funds must be returned to the Office of Community and Rural Affairs, however, such amounts of less than $25,000 per calendar year shall be excluded from the definition of CDBG Program Income pursuant to 24 CFR 570.489.

All obligations of CDBG program income to projects/activities require prior approval by the Office of Community and Rural Affairs. This includes use of program income as matching funds for CDBG-funded grants from the IHCDA. Applicable parties should contact the Office of the Indiana Office of Community and Rural Affairs at (317) 232-8333 for application instructions and documents for use of program income prior to obligation of such funds.

Local Governments that have been inactive in using their program income are required to return their program income to the State. The State will use program income reports submitted by local governments and/or other information obtained from local governments to determine if they have been active or inactive in using their program income. Local governments that have an obligated/approved application to use their program income to fund at least one project in the previous 24 months will be considered active. Local governments that have not obtained approval for a project to utilize their program income for 24 months will be considered inactive.

Furthermore, U.S. Department of Treasury regulations require that CDBG program income cash balances on hand be expended on any active CDBG grant being administered by a grantee before additional federal CDBG funds are requested from the Office of Community and Rural Affairs. These US Treasury regulations apply to projects funded both by IHCDA and the Office of Community and Rural Affairs. 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 Office of Community and Rural Affairs or IHCDA.

Eligible applicants with CDBG program income should contact the Office of Community and Rural Affairs at (317) 232-8333 for clarification before submitting an application for CDBG financial assistance.

METHOD OF DISTRIBUTION

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

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

A. Community Focus Fund (CFF): $8,091,616

The Office of Community and Rural Affairs will award community Focus Fund (CFF) grants to eligible applicants to assist Indiana communities in the areas of public facilities, and various other eligible community development needs/projects. Applications for funding, which are applicable to local economic development and/or job-related training projects, should be pursued under the Office of Community and Rural Affairs' Community Economic Development Fund (CEDF). Projects eligible for consideration under the CEDF program under this Method of Distribution shall generally not be eligible for consideration under the CFF Program. Eligible activities include applicable activities listed under Section 105(a) of the Federal Act. Eligible Community Focus Fund (CFF) projects have been allocated funding in alignment with the Goals and Priorities listed in Section IV and include:

1.	Infrastructure improvements (water, sewer, storm water)	$3,441,616
2.	Emergency Services projects (fire trucks, fire stations, ems stations)	$2,000,000
3.	Other public facilities (i.e., senior centers, health centers, libraries)	$2,000,000
4.	Historic preservation projects	$500,000
5.	Brownfield/Clearance projects	$150,000

Applications will be accepted and awards will be made on a competitive basis one (1) time per year.

The specific threshold criteria and basis for project point awards for CFF grant awards are provided in Attachment D hereto. The Community Focus Fund (CFF) Program shall have a

maximum grant amount of $500,000 for water, sewer and storm drainage projects, $150,000 for fire trucks and $400,000 for all other projects. The applicant may apply for only one project in a grant cycle.

Projects will be funded in one (1) funding cycle with approximately a six (6) month pre-application and final-application process. Projects will compete for CFF funding and be judged and ranked according to a standard rating system (Attachment D). The highest ranking projects from each category will be funded to the extent of funding available for each specific CFF funding cycle/round. The Office of Community and Rural Affairs will provide eligible applicants with adequate notice of deadlines for submission of CFF proposal (pre-application) and full applications.

For the CFF Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

B. Housing Program: $3,252,934

The State (Office of Community and Rural Affairs) has contracted with the Indiana Housing & Community Development Authority (IHCDA) to administer funds allocated to the State's Housing Program. The Indiana Housing & Community Development Authority will act as the administrative agent on behalf of the Indiana Office of Community and Rural Affairs. Please refer to the Indiana Housing & Community Development Authority's portion of this FY 2013 Consolidated Plan for the method of distribution of such subcontracted CDBG funds from the Office of Community and Rural Affairs to the IHCDA.

C. Stellar Communities Program: $ 4,000,000

The State of Indiana will to set aside $4,000,000 of its FY 2013 CDBG funds for the Stellar Communities Program. Indiana's Stellar Communities Program is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Housing and Community Development Authority (IHCDA), and the Indiana Department of Transportation (INDOT). The Stellar Communities Program is seeking to engage two communities to achieve a three-year revitalization strategy that will leverage unified state investment and funding from the partnering agencies to complete projects comprehensively. In the revitalization strategy communities will identify areas of interest and types of projects, produce a schedule to complete projects, produce cost estimates, identify local match amounts, sources, and additional funding resources, indicate the level of community impact, and describe the significance each project will have on the overall comprehensive revitalization of the community. From this revitalization strategy, communities will produce a three-year community investment plan which will identify capital and quality of life projects to be completed during that period.

Evaluation and selection of the final two communities to the Stellar Communities Program will be based on:

- Summary of Comprehensive Community Revitalization Strategy
- Identify at least one project to be completed in each of the 3 program years. The total number of projects is solely limited to the community's ability to successfully complete the projects;
- Identify/document project cost estimates, local match amounts and sources, and additional funding resources.
- Completion of the site visit checklist from the resource team.
- Document and support the level of need for each project and the significance of each project in the overall revitalization efforts within the community;
- Capacity of the applicant to administer the funds;

- The long-term viability of the strategic community investment plan;

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.

D. Planning Fund: $ 1,300,000

The State (Office of Community and Rural Affairs) will set aside $1,300,000 of its FY 2013 CDBG funds for planning-only activities, which are of a project-specific nature. The Office of Community and Rural Affairs 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. The Office of Community and Rural Affairs will award such grants on a competitive basis and grant the Office of Community and Rural Affairs will review applications monthly. The Office of Community and Rural Affairs will give priority to project-specific applications having planning activities designed to assist the applicable unit of local government in meeting its community development needs by reviewing all possible sources of funding, not simply the Office of Community and Rural Affair's Community Focus Fund or Community Economic Development Fund.

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.

The specific threshold criteria and basis for project point awards for PL grant awards are provided in Attachment D hereto. The CFF Planning (PL) Program shall have a maximum grant amounts as follows:

- Environmental infrastructure studies are limited as follows:
    - $30,000 for a study on a single utility,
    - $40,000 for a study on two utilities, and
    - $50,000 for a master utility study (water, wastewater, and storm water).
- Dam or Levee System Evaluations will be limited to $50,000.
- Comprehensive plans are limited to $40,000.
- Downtown revitalization plans are limited as follows:
    - Populations over 2,000 are limited to $40,000, and
    - Populations under 2,000 are limited to $30,000
- Economic development plans are limited to $40,000.
- Public facilities plans will be limited to $15,000.
- Historic preservation plans will be limited to $15,000.

For the PL Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

E. Main Street Revitalization Program (Round 1): $500,000

The Office of Community and Rural Affairs will award Main Street Revitalization Program (MSRP) grants to eligible applicants to assist Indiana communities with activities intended to revitalize their downtown area. Each applicant must have a designated Indiana Main Street Group and the project must be part of the Main Street Group's overall strategy.

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment E hereto. The Main Street Revitalization Program (MSRP) shall have a maximum grant amount of $250,000.

For the MSRP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

F. Main Street Revitalization Program (Round 2): $800,000

The Office of Community and Rural Affairs will award Main Street Revitalization Program (MSRP) grants to eligible applicants to assist Indiana communities with activities intended to revitalize their downtown area. Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Community has completed a downtown revitalization plan within the past five years, that meets OCRA's Minimum Technical Requirements;
5) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
6) The project must be part of the Main Street Organization's overall strategy.

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for MSRP grant awards are provided in Attachment F hereto. The Main Street Revitalization Program (MSRP) shall have a maximum grant amount of $400,000.

For the MSRP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

G. Water/Wastewater Improvements Program: $ 3,500,000

The State of Indiana will to set aside $3,500,000 of its FY 2013 CDBG funds for the Water/Wastewater Improvements Program. Indiana's Water/Wastewater Improvements Program (WWP) is a collaborative effort of the Office of Community and Rural Affairs (OCRA), the Indiana Finance Authority (IFA), and USDA Rural Development (USDA-RD). The WWP strategy will leverage unified state investment and funding from the partnering agencies to complete comprehensive system improvements.

Eligible applicants will have approved projects with the Indiana State Revolving Fund and/or the USDA-RD Water and Environmental Programs.

Applications will be accepted and awards made on a competitive basis one time per year. The Water/Wastewater Improvements Program (WWP) shall have a maximum grant amount according to the schedules below:

Wastewater Maximum Grant Amounts	**User Rates (Over $50)**	**User Rates ($30 to $50)**	**User Rates (Under $30)**
Tier III – LMI% 61.1 and higher	$750,000	$600,000	$400,000
Tier II – LMI% 55.1 to 61.0	$500,000	$400,000	$300,000
Tier I – LMI% 51.0 to 55.0	$350,000	$300,000	$250,000

Drinking Water Maximum Grant Amounts	**User Rates (Over $45)**	**User Rates ($25 to $45)**	**User Rates (Under $25)**
Tier III – LMI% 61.1 and higher	$750,000	$600,000	$400,000
Tier II – LMI% 55.1 to 61.0	$500,000	$400,000	$300,000
Tier I – LMI% 51.0 to 55.0	$350,000	$300,000	$250,000

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for WWP grant awards are provided in Attachment G hereto.

For the WWP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

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.

H. Comprehensive Brownfield Redevelopment Program: $ 750,000

The State of Indiana will to set aside $750,000 of its FY 2013 CDBG funds for the Comprehensive Brownfield Redevelopment Program (CBRP). Indiana's CBRP program is a collaborative effort of the Office of Community and Rural Affairs (OCRA) and the Indiana Finance Authority (IFA). The CBRP funding strategy will leverage funding from the partnering agencies to address comprehensive Brownfield remediation and clearance projects.

Applications will be accepted and awards will be made on an ongoing basis. The specific threshold criteria and basis for project point awards for CBRP grant awards are provided in Attachment H hereto. The Comprehensive Brownfield Redevelopment Program (CBRP) shall have a maximum grant amount of $500,000.

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.

I. Public Facilities Program: $2,000,000

The State of Indiana will to set aside $2,000,000 of its FY 2013 CDBG funds for the Public Facilities Program (PFP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for PFP grant awards are provided in Attachment I hereto.

For the PFP specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

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.

J. Stormwater Improvements Program: $2,000,000

The State of Indiana will to set aside $2,000,000 of its FY 2013 CDBG funds for the Stormwater Improvements Program (SIP).

Applications will be accepted and awards will be made on a competitive basis. The specific threshold criteria and basis for project point awards for SIP grant awards are provided in Attachment J hereto.

For the SIP Program specifically, the amount of CDBG funds granted will be based on a $5,000 cost per project beneficiary.

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.

K. Section 108 Loan Program: Up to $135 million

During FY 2013, the State of Indiana proposes to pledge up to $135,000,000.00 of its present and future allocation(s) of Small Cities CDBG funds as security for Section 108 loan guarantees provided for under Subpart M of 24 CFR Part 570 (24 CFR 570.700). Applications may be submitted at any time during the year, as long as funds are available from HUD. The minimum loan amount is $1,000,000 and the maximum loan amount is $7,000,000. The state may enter into loan guarantee agreements in support of projects sponsored by an individual local government. Project must meet minimum criteria with respect to equity, collateral and underwriting standards. The CDBG Loan Guarantee Program (Section 108 Program) is an economic and community development financing tool authorized under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended. The program provides a method of assisting non-entitlement local governments with certain unique and large-scale economic development projects that cannot proceed without the loan guarantee. In order to be eligible a project must meet all applicable CDBG requirements and result in significant employment opportunities and/or benefits for low- and moderate-income persons. Unlike the traditional CDBG Program, the Section 108 Program does not operate through assistance from the Office of Community and Rural Affairs (OCRA) or Indiana Housing and Community Development Authority. Rather, funds are raised through OCRA's "Pledge of Grants" to the U.S. Department of Housing and Urban Development (HUD) in order to obtain a federal guarantee of notes issued by the local government. The federally guaranteed notes are sold into private markets through public offerings conducted by HUD. By approving the project, a State pledges its future CDBG funds as the ultimate repayment source should a Section 108 loan default. The State's participation in the Section 108 program does not involve a pledge of Indiana's full faith and credit nor does it commit any funding to the local government. HUD makes the ultimate approval or denial of the federal guarantee.

Only non-entitlement communities that do not receive direct allocations of Community Development Block Grant from the U.S. Department of Housing and Urban Development may apply to the State of Indiana's Community Enhancement and Economic Development Fund, or CEED Fund, and applications for loans from the CEED fund may be only for the project types listed in the CEED Loan Program Guidelines. The total maximum amount of CEED financing that an eligible public entity may receive is limited to $7,000,000. A minimum loan request of $1,000,000 is required.

L. Technical Assistance Set-aside: $271,078

Pursuant to the federal Housing and Community Development Act (Federal Act), specifically Section 106(d)(5), the State of Indiana 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 2013 Consolidated Plan is $271,078, which constitutes one-percent (1%) of the State's FY 2013 CDBG allocation of $27,107,784. 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.

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 can not 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.

M. Administrative Funds Set-aside: $642,155

The State (Office of Community and Rural Affairs) will set aside $642,155 of its FY 2013 CDBG funds for payment of costs associated with administering its State Community Development Block Grant (CDBG) Program (CFDA Number 14.228). This amount ($642,155) constitutes two-percent (2%) of the State's FY 2013 CDBG allocation ($542,155), plus an amount of $100,000 ($27,107,784 X 0.02 = $542,155 + $100,000 = $642,155). The amount constituted by the 2% set aside ($542,155) is subject to the $1-for-$1 matching requirement of HUD regulations. The $100,000 supplement is not subject to state match. 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 Consolidated Plan, statement of Method of Distribution is intended to amend all prior Consolidated 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 on July 1, 2013, and ending June 30, 2013, unless subsequently amended, for all FY 2013 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. The existing and amended program budgets for each year are outlined below (administrative fund allocations have not changed and are not shown below). Adjustments in the actual dollars may occur as additional reversions become available.

At this time there are only nominal funds available for reprogramming for prior years' funds. If such funds should become available, they will be placed in the CFF Fund. This will include reversions from settlement of completed grantee projects, there are no fund changes anticipated. For prior years' allocations there is no fund changes anticipated. Non-expended funds, which revert from the financial settlement of projects funded from other programs, will be placed in the Water/Wastewater Program (WWP).

PROGRAM APPLICATION

The Planning Fund/Program (PL) and the Comprehensive Brownfield Redevelopment Program (CBRP) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Stellar Communities Program, Community Focus Fund (CFF), Water/Wastewater Program (WWP), Public Facilities Program (PFP), Stormwater Improvements Program (SIP) and the Main Street Revitalization Program (MSRP) will be a single competitive application process. Eligible applicants will first submit a short program proposal or letter of intent for such grants. After submitting 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. The Office of Community and Rural Affairs, as applicable, will provide technical assistance to the communities in the development of proposals and full applications.

An eligible applicant may submit only one application per cycle, per program. Additional applications may be submitted under the other state programs. The Office of Community and Rural Affairs reserves the right to negotiate Planning-Only grants with applicants for applications lacking a credible readiness to proceed on the project or having other planning needs to support a construction project.

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, Code of the Federal Register. 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 the Indiana Office of Community and Rural Affairs 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 Grantee Implementation Manual, which is provided to each grant recipient.

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 Sue Ellsperman heads the Office of Community and Rural Affairs. Principal responsibility for the CDBG program is vested in Kathleen Weissenberger, Director of Grant Services for OCRA. The Office of Community and Rural Affairs also has the responsibility of administering compliance activities respective to CDBG grants awarded to units of local government.

Primary responsibility for providing "outreach" and technical assistance for the Community Focus Fund, Stellar Communities Program, Main Street Revitalization Fund, Water/Wastewater Program, Public Facilities Program, Stormwater Improvements Program, Comprehensive Brownfield Redevelopment Program and the Planning Fund process resides with the Office of Community and Rural Affairs. 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 Indiana Office of Community and Rural Affairs.

The Business Office will provide internal fiscal support services for program activities, development of the Consolidated Plan and the CAPER. The Grant Services Division of OCRA has the responsibilities for CDBG program management, compliance and financial monitoring of all CDBG programs. The Indiana State Board of Accounts pursuant to the federal Office of Management and Budget Circular A-133 will conduct audits. Potential applicants should contact the Office of Community and Rural Affairs with any questions or inquiries they may have concerning these or any other programs operated by the Office of Community and Rural Affairs.

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

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

ATTACHMENT A

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 OCRA's Grants Management Office, Attention: Ms. Beth Goeb at (317) 232-8831.

Matching funds - local public or private sector in-kind services, cash or debt allocated to the CDBG project. The **minimum** level of local matching funds for Community Focus Fund (CFF) and Planning Program (PL) projects is ten-percent (10%) of the **total estimated project costs**. This percentage is computed by adding the proposed grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The 2013 definition of match has been adjusted to include a maximum of 5% pre-approved and validated in-kind contributions. The balance of the ten (10) percent 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. Funds provided to applicants by the State of Indiana such as the Build Indiana Fund are not eligible for use as matching funds.

Private investment resulting from CDBG projects does not constitute local match for all OCRA-CDBG programs except the Section 108 Community Enhancement and Economic Development Fund (CEED); such investment will, however, be evaluated as part of the project's impact, and should be documented. The CEED Loan Committee reserves the right to determine sources of matching funds for CEED projects.

Proposal (synonymous with "pre-application") - 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. If acceptable, the community may be invited to submit a full 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 the Office of Community and Rural Affairs 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).

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).

ATTACHMENT B

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.

ATTACHMENT C

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 and housing projects through the IHCDA in 7 below):

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 OMB A-133 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; EXCEPTION – these general criteria will not apply to applications made directly to the Indiana Housing & Community Development Authority (IHCDA) for CDBG-funded housing projects.

B. Community Focus Fund (CFF), Main Street Revitalization Program (MSRP), Stellar Communities Program (SCP), Water/Wastewater Improvements Program (WWP), Public Facilities Program (PFP), Stormwater Improvements Program (SIP) Comprehensive Brownfield Redevelopment Program (CBRP) and Planning Fund (PL):

1. To be eligible to apply at the time of application submission, an applicant must not have any:

   a. Overdue grant reports, subrecipient reports or project closeout documents; or

   b. More than one open or pending CFF, MSRP, SCP, WWP, PFP, SIP, CBRP or PL grant (Indiana cities and incorporated towns).

   c. For those applicants with one open CFF, MSRP, WWP, PFP, SIP or CBRP a "Notice of Release of Funds and Authorization to Incur Costs" must have been issued for the construction activities under the open CFF, MSRP, WWP, PFP, SIP or CBRP 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 a CFF, MSRP, SCP, WWP, PFP, CBRP or SIP application for the project.

e. An Indiana county may have two (2) open CDBG grants and apply for a third grant. A county may have only three (3) open CDBG grants. All criteria outlined in c and d above must be met.

2. The cost/beneficiary ratio for all CDBG funds will be maintained at $5,000. Housing-related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

3. At least 10% leveraging (as measured against the CDBG project, see definitions) must be proposed. The Indiana Office of Community and Rural Affairs may rule on the suitability and eligibility of such leveraging.

4. 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.

5. The application must be complete and submitted by the announced deadline.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2013 Consolidated Plan

GRANT EVALUATION CRITERIA
Community Focus Fund (CFF) and Planning Grant (PL)
750 POINTS TOTAL

Community Focus Fund (CFF) and Planning Grant (PL) applications must achieve a minimum score of 450 points (60%) to be eligible for award.

NATIONAL OBJECTIVE SCORE (200 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: 200 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:

National Objective Score = % Low/Mod Beneficiaries X 2.5

The point total is capped at 200 points or 80% low/moderate beneficiaries, i.e., a project with 80% or greater low/moderate beneficiaries will receive 200 points. Below 80% benefit to low/moderate-income persons, the formula calculation will apply.

2. National Objective = Prevention or Elimination of Slums or Blight: 200 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) X 2.5

___ Applicant has a Slum/Blight Resolution for project area (50 pts.)

___ The project site is a brownfield* (10 pts.)

___ The building or district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The building or district 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.

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% 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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

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, 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 CFF 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 – 50pts
5 – 7 years since previous funding – 25pts

Example:
Community submits and receives a CFF award for a new water tower in Round I of 2009. When applying for a water system upgrade (or a new water tower because the one they purchased failed) in Round I of 2014, they would be subject to a point reduction of 50pts. In Round II of 2014 they would be subject to a point reduction of 25pts. Round II of 2016 they would have no point reduction.

GRANT EVALUATION CRITERIA – 750 POINTS TOTAL
Main Street Revitalization Program (MSRP)
Round 1 Only

Main Street Revitalization Grant Program applications (MSRGP) must achieve a minimum score of 450 points (60%) to be eligible for award.

NATIONAL OBJECTIVE SCORE (150 POINTS):

Elimination of Slums or Blight: 150 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) X 3

___ Community is designated as a Nationally Accredited Indiana Main Street Organization. (10 pts.)

___ The Indiana Main Street Organization is in good standing for meeting all the reporting requirements. (10 pts.)

___ The Indiana Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year. (10 pts.)

___ The Community has completed a downtown revitalization plan within the past five years. (5 pts.)

___ The Indiana Main Street Organization has a business recruitment/retention plan. (5 pts.)

___ The building or district is listed on the Indiana or National Register of Historic Places** (10 pts.)

___ The building or district is eligible for listing on the Indiana or National Register of Historic Places** (10 pts.)

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% 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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (350 POINTS):

350 points maximum 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 clearly documented? – 150 points
Financial Impact - why is grant assistance necessary to complete this project? – 150 points

The points in these categories are awarded by the OCRA review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

0- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

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, 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. For all projects awarded under the previous CFF program, the CFF point reduction policy will apply. Projects funded under the MSRGP will also have a point reduction as stated below.

MSRP Point Reduction Policy
0-7 years since previous funding – 50 pts

Example:
Community submits and receives a MSRP award for a streetscape project in Round I of 2012. When applying for facade rehabilitation in Round I of 2015, they would be subject to a point reduction of 50 points. Round II of 2015 they would have no point reduction.

GRANT EVALUATION CRITERIA – 700 POINTS TOTAL
Main Street Revitalization Program (MSRP)
Round 2 Only

Main Street Revitalization Program applications (MSRP) must achieve a minimum score of 400 points to be eligible for award.

THRESHOLD REQUIREMENTS:

Each applicant must meet the following prerequisites:

1) Have a designated Indiana Main Street Organization;
2) The Main Street Organization is in good standing for meeting all the reporting requirements;
3) The Main Street Organization has attended all required workshops associated with the Indiana Main Street Program during past year;
4) The Community has completed a downtown revitalization plan within the past five years, that meets OCRA's Minimum Technical Requirements;
5) The Main Street Organization has a business recruitment/retention plan that is approved by the Indiana Main Street Program;
6) The project must be part of the Main Street Organization's overall strategy.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 2

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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

MAIN STREET SCORE (50 POINTS):

Main Street Score: 50 points maximum awarded based on the characteristics listed below. The total points given are computed as follows:

___ Community is designated as a Nationally Accredited Indiana Main Street Organization. (20 pts.)

___ The district is listed on the Indiana or National Register of Historic Places** (20 pts.)

___ The district is eligible for listing on the Indiana or National Register of Historic Places** (10 pts.)

Project may either be listed on **or eligible for listing on the Indiana or National Register of Historic Places. ***Both cannot be checked.***

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

COMMUNITY/MAIN STREET PHILANTHROPIC FUND (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Community/Main Street Philanthropic Fund to be used for ongoing downtown revitalization activities such as a revolving loan program, grant program, events, etc.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

1- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

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, 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. For all projects awarded under the previous CFF program, the CFF point reduction policy will apply. Projects funded under the MSRGP will also have a point reduction as stated below.

MSRP Point Reduction Policy
0-4 years since previous funding – 50 pts

Example:
Community submits and receives a MSRP award for a streetscape project in Round I of 2013. When applying for facade rehabilitation in Round I of 2015, they would be subject to a point reduction of 50 points. Round II of 2015 they would have no point reduction.

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Water/Wastewater Partnership Program (WWP) applications must achieve a minimum score of 350 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (100 POINTS):

A maximum of 100 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 100 points or 100% match, i.e., a project with 75% match will receive 75 points.

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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

FINANCIAL GAP (25 POINTS):

A maximum of 25 points awarded per $1.00 in financial gap.

OCRA GAP CALCULATION

1. Grant Amount Requested _____
2. Debt Coverage Factor _____
(assume 25%)
3. Total Funds Needed _____
(multiply line 1 by 1.25)
4. Amortization Constant ____.00633__
(4.5% APR)
5. Monthly Payment _____
(multiply line 3 by line 4)
6. O/M Cost Factor _____
(multiply line 5 by .05)
7. Total Monthly Costs _____
(add lines 5 and 6)
8. Number of Users _____
9. Monthly Rate Impact _____
(divide line 7 by line 8)

The result on line 9 should give you the amount that your community would have to increase the monthly rate charged to each customer without grant assistance, given the above assumptions. 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".

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, 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 CFF 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 – 50pts
5 – 7 years since previous funding – 25pts

Example:
Community submits and receives a CDBG award for a new water tower in Round I of 2009. When applying for a water system upgrade (or a new water tower because the one they purchased failed) in Round I of 2014, they would be subject to a point reduction of 50pts. In Round II of 2014 they would be subject to a point reduction of 25pts. Round II of 2016 they would have no point reduction.

GRANT EVALUATION CRITERIA
600 POINTS TOTAL

Comprehensive Brownfield Redevelopment Program (CBRP) applications are accepted on a rolling or ongoing basis. All applications must achieve a minimum score of 350 points to be eligible for award.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% 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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

IFA REGISTRY (25 POINTS):

A maximum of 25 points awarded for projects listed on the IFA Brownfield registry which indicates prior involvement of the Indiana Brownfield Program.

SITE DEVELOPMENT PLAN (50 POINTS):

A maximum of 50 points will be awarded for projects that have a site development plan for the future use of the Brownfield site.

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, 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 – 50pts
5 – 7 years since previous funding – 25pts

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Public Facilities Program (PFP) applications must achieve a minimum score of 400 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.

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:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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

LOCAL MATCH CONTRIBUTION (50 POINTS):

A maximum of 50 points based on the percentage of local funds devoted to the project. This total is determined as follows:

Total Match Points = % Eligible Local Match X 1

The points total is capped at 50 points or 50% match, i.e., a project with 50% match or greater will receive 50 points. Below 50% 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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

LEVERAGING PHILANTHROPIC CAPITAL (25 POINTS):

Points are assigned based on Philanthropic contribution as a percentage of total project costs.

1- ½ %	0 pts
½ - 1%	10 pts
1-1½%	15 pts
1 ½ -2%	20 pts
2%+	25 pts

COMMUNITY FACILITY PHILANTHROPIC FUND (50 POINTS):

A maximum of 50 points for the establishment of a (or documentation of existing) permanent Community Facility Philanthropic Fund, to be used for ongoing operation and maintenance activities.

0 points – under $3,000 philanthropic fund
25 points - $3,000-$5,000 philanthropic fund
50 points - $5,000 or higher philanthropic fund

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, 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 CFF 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 – 50pts
5 – 7 years since previous funding – 25pts

Example:
Community submits and receives a CFF award for a new water tower in Round I of 2009. When applying for a water system upgrade (or a new water tower because the one they purchased failed) in Round I of 2014, they would be subject to a point reduction of 50pts. In Round II of 2014 they would be subject to a point reduction of 25pts. Round II of 2016 they would have no point reduction.

GRANT EVALUATION CRITERIA
700 POINTS TOTAL

Stormwater Improvements Program (SIP) applications must achieve a minimum score of 400 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.

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:

National Objective Score = % Low/Mod Beneficiaries

The point total is capped at 100 points or 100% low/moderate beneficiaries, i.e., a project with 100% or greater low/moderate beneficiaries will receive 100 points. Below 100% benefit to low/moderate-income persons, the formula calculation will apply.

COMMUNITY DISTRESS FACTORS (175 POINTS):

Various factors are used to determine the distress of a community. IOCRA 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:

Percentage of Households with Income under Poverty Level
Median Household Income
Percent of Housing Units that are Vacant

Median Home Value

Unemployment Rate

Labor Force Participation

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:

Total Match Points = % Eligible Local Match X 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 Indiana Office of Community and Rural Affairs, Grant Support Division approximately 2 weeks prior to application submission (deadline will be announced each round).

PROJECT DESIGN FACTORS (300 POINTS):

300 points maximum 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 clearly documented? – 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 review team when evaluating the projects**. Applicants should address all Project Development Issues associated with their project type.** Applicants should work with their OCRA community liaison to identify ways to increase their project's scores in these areas.

SUSTAINABILITY (50 POINTS):

A maximum of 50 points for the establishment of, or documentation of existing sustainability plan for the ongoing operation and maintenance activities of the stormwater system.

0 points – under $3 monthly stormwater utility user rate
25 points – $3-$5 monthly stormwater utility user rate
50 points - $5 or higher monthly stormwater utility user rate

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, 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 CFF 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 – 50pts
5 – 7 years since previous funding – 25pts

Example:
Community submits and receives a CFF award for a new water tower in Round I of 2009. When applying for a water system upgrade (or a new water tower because the one they purchased failed) in Round I of 2014, they would be subject to a point reduction of 50pts. In Round II of 2014 they would be subject to a point reduction of 25pts. Round II of 2016 they would have no point reduction.

ATTACHMENT K

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 the Office of Community and Rural Affairs Grant Administrator Networking Group in the development of the Method of distribution set forth in the State's Consolidated Plan for CDBG funding submitted to HUD.

3. Publish a proposed or "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 proposed/draft Consolidated Plan, on amendments thereto, 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 hearings held on the 2013 Consolidated Plan. In addition, this notice was distributed by email to over 1,000 local officials, non-profit entities, and interested parties statewide in an effort to maximize citizen participation in the FY 2013 consolidated 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 submitted to HUD, and;

8. Follow the process and procedures outlined in items 2 through 7 above with respect to any amendments to a given annual CDBG Consolidated Plan and/or submission of the Consolidated Plan to HUD.

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 comments, inquiries or complaints received from such citizens.

HOME Method of Distribution

Recapture and Resale Requirements, HOME Program

Resale Guidelines

Resale restrictions shall be implemented for every property constructed, redeveloped, or rehabilitated, in whole or in part, with HOME Funds in the form of a development subsidy. A development subsidy consists of the difference between the cost of producing the unit and the fair market value of the property. If HOME Funds are provided to the homebuyer as a grant, the property will be subject to a resale restriction.

If the homebuyer determines that it no longer intends to use the property as its principal residence, resale restrictions require the homebuyer to sell the property to a low-income family that will use the property as its principal residence.

The original homebuyer is entitled to a fair return on its investment (as described below) upon the sale of the property. The fair return will be based on the percentage change in the Consumer Price Index for All Urban Consumers Owners' Equivalent Rent of Primary Residence category in Table I of the CPI Detailed Report (the "CPI Index") during the period of the homebuyer's ownership. Accordingly, the CPI Index during the month the residence was completed (in IDIS) will be compared to the CPI Index during the month the original homebuyer sells the residence to determine the percentage of the return. The homebuyer's investment will include the original homebuyer's investment (i.e., any down payment), plus and any capital improvements. A capital improvement is any property enhancement that increases the overall value of the property, adapts it to new uses, or extends its life such as: adding windows, insulation, a new drive way, a new furnace, a garage, bedroom, new roof, remodeling kitchen, etc. Any capital improvement will be valued based on actual cost as documented by the original homebuyer's receipts. Generally, replacing worn or dated components such as appliances or carpet would not be considered an improvement that adds value or adapts it to new uses.

At the same time, the property must also be sold at a price that is affordable to low income families between fifty percent (50%) and eighty percent (80%) of the median area income for the geographic area published annually by HUD. The purchasing family should pay no more than twenty-nine percent (29%) of its gross family income towards the principal, interest, taxes and insurance for the property on a monthly basis.

In certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price and a loss on investment may constitute a fair return.

Recapture Guidelines

Recapture provisions shall be implemented for any property purchased, in whole or in part, by a homebuyer that receives a direct subsidy ("homebuyer subsidy") in an amount greater than or equal to One Thousand and 00/100 Dollars ($1,000) in 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).

If a homebuyer subsidy is provided to the homebuyer as a loan, the HOME Funds will be subject to a recapture provision.

If the homebuyer no longer utilizes the property as its principal residence during the Affordability Period defined below, the amount to be recaptured is the shared net proceeds of a prorated amount of the homebuyer subsidy. The proration shall be based on the length of time the homebuyer has occupied the property as its principal residence in relation to the Affordability Period. Any net proceeds that exist will be shared between IHCDA and the homebuyer. If there are not any proceeds, there is no amount to recapture.

If there is both development subsidy and homebuyer subsidy or just homebuyer subsidy, a recapture provision must be implemented. In cases where a homebuyer subsidy was not provided and there is only a development subsidy, resale restrictions must be executed on the property.

Recapture provisions will also be used for HOME-assisted units purchased by homebuyers through IHCDA's First Home/Plus Program. The amount to be recaptured shall be based on the net proceeds received from the sale of the property. If there are not any proceeds, there is no amount to recapture.

With the decline of real estate prices, it may be impossible for IHCDA to provide a fair return to the original homebuyer and sell at a price affordable to a reasonable range of low-income buyers. IHCDA may provide additional HOME investment to the subsequent buyer as needed.

Affordability Period

The Affordability Period for all HOME-assisted homebuyer units is determined by the amount of assistance that goes into the property, e.g. rehabilitation, demolition, new construction, acquisition, program delivery, developer's fee and the type of restriction placed on the property.

HOME Affordability Periods

Source:

Indiana Housing and Community Development Authority

Amount of HOME subsidy per unit:	Affordability Period
■ Under $15,000/unit	5 years
■ $15,000 - $40,000	10 years
■ Over $40,000 per unit – or any rehabilitation/refinance combination activity	15 years
■ New Construction or acquisition of newly constructed transitional, permanent supportive or rental housing	20 years

Under resale guidelines the Affordability Period is based upon the total amount of HOME funds invested into the unit.

Under recapture guidelines the Affordability Period is based upon the total amount of the homebuyer subsidy that the homebuyer received in HOME funds.

Rental Units. With respect to HOME-assisted rental units either resale restrictions, recapture provisions, or a combination of both can be used in order to preserve affordability.

The Affordability Period for all HOME rental units is determined by calculating the total amount of HOME funds invested into the property, e.g. rehabilitation, demolition, new construction, acquisition, program delivery, developer's fee.

Refinancing Guidelines

When loaning funds to rehabilitate multifamily developments, IHCDA will consider refinancing existing debt if it is necessary to permit or continue affordability under Sec. 92.252 and meets the priorities set forth in the State's Consolidated Plan.

To receive full consideration by IHCDA, the following conditions must be met:

- Rehabilitation must be the primary activity. Therefore, rehabilitation costs must exceed the amount used to refinance existing debt.
- Except for permanent supportive housing developments, properties located within another Participating Jurisdiction must demonstrate equal and comparable financing from the local unit of government.
- The development must satisfy a minimum 15-year affordability period.
- Disinvestment in the property has not occurred.
- The long term needs of the development can be met.
- It is feasible to serve the targeted population over the affordability period.
- Refinancing loans made or insured by any other Federal program, including, but not limited to, FHA, CDBG, or Rural Development is prohibited.

ESG Program Requirements

ESG Program Requirements

This document supplements the eCon Plan suite with required narrative for the Emergency Solutions Grant (ESG) program. Contents include:

- Summary of the consultation process with the State Continuum of Care (CoC);
- Matching funds;
- Written standards for providing ESG assistance;
- Proposed activities for ESG during 2013 program year;
- Written Standards for Provision of ESG Assistance;
- The process for ESG awards;
- Homeless Participation requirement; and
- Required performance standards.

Consultation with Continuum of Care

This section describes how the State of Indiana consulted with the planning committees: Funding & Strategies Committee (F&S Committee) and Steering Committee within the CoC and under the Indiana Planning Council on Homelessness to:

- Determine how to allocate ESG funds for eligible activities;
- Develop the performance standards for activities funded under ESG; and
- Develop funding, policies, and procedures for the operation and administration of the HMIS.

The Indiana Planning Council on the Homeless is the governing body for the Balance of State under the guidance of the Steering Committee. The Indiana Planning Council on the Homeless is an open forum for all Regional Planning Councils across the CoC IN-502 to provide input on issues concerning homelessness and how the CoC should allocate funding. These recommendations are provided to the F&S Committee whereas this committee also shares their recommendations to the Indiana Planning Council on the Homeless. The Steering Committee members are: a previously homeless person, four nonprofit providers who provide temporary or permanent housing services to clients, two entitlement cities in the CoC, the CoC Applicant (IHCDA) and a Supportive Housing Service Provider - Corporation for Supportive Housing.

The State ESG program presented their program plans to the F&S Committee Members in March 2013. The F&S Committee represents homeless providers who provide temporary or permanent housing and/or services to homeless persons, mental health service providers, Regional Planning Council Chairs within the CoC. Dprt of Education, Supportive Housing Service provider, entitlement city and the Chair is the CoC Collaborative Applicant for all McKinney Vento Funding opportunities. The FSC oversees local, state, and federal funding for the CoC and seeks new opportunities for funding to end homelessness, such as Section 811 PRAD, Mckinney Vento

Competitive Applications and the Consolidated Plan Application. The F&S helps to develop funding policy to advance CoC priorities and oversees the integration and use of mainstream resources in the area. The FSC oversees the allocation and helps to set policy for the State ESG in order to integrate CoC and ESG funding under the same performance standards, meeting all the needs and gaps in the CoC area.

The Planning Council has three other committees: Data Collection and Evaluation, Quality and Performance, and Housing and Program Continuum Development. The State ESG program will be part of the work of each committee.

The Data Collection and Evaluation Committee will provide oversight and monitor the use of HMIS to measure performance measures such as length of shelter stays and recidivism as well as tracking housing stability measures for the rapid re-housing program. This committee will also advise the HMIS lead agency during the implementation of the Arizona Matrix as both a vulnerability index to inform case managers developing housing plans with participants and program level performance reports for the Funding and Strategies committee

The Quality and Performance committee is being consulted to develop shelter quality standards using national best practices and a housing first approach to homeless assistance. The shared quality standards will focus on reduction in the length of homelessness, reduction in the return to homelessness and improved engagement and efficacy of all homeless assistance programs.

The Housing and Program Continuum Development committee will work with the state ESG program to develop and coordinate regional central intake and triage centers to insure access to assistance is driven by the needs of persons experiencing homelessness. The Housing and Program Continuum Development committee will also coordinate the State ESG program with the CoC strategic planning around key community service systems: housing, employment, child care, youth services, primary health care, behavior health care, addiction treatment and other mainstream resources.

The State ESG program will further the goals of CoC and further the state's efforts to end homelessness by establishing common performance goals. The guiding philosophies include a Housing First model for homelessness solutions, the need for an effective outreach and triage infrastructure to prevent homelessness and rapidly re-house individuals and families experiencing homelessness, and the proven efficacy of permanent supportive housing and rapid re-housing. The strategic objectives of the Planning Council are to:

- Decrease shelter stays by increasing rapid re-housing to stable housing.
- Reduce recidivism of households experiencing homelessness.
- Decrease the number of Veterans experiencing homelessness.
- Decrease the number of persons experiencing Chronic Homelessness.
- Create new permanent supportive housing beds for chronically homeless persons.
- Increase the percentage of participants remaining in CoC funded permanent housing projects for at least six months to 86percent or more.
- Decrease the number of homeless households with children.
- Increase the number of rental assistance programs and services.

- Increase the percentage of participants in Emergency Solutions Grant funded rental assistance programs that move into permanent housing to 82 percent or more.
- Increase the percentage of participants in all CoC funded transitional housing that move into permanent housing to 70 percent or more.
- Increase the percentage of participants in CoC funded projects that are employed at exit to 38 percent or higher.
- Increase persons experiencing homelessness access to mainstream resources.
- Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.
- Improve homeless outreach and triage to housing and services.
- Improve HMIS data quality and coverage, and use data to develop strategies and policies to end homelessness.
- Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

By aligning ESG and CoC funding, the State will be in a position to use ESG funds strategically with Permanent Supportive Housing Programs and other homeless providers, and service agencies throughout the CoC. . In addition, the alignment will allow allocation of ESG funds based upon the need stated in the, Housing Inventory Count, and HMIS data.

Matching Funds

The State ESG program will use match from a variety of federal, state and private sources. The RFP will require successful applicants to identify community resources willing to commit services and cash assistance for security deposits, utility acreages, utility deposits, outreach and other housing stabilization services. IHCDA will work with the local sub recipients to secure match from Township Trustees and Community Action Agencies within the project's catchment area. Township trustee funds will be used for deposits and rental assistance while Community Action Agencies will be encouraged to use CSBG funds in collaboration with the ESG funds. Further match will come in the form of operations expenses for a web-based referral tool used in Indiana as the central assess point for each regional catchment area.

Proposed Activities and Funding Priorities

This section summarized the proposed activities and funding priorities for the 2013 program year.

The funding allocation for 2013 will support the five year goals established in the 2010-2014 Consolidated Plan, including:

- Reduce homelessness and increase stability for special needs populations.
- Expand and preserve affordable housing opportunities throughout the housing continuum.

The rationale for assigning the funding priorities was largely based upon HUD's national focus and priority on rapid re-housing and homeless prevention activities.

1) Rapid Re-housing - Housing Relocation and Stabilization Services.

Housing relocation and stabilization services will include payments to housing owners, utility companies and other third parties for the following costs: rental application fees, security deposits that equal no more than two month's rent, last month's rent, utility deposits, utility payments including up six months of utility arrears to support homeless individuals and families in moving as quickly as possible into permanent housing and to achieve stability in that housing. IHCDA thereby assisting an estimated 130 households with housing relocation and stabilization services statewide over the course of the award term. This estimate is based on an average rent of $550 per unit and that 65 percent of rapid re-housing is used for rental assistance, while 35 percent is reserved for housing relocation and stabilization services. No specific subpopulation will be targeted.

2) Rapid Re-housing – Rental Assistance.

The activity will include providing tenant based rental assistance to assist homeless individuals and families to move as quickly as possible into permanent housing and to achieve stability in that housing. The state program will require sub-recipients develop an outreach and centralized intake process for both the unsheltered and sheltered homeless populations. No specific subpopulations will be targeted. With the allocation amount of $ (includes $), IHCDA anticipates assisting an estimated 130 households with rental assistance statewide over the course of the award term. This estimate is based on an average rent of $550 per unit and that 65 percent of rapid re-housing is used for rental assistance, while 35 percent is reserved for housing relocation and stabilization services. The proportion of rental assistance to services was based on the same ratio maintained in the Homeless Prevention and Rapid Re-housing Program.

3) Data Entry Activity – Homeless Management Information Systems.

The activity will include reimbursement for salary costs incurred by the sub-recipient for completing data entry, monitoring and reviewing data quality, reporting to the HMIS lead agency (ICHDA), training staff on using the HMIS or comparable database, and paying staff travel costs to conduct intakes. This activity is limited to 1 percent of the overall budget. Sub-recipients will not be required to budget for this activity; however all are required to participate in the HMIS system, as provided by Client Track, Subrecipients are required to produce regular reports from the HMIS in conjunction with HUD and IHCDA requirements. The sub-recipients agree to enter data into the HMIS program on a regular and consistent basis. In the case of ESG-RR and Homeless Prevention funds, this entry must be completed essentially in "real time" so that all funds related to eligible activities may be directly tied to program participants. IHCDA will monitor data entry and data quality on an ongoing basis. ESG is anticipated to fund the Data Entry activity for approximately 1 percent of the total second round allocation. $

Discussion of Funding Priorities. The State of Indiana will provide funding for rapid re-housing, homeless prevention, outreach, operations, essentials and data entry activities based on the experience of administering the Emergency Solutions Grant for the 2012 year.

Rapid re-housing rental assistance will be given a higher percentage of funding over the homeless prevention rental assistance because Indiana had many agencies requesting homeless prevention funding due to the lack of other funding opportunities in the community. We also

had requests of other activities like outreach as a way to bring people from the streets to a safe environment like an emergency homeless shelter can offer. A lack of short term or medium term rental assistance programs and adequate housing available to families continues to be a major obstacle in addressing underserved needs in many Indiana communities. The Indiana Permanent Supportive Housing Initiative prioritizes decreasing the number of homeless households with children. Additionally, by using ESG funds to retool the homeless response system, homeless services are being transformed to crisis response systems that rapidly return people who experience homelessness to stable housing.

Written Standards for Provision of ESG Assistance

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

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

The Housing and Program Steering committee of the Indiana Planning Council on the Homeless 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. IHCDA is the collaborative applicant within the CoC and IHCDA responded to the 2012 NOFA for a Central Intake Grant to continue and improve the CoC intake and triage system. This system will provide guidance to ESG sub-recipients for locating proper housing based upon the client's need – whether it is through the outreach team to find a shelter, or rental assistance for permanent housing or for a person who would qualify for a permanent supportive housing. Once a person/household is identified as homeless or is at risk of being homeless, their housing case manager will complete an online intake and assessment using the web-based Indiana Housing Opportunities Planner and Evaluator (I-HOPE) triage tool to assist in identifying all housing options most applicable to the household. Selection for the program will be based on income, employment history, housing history, homeless status and ability to sustain their housing upon completion of the program.

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 will be required 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. In addition, ESG subrecipients must use a centralized triage intake point for all persons experiencing a housing crisis in their service area. The I-HOPE tool will assist in providing a comprehensive list of housing options appropriate for the household based on their responses to questions within the tool. HUD Veterans Affairs Supportive Housing (HUD-VASH), VA Homeless Providers Grant and Per Diem Program, Shelter Plus Care program, Supportive Housing Program and local shelters and transitional housing providers are all included as housing resources in the I-HOPE tool results.

Additionally, as part of the proposal process, applicants 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. IHCDA 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.

For 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 who meet the criteria under paragraph (4) of the "homeless" definition and live in an emergency shelter or other palace described in paragraph (1) of the "homeless "definition are eligible to receive rapid re-housing assistance. Within this definition, a determination on suitable participants will be based on factors such as income, employment history, housing history, homeless status and ability to sustain their housing upon completion of the program.

Those persons who will be utilizing homeless prevention funds must: meet the criterion under the interim rule 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) 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 § 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. IHCDA provides an Excel based worksheet which automatically calculates the tenant rent and utility portion allowable household income is entered. Sub-recipients will be responsible for ensuring that assisted rental units meet rent reasonable standards, are below fair market rent and meet habitability standards before any rental payments are approved. The tenant's portion and ESG subsidy will be calculated upon acceptance into the program and determination of need for rental assistance.

The tenant's 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 tenant's responsibility 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 will be 18 months. All funds associated with that award year must be expended upon completion of the award term. All rapid re-housing participants must be re-evaluated for eligibility at least once every year. 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 as income is 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 use the Arizona Self Sufficiency Matrix tool, which is built into the HMIS, to ensure participants receive the appropriate level of assistance.

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 18 months of housing relocation and stabilization services during the award term. Participants cannot receive more than 24 months of these services within a three 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, credit repair. No limit will be placed on the amount or type of services provided per participant as sub-recipients 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 largely consists 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.

Training in "housing first" case management will be provided to housing case managers on determining appropriate assistance levels and participant engagement. 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.

Process for Making Sub-Awards

IHCDA plans to allocate funding to approximately 8-10 agencies to administer the ESG Rapid Re-housing and Homeless Prevention Components of the ESG program.

There will be approximately 60 agencies that will apply for the operations, essentials, financial assistance and approximately 1 agency applying for an outreach component. 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 also have had experience with the previous Homeless Prevention and Rapid Re-housing Program (HPRP). Each proposal will be reviewed by at least one IHCDA Community Services staff person and by the Funding and Strategies committee of the Indiana Planning Council on the Homeless. Each reviewer will complete a scoring tool, assigning points based on the following program design components: outreach system, centralized 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 sub-recipient will be awarded based upon the homeless need in their community and their ability to provide match. This amount could be between $50,000 - $350,000 each. .

Homeless Participation Requirements.

Any ESG recipient that cannot meet the participation requirement under CFR § 576.405(a) must include a plan that meets the requirements under CFR § 576.405(b). This section describes how the participation requirement has been met.

The State ESG recipient – IHCDA - has a previous homeless person that is member of the Steering Committee that provides guidance to our CoC Programs and their policies and procedures. He currently lives in a permanent supportive housing program. The State of Indiana recognizes the invaluable perspective of homeless and formerly homeless individuals in developing an effective client-centered program and system. The State program strongly encourages sub-recipients 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 applicants to explain how homeless participation is achieved at both an organizational level and within their regional Planning Councils on the Homeless. This issue is also reviewed at each program monitoring visit.

Performance Standards . This section describes the performance standards, which were in consultation with the Continuum(s) of Care, for evaluating success of ESG activities.

The performance standards were developed in conjunction with the governing body for the Balance of State CoC, the Steering Committee and approved by the Indiana Planning Council on the Homeless 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 reports for the 2012 year. Two of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes.

For 2013, ESG rental assistance program sub-recipients: At discharge from program, 82 percent persons assisted will still be permanently housing. 65 percent of persons will increase their income.

For 2013 ESG program sub-recipients that are Emergency shelters that have activities: operations, essential services and financial assistance: 50 percent persons will discharge to permanent housing, 25 percent of person's will increase their income.

For 2013 ESG program sub-recipients that are Transitional Housing programs that have activities: operations, essential services and financial assistance: 69 percent will discharge to permanent housing, 50 percent will increase their income.

For 2013 ESG program sub-recipients that have outreach component: 50 percent of identified caseload will be permanently housed.

For 2013 ESG program sub-recipients that have outreach component: 50 percent identified caseload will increase their income.

The final two standards establish system-wide standards for the ESG program. The first sets a standard on the length of time that an individual or family remains homeless in the ESG service area.

1. The average length of stay of participants in ESG funded and other CoC programs should reduce by at least 10 percent by 2014 fiscal year.
2. The second system standard involves the extent to which individuals and families who leave homelessness experience additional episodes of homelessness. HUD has not released a recidivism methodology so until we receive a method, the Steering Committee along with the Data and Evaluation Committee will establish a methodology in the 2013 year. Since we started utilizing a new open HMIS system in March 2012, it has been an easier system to generate reports, utilize case management more thoroughly and produce special reports. Once a methodology is established, the Balance of State CoC will establish a baseline to track recidivism within ESG and all other CoC programs .The Continuum will focus on goals that will reduce returns to homelessness.

Both of these standards were set based upon HUD's stated performance targets for a high performing CoC. The CoC will use the HMIS system to measure these outcomes.

HOPWA Method of Distribution

Method of Distribution—HOPWA

Priority for funding has been given to Care Coordination sites to continue to foster the link between care plans and housing plans to meet the underserved needs of our clients who are in care coordination but not receiving HOPWA assistance or who are receiving limited housing assistance.

Funds will be made available in the following percentages of the total awards made to project sponsors:

- 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 sponsor administration and 3 percent to grantee 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

IHCDA uses the following indicators to determine their ability to achieve the desired outcomes:

- 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
- Supportive services - households

Each of the households assisted with direct housing assistance will be required to have a housing plan completed by their case manager to identify areas of special need. IHCDA encourages the case manager completing the housing plan to work directly with the client and their care coordinator to identify how to improve their access to care. IHCDA expects the case manager to work with the client to achieve housing stability for those who are homeless and achieve housing stability and reduce risks of homelessness for those who are would be homeless but for this assistance.

Project sponsor selection process. IHCDA worked with the Indiana State Department of Health to develop the criteria for selecting project sponsors for the 2013 HOPWA program. IHCDA is a member of the Comprehensive HIV Services Planning and Advisory Council which consists of both advocates and consumers of the HIV/AIDS resources available to the State. The 2013 HOPWA project sponsors will be monitored based on the guidelines set forth in the Housing Opportunities for Persons with AIDS (HOPWA) Grantee Oversight Resource Guide. Twenty percent of the project sponsors will be monitored per year.

IHCDA will encourage the project sponsors to continue housing plans for each of their clients to increase homeless prevention activities. IHCDA will also encourage the project sponsors to make use of any items made available by the State to assist with placing clients into housing with subsidies other than HOPWA. or program year 2013 funding, IHCDA will facilitate a competitive request for qualifications (RFQ) for HIV/AIDS service providers. The RFQ will be competitive in order to allocate funding based on six criteria:

1. How long the agency has served the population as an Indiana State Department of Health care coordination site.
2. What housing services the organization provides.
3. Experience providing HOPWA assistance.
4. How HOWPA will meet the unmet housing need in an area.
5. Involvement with local Regional Planning Council/ Committees/Leadership roles within RPC.
6. How the agency has been involved with the Indiana Triage Project.

To ensure the broadest possible dissemination, IHCDA will distribute the HOPWA RFQ in April via the statewide Continua of Care network and post online. Because IHCDA allocates HOPWA to all ISDH-established care coordination regions except Region 7, it was determined that IHCDA 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), IHCDA will work with the regional sponsor to tailor services to meet the needs of the population. In instances where the sponsor cannot meet these needs, the sponsor will have the ability to sub-grant a portion of its HOPWA award to another service provider.

The project sponsors will be chosen in May, therefore information regarding the 2013 project sponsors is unavailable at this time. HOPWA allocations for the 2013 program year will reflect a combination of regional epidemiological need and past performance with previous HOPWA awards.

Figure V-4.
HOPWA Service Area Counties by Care of Coordination Region

Indiana HIV Care Coordination Region	Counties Served
Region 1	Lake, Porter, LaPorte
Region 2	St. Joseph, Elkhart, Starke, Marshall, Pulaski, Fulton
Region 3	LaGrange, Steuben, Kosciusko, Noble, DeKalb, Whitley, Allen, Wabash, Huntington, Wells, Adams
Region 4	Newton, Jasper, Benton, White, Warren, Tippecanoe, Carroll, Fountain, Montgomery, Clinton
Region 5	Grant, Blackford, Jay, Delaware, Randolph
Region 6	Cass, Miami, Howard, Tipton, Hamilton, Madison, Hancock
Region 7*	Boone, Hendricks, Marion, Morgan, Johnson, Shelby
Region 8	Vermillion, Parke, Putnam, Vigo, Clay, Sullivan
Region 9	Henry, Wayne, Rush, Fayette, Union, Decatur, Franklin, Ripley, Dearborn, Ohio
Region 10	Owen, Greene, Monroe, Brown, Bartholomew, Lawrence
Region 11	Jackson, Jennings, Orange, Washington, Scott, Jefferson, Switzerland, Crawford, Harrison, Floyd, Clark
Region 12	Knox, Daviess, Martin, Gibson, Pike, Dubois, Posey, Vanderburgh, Warrick, Spencer, Perry

Note: * = Not supported by IHCDA HOPWA funding.

Source: Indiana Housing and Community Development Authority.

Section 108 Loan Program

Community Enhancement and Economic Development Activities

State of Indiana Community Enhancement and Economic Development Loan Program

Section 108 Guaranteed Loan Program

Indiana Office of Community and Rural Affairs

Indiana Housing and Community Development Authority

Indiana Community Enhancement and Economic Development (CEED) Loan Fund Basics

The Indiana Office of Community Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) seek to establish a loan pool with federally guaranteed loan proceeds offered through the U.S. Department of Housing and Urban Development (HUD). Indiana receives an annual federal entitlement under the Community Development Block Grant (CDBG) Program. In accordance with the federal regulations found in 24 CFR 570, Subpart M, a state may develop procedures and requirements to assist non-federal entitlement public entities to apply for loans from the HUD Section 108 Loan Guarantee Program. The state proposes to assist public entities by providing access to a State managed loan pool, which shall be funded with Section 108 loan proceeds in an amount not to exceed $140,000,000.

Utilizing a non-competitive method of distribution, the State will make third party loans to units of local government for three purposes:

1. Economic Development
2. Housing Development
3. Community Development

A complete description of the standard method of distribution is available for public review in the Annual Action Plan posted at www.in.gov/ocra. This application shall serve as a first amendment for program year 2012 to the Annual Action Plan, and shall modify the Action Plan only to expand on the method of distribution for the purpose of describing the State's method for deploying and repaying the Section 108-guaranteed loan.

Only units of local government that do not receive direct allocations of Community Development Block Grant from the U.S. Department of Housing and Urban Development may apply to the State of Indiana's Indiana Housing and Economic Loan Fund, or CEED Fund, and applications for loans from the CEED fund may be only for the project types listed below. The total maximum amount of CEED financing that an eligible public entity may receive is limited to $7,000,000. A minimum loan request of $1,000,000 is required.

Loans made from the CEED fund shall be repaid from project revenue or other revenue pledged specifically for repayment of the loan, such as tax increment financing revenue. For all loans, the State will require additional security to be pledged for loan repayment. Specific security requirements depend on the loan type, as outlined below. The maximum term of CEED loans shall not exceed twenty (20) years.

All applicants to the CEED Fund must supply:

1. A complete application package
2. Business or project plan
3. Statement of detailed sources and uses
4. Statement of projected cash flow for the life of the loan
5. Current and two most recent audited consolidated financial statements for key principals (end borrowers), as well as interim financials (for corporations and partnerships) and/or personal financial statements (for individuals).

6. Supporting documentation, as appropriate, including but not limited to: market, feasibility, or demand studies; environmental studies; geotechnical reports; current real estate appraisals; proof of site control; land surveys.

CEED Loan Products

Terms Applicable to All Loan Products

- **Cost Reasonableness:** All proposed uses for the loan proceeds must be reasonable in cost, as determined by Lender in its sole discretion. Borrowers must support cost estimates as appropriate by, for example, fair-market/third-party price quotations, contractor/engineer estimates, appraisals, or executed contracts.

- **Proportional Disbursement:** To the extent practicable, the Section 108 loan funds should be disbursed on a pro rata basis with other funding sources to avoid placing the Section 108 Loan funds at a greater risk than other funding sources. a) Lender will review construction or operating business cash flow statements and Sources and Uses statements to confirm that Section 108 loan funds will be expended at the same ratio as other funding sources. b) Lender will also review other funding sources' policies on the expenditure of funds. If these policies require the public funds to be disbursed first, lender reserves the right to negotiate with other lenders, equity providers and subsidy providers to attempt to modify these policies. If Section 108 funds must still be expended first, lender reserves the right to require safeguards such as performance or completion bonds.

- **Key Principals Capacity:** To confirm this, lender will evaluate information provided by borrower in a form acceptable to lender, including but not limited to: a) Roles and responsibilities of each team member; b) Experience with similar types of developments; and c) Qualifications and background of each team member.

- **Financing Commitments:** Lender will review the Sources in the Sources and Uses statement (or cash flow statement, in the case of operating capital loans) to determine in its sole discretion if sufficient sources of funds have been identified and are committed to the project, including but not limited to debt, subsidy, sponsor equity, and outside equity. The terms and conditions of all other sources of funding, including but not limited to terms, covenants, lien position, and recourse must be disclosed. Borrower must provide evidence satisfactory to lender that all other funding sources are committed under terms acceptable to lender in its sole discretion, and that the participating financing parties have the financial capacity to provide the funds in a timely manner.

- **Loan Security:** The primary source of repayment for the Section 108 loan will be repayments of the second-level loans to third parties. The second source of repayment for the Section 108 loan will be security on the second-level loans. The third source of repayment shall be program income on the State's Disaster Recovery Community Development Block Grant. The fourth source of repayment shall be the State's annual allocation of Community Development Block Grant, as pledged in this application in accordance with Section 108 program regulations.

  All third party loans made by the State will be secured by:

1. A lien of no lower than second position on real property. Liens taken in second position will only be accepted when the State loan and superior debt together do not exceed 80 percent of the asset value as determined by a qualified appraisal; or
2. A lien of no lower than first position on new equipment. Liens on new equipment will only be accepted when the State loan does not exceed 80 percent of the asset value as determined by the purchase price; or
3. A lien of no lower than first position on used equipment. Liens on used equipment will only be accepted when the State loan does not exceed 65 percent of the asset value as determined by the purchase price; or
4. A lien of no lower than first position on personal property, inventory, or accounts receivable. Liens on personal property, inventory, or accounts receivable will only be accepted when the State loan does not exceed 65 percent of the asset value as determined by a qualified business valuation consultant; or
5. A pledge of increments in local tax receipts. Pledges of increments of local tax receipts will only be accepted for revenue streams with three or more years of demonstrated positive cash flow. The asset value shall be based on a seven percent (7%) discount rate, and the State loan shall not exceed 90 percent of the uncommitted value of the revenue stream; or
6. A pledge of other sources of public revenue, such as gaming revenue. Pledges of other public revenue will only be accepted for revenue streams with three or more years of demonstrated positive cash flow. The asset value shall be based on a seven percent (7%) discount rate, and the State loan shall not exceed 90 percent of the uncommitted value of the revenue stream; or
7. Other negotiated security, as deemed prudent and appropriate under the circumstances. Examples of such additional security that the State may require include but are not limited to: a. Liens on real and personal property; b. Debt Service Reserves; or c. Increments in local tax receipts generated by activities carried out with Section 108 loan funds.

Further, the State may at its discretion require borrowers to provide additional security including but not limited to: (a) personal guarantees, (b) debt service reserves, or (c)_other security mechanisms appropriate to the project.

Economic Development Loans

Local governments may apply for financing to be provided as a loan to a local business for expansion of its operations. Funds may be used for purposes including but not limited to: predevelopment, site acquisition, site preparation/land development, construction, purchase of machinery and equipment, or working capital. A project of this type would normally leverage other sources of funding and capital invested by the end borrower. Economic development projects must create new job opportunities to be filled by a minimum of 51% low-and-moderate income persons. The loan should be repaid by the business from net cash flow.

Site Acquisition Loans Evaluation Criteria: In addition to the criteria listed above, site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources

with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.

- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Site Acquisition Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Acquisition Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.
- **Eligible Activity:** Acquisition 570.703(a); Payment of Interest 570.703(c)
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Site Preparation Loans: In addition to the criteria listed above, site preparation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i)

Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.

- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Site Preparation Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Preparation Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.
- **Eligible Activity:** Payment of Interest on obligations guaranteed under this subpart 570.703(c); Relocation payments 570.703(d)(1) & 570.703(d)(2) ; Clearance/Demolition 570.703(e); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Site Preparation 570.703(f)(1) & 570.703(f)(2);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Construction or Construction/Permanent Loans: In addition to the criteria listed above, construction or construction/permanent loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of

asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.

- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Construction Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.
- **Eligible Activity:** Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs

Equipment Loans: In addition to the criteria listed above, equipment loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to a business expansion plan evidencing need for the equipment, cost estimates, and evidence acceptable to lender that the proposed equipment purchase is the optimal choice. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit a business operating cashflow statement clearly setting forth the sources with which the Borrower plans to repay financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will

evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender reserves the right to require: a) pre-approval of the cost, condition, and quality of the equipment to be financed; and b) a debt service reserve capitalized with loan proceeds.

- **Eligible Activity:** Payment of Interest 570.703(c); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Jobs; Elimination of Slum and Blight

Working Capital Loans: In addition to the criteria listed above, working capital loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to business cash flow statements, a business plan, and information on the borrower's product cycle. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Operating Capital Loans are anticipated to be repaid primarily from business income, including revenue from sales or services provided. Each loan application will include a written explanation of the anticipated source of repayment and the reason for requesting the loan terms and conditions. Lender reserves the right to require a debt service reserve capitalized with loan proceeds.
- **Eligible Activity:** Payment of Interest 570.703(c); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);

- **National Objective:** Low-to-Moderate Income Benefit- Jobs; Elimination of Slum and Blight

Housing Development Loans

Local governments may apply for financing to support a nonprofit housing developer's efforts to produce new construction or rehabilitated housing for sale or rent. Housing projects must achieve a CDBG national objective.

Site Acquisition Loans: In addition to the criteria listed above, housing site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Site Acquisition Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-

by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.

- **Eligible Activity:** Acquisition 570.703(a); Payment of Interest 570.703(c)
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Construction or Construction/Permanent Loans: In addition to the criteria listed above, housing site acquisition loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. Loan terms for Construction Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Construction Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Housing Rehabilitation Loans In addition to the criteria listed above, housing rehabilitation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, housing demand studies, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. For non-revenue producing projects such as community facilities, Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay loan funds. Lender may also review engineering and other types of feasibility studies to properly evaluate the project
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. Loan terms for Housing Rehabilitation Loans are not anticipated to be longer than five (5) years, although Lender may approve exceptions in its sole discretion. If Housing Rehabilitation Loans are to be taken out by permanent financing, they may at the lender's sole discretion be offered on an interest only basis with principal due at maturity. If the loan converts to a permanent loan, the term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and

conditions. If the loan includes a permanent financing component, Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Community Economic Development Projects 570.703(i)(1) & 570.703(i)(2); Debt Service Reserve 570.703(k);
- **National Objective:** Low-to-Moderate Income Benefit- Housing; Elimination of Slum and Blight

Community Development Loans

Local governments may apply for financing to undertake large-scale public facilities and infrastructure projects. These projects may be beyond the annual budget limitations of communities. Community development projects must achieve a CDBG national objective.

Site Preparation Loans: In addition to the criteria listed above, community development site preparation loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market studies, real estate appraisals, or feasibility studies. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule

(resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions.

- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2);
- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Streetscape Loans In addition to the criteria listed above, streetscape loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to feasibility studies or infrastructure/capital needs assessments. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.

- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal 570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Debt Service Reserve 570.703(k)
- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Public Facility Loans: In addition to the criteria listed above, public facility loans will be evaluated against the following criteria:

- **Project Feasibility:** In addition to the financial feasibility of a project, an analysis will also be made on the feasibility of the overall development. The Section 108 loan application must be supported with additional documentation including but not limited to market/demand studies, real estate appraisals, or feasibility studies evidencing a clear need for the proposed facility. All such documentation must be prepared by a third party source that has the qualifications to perform the study, as determined by Lender in its sole discretion. Borrower must submit an operating pro forma clearly setting forth the sources with which the Borrower plans to repay permanent financing. Lender may also review engineering and other types of feasibility studies to properly evaluate the project.
- **Site Suitability:** Lender will also evaluate the project site and location, as follows: a) The project's structural and environmental conditions are satisfactory to lender in its sole discretion, as demonstrated by third party studies and reports including but not limited to: i) Property appraisal ii) Phase I Environmental Site Assessment, iii) Property condition assessment (iv.) If necessary, an operations and maintenance program for removal of asbestos, lead-based paint, radon, PCBs, other toxic waste, and the removal of underground storage tasks. b) The project must have appropriate and adequate zoning, as evidenced by: i) A statement from the community zoning officer that the proposed use of the site is classified as either a legal conforming or a legal non-conforming use under local zoning requirements. d) Proof of ownership and proper title to the property must be evident. e) Borrower must provide a survey of the property from a licensed land surveyor that includes, at a minimum, metes and bounds, a written legal description, easements, encumbrances, rights-of-way, physical features, and utility lines, all in form and content satisfactory to lender.
- **Financial Feasibility:** The project will be examined to determine its viability and assure that the public benefit anticipated from the Section 108 loan will be realized. a) Lender will evaluate current and historic financial statements of both the project sponsor and principals to evaluate completion risk based on sponsor financial capacity. Lender will examine income and expense statements for the proposed tenants relative to industry averages and prudent practice. Lender will also review project costs for reasonableness and feasibility. Finally, lender will analyze past, current, and projected financial data to determine if the job estimates are reasonable and supported by the data. Labor costs shall be evaluated against industry averages. b) The terms and conditions of the Section 108 loan must be appropriate. The interest rate should be set at a rate where available cash flow meets debt obligations with enough remaining cash flow to operate successfully and provide an acceptable debt-coverage ratio. The loan term will be based on the asset being financed. The term will not exceed the economic life of the asset being financed or twenty (20) years (whichever is shorter), as established by the Section 108 Program Guidelines. A longer loan amortization schedule (resulting in a balloon payment at maturity) may be justified on a case-by-case basis. Each loan application will include a written explanation of this assessment and the reason for requesting the loan terms and conditions. Lender may at its sole discretion require borrower to capitalize a debt service reserve with loan proceeds.
- **Eligible Activity:** Acquisition 570.703(a); Rehabilitation 570.703(b); Payment of Interest 570.703(c); Relocation 570.703(d)(1) & 570.703(d)(2); Clearance, Demolition and Removal

570.703(e); Site Preparation 570.703(f)(1) & 570.703(f)(2); Debt Service Reserve 570.703(k)

- **National Objective:** Low-to-Moderate Income Benefit- Area Benefit; Low-to-Moderate Income Benefit- Limited Clientele; Elimination of Slum and Blight – Spot, Area

Additional Information

Underwriting Experience

Although we will retain qualified consultant support when necessary and appropriate, the State of Indiana has established a strong record of accomplishment in underwriting, closing, and securing repayment of a broad range of loans, equity investments and equity equivalent investments. For example, Indiana Housing & Community Development Authority underwriting and management staff have over 50 years of collective experience underwriting residential construction and permanent loans, home mortgages, and interim as well as permanent loans for the development of commercial and residential as well as community facilities. IHCDA staff are experienced in structuring leveraged financing that provides the critical first and last dollars, while closing financing gaps that facilitate investment by other lenders. Through subordinate (but still prudent) lien and payment position, our loans have Debt-Service Coverage Ratio as low as 1.1 and Loan To Value ratios of up to 100%; of course, we will follow more conservative HUD guidelines in both of these regards for Section 108 financing. In spite of these risks, our delinquency and default rate consistently outperforms comparable market debt.

IHCDA manages a range of investments to support the development of affordable housing, all of which carry the same requirements for underwriting, due diligence, servicing, reporting to investors and asset management as a Section 108-Guaranteed Loan:

- **Single Family Homeownership:** Though we are not a direct originator, IHCDA provides access to low-interest flexible financing for home purchase, downpayment assistance, and homeownership counseling. In 2011, our participating lenders closed $118.7 million in 1,274 loans and allocated 627 Mortgage Credit Certificates (generating almost $14.6 million in Credits on over $67 million in loans). Through June 30 2012, our participating lenders closed 636 loans totaling $61.1 million and allocated 344 Mortgage Credit Certificates leveraging $36.8 million in financing.

- **Rental Housing Tax Credits:** IHCDA is responsible for allocation of Indiana's allotment of Rental Housing Tax Credits. In 2011, IHCDA awarded a total of $14.35 million in annual credits for projects generating 2,424 units, with total development cost of $241.6 million.

- **Tax Credit Exchange Program (TCEP)/Tax Credit Assistance Program (TCAP):** IHCDA manages $235 million in TCEP proceeds and $38 million in TCAP funds to assist projects that were awarded credits in prior years but have been unable to find equity, have been subject to cost increases as a result of the tightening credit market, or both. Through the end of 2010, IHCDA has allocated and closed on funding of the entire amount, to support production of nearly 6,400 units in 92 projects with total development cost in excess of $570 million. These funds are structured as loans, with many of the features set forth in our proposal for Section 108 debt, including below-market fees and interest rates, subordination to financial institution debt, less strict collateral and credit underwriting standards, and longer than standard amortization relative to market debt.

- **Neighborhood Stabilization Program:** IHCDA is the administrator of $83.76 million in Neighborhood Stabilization Program funds allocated through HERA, as well as $8.2 million in NSP funds allocated through Dodd-Frank. We are working with partners throughout the state to effectively leverage those funds with other IHCDA-controlled resources and private funding to both mitigate the effects of foreclosure statewide and engage in comprehensive community development in select areas.

- **USDA Rural Development Section 515 loan program:** IHCDA leverages its resources through strategic partnerships with a range of funders. For example, IHCDA has worked with the US Department of Agriculture to secure an allocation of $2.125 million in USDA 515 funds for renovation, upgrades and ownership transfers on existing Rural Development properties built in the 1960s and 1970s. With a dollar for dollar match for 515 funds from the Indiana Housing and Community Development Fund (the State's housing trust fund, supported by an annual allocation of a portion of the state tax on non-cigarette tobacco), IHCDA is substantially leveraging USDA's investment while diffusing the risk for both entities.

With regard to non-residential real estate, IHCDA is among the partners working to support a community development financial institution serving disadvantaged businesses and communities throughout Indiana. The CDFI, The Community Investment Fund of Indiana, Inc., or CIFI, has to date made $540,000 in direct loans to serve eligible Low Income Targeted Populations. IHCDA staff are providing primary underwriting and deal structuring support. CIFI's board members and partners come from a broad range of Indiana communities, and the organization will be a critical partner in identifying and facilitating future Section 108 investments; moreover, CIFI will offer predevelopment financing and seed capital for projects and businesses serving disadvantaged communities to help them advance to a state of readiness for Section 108 investments and leveraged debt.

In addition, IHCDA staff have approximately 30 years of collective experience underwriting construction and permanent financing for non-residential loans and investments, including new construction and rehab projects for mixed use retail/residential, traditional retail and office properties, historic community landmarks, community facilities such as health clinics, recreational facilities and assisted living/nursing care facilities, land development efforts, and industrial parks.

Planned Lending Capacity and Repayment

State of Indiana anticipates making $140,000,000 in loans over the next five years. The State will repay loan funds that it advances over a twenty year term with a twenty year amortization. The primary source for repayment will be project revenue from third party loans to units of local government. The second source of repayment will be security on those loans. The third source of repayment will be the State's annual allocation as pledged in this application. Federal statute requires that the State of Indiana pledge its CDBG allocation as a source of repayment.

Pursuant to 570.703(g), the State will utilize Section 108 funds where appropriate to cover the cost of Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt service obligations.

Application Process

A. Project Proposal

Eligible public entities must submit a project proposal as a requirement for the Indiana Section 108 Loan Program. The proposal will be submitted using the Section 108 Loan

Proposal Form.

B. Site Visit

A site visit to discuss the potential project and the need for Section 108 loan funds will be required. Eligible public entities are encouraged to request a site visit with OCRA/IHCDA staff as early in the process as possible. Attendees must include the eligible public entity, the for-profit business, non-profit developer, for-profit developer, and any other parties to the Section 108 Loan.

C. Threshold Review

OCRA/IHCDA staff will review each application submitted for compliance with the state and federal threshold requirements for a Section 108 loan, including proper design to meet eligibility and national objective requirements and demonstration of non-replacement of federal funding.

D. Final Application

Once the public entity has held the public hearing and published the proposed application the public entity must consider any comments received and if it deems appropriate, modify the proposed application. The final application must be made available to the public.

E. Final Review and Approval

The State of Indiana will review the final application submitted for a Section 108 loan. OCRA (in consultation with IHCDA) may disapprove or reduce the amount of the loan when it determines that the loan constitutes an unacceptable financial risk. OCRA reserves the right to not approve an application based on any other combination of factors and will notify the public entity in writing that the loan application has been approved, reduced, or disapproved. If the request is reduced or disapproved, the public entity will be informed of the specific reasons for reduction or disapproval.

If the request is approved, OCRA will request from HUD a final determination regarding the eligibility and national objective of the proposed activity. OCRA will allocate funds from its Section 108 loan fund for all approved projects.

Information for Local Government Borrowers

All additional information related to this application for Section 108 guaranteed loan funds, including local government application guidelines, is available at www.in.gov/ocra.

For more information, please visit www.in.gov/ocra or contact the Indiana Office of Community and Rural Affairs at (800) 824-2476.

Pursuant to 24 CFR §570.704(b)(9), the SECTION 108 LOAN GUARANTEE State Certifications Related to Nonentitlement Public Entities

State of _____, with regard to the Section 108 Loan guarantee application submitted by the _____ (Nonentitlement Public Entity), certifies that:

i. It agrees to make the pledge of grants required under 24 CFR §570.705(b)(2).
ii. It possesses the legal authority to make such pledge.
iii. At least 70 percent of the aggregate use of the CDBG grant funds received by the State, guaranteed loan funds, and Unconditional pledge of Program Income during the one, two, or three consecutive years specified by the State for its CDBG program will be for activities that benefit low and moderate income persons.
iv. It agrees to assume the responsibilities described in 24 CFR §570.710.

_____
Signature

_____
Name

_____
Title

_____
Date (mm/dd/yyyy)

Consultation and Participation

Summary of Stakeholder Consultation and Citizen Participation Processes

NOTICE OF PUBLIC HEARING
FY 2013 CONSOLIDATED PLAN FOR FUNDING

Para ver una versión española de este anuncio de la audición, www.in.gov/ocra visita. Para traducciones al español de los documentos mencionados en este anuncio, escribir al Indiana Office of Community and Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204, o E-mail bdawson2@ocra.in.gov.

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS
INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY

Pursuant to 24 CFR part 91.115(a)(2), the State of Indiana wishes to encourage citizens to participate in the development of the State of Indiana Consolidated Plan for 2013. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2013 Consolidated Plan draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2013. The Consolidated Plan defines the funding sources for the State of Indiana's four (4) major HUD-funded programs and provides communities a framework for defining comprehensive development planning. The FY 2013 Consolidated Plan will set forth the method of distribution of funding for the following HUD-funded programs:

State Community Development Block Grant (CDBG) Program
Home Investment Partnership Program
Emergency Solutions Grant Program
Housing Opportunities for Persons With AIDS Program

These public hearings will be conducted **on Tuesday, April 23** at several **Ivy Tech Community College** campuses (http://www.ivytech.edu/) across the state. Your choices of Ivy Tech campuses are:

Indianapolis
Fairbanks Building,
Room F230
9301 E. 59th St.
Lawrence, IN 46216
2:00 p.m. or
5:30 p.m. EDT

Valparaiso
Auditorium
3100 Ivy Tech Drive
Valparaiso, IN 46383
1:00 p.m. or
4:30 p.m. CDT

Lafayette
3101 South Creasy Lane
Griffin Hall, Room 131
Lafayette, IN 47903
2:00 p.m. or
5:30 p.m. EDT

Madison
590 Ivy Tech Drive
Room 1075
Madison, IN 47250
2:00 p.m. or
5:30 p.m. EDT

Richmond
Stidham Auditorium, #1239
2357 Chester Boulevard
Richmond, IN 47374
2:00 p.m. EDT

Evansville
Room 201
3501 North First Ave.
Evansville, IN 47710
1:00 p.m. or
4:30 p.m. CDT

All members of the public are invited to review the draft Plan prior to submission April 10, 2013 through May 10, 2013 during normal business hours of 8:30am to 5:00pm, Monday-Friday, at the Indiana Office of Community and Rural Affairs. A draft Plan will also be available on the IHCDA website (www.in.gov/ihcda) and the OCRA website (www.in.gov/ocra).

Written comments are invited from Wednesday, April 10, 2013 through Friday, May 10, 2013, at the following address:

Consolidated Plan
Indiana Office of Community and Rural Affairs
One North Capitol – Suite 600
Indianapolis, IN 46204-2027

Persons with disabilities will be provided with assistance respective to the contents of the Consolidated Plan. Interested citizens and parties who wish to receive a free copy of the Executive Summary of the FY 2013 Consolidated Plan or have any other questions may contact the Indiana Office of Community and Rural Affairs at its toll free number 800.824.2476, or 317.232.8911, during normal business hours or via electronic mail at bdawson2@ocra.in.gov.

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.

The Indiana Planning Council on the Homeless is the governing body for the Balance of State Continuum. In March 2013, , the State ESG program presented its plans on the use of ESG funds for rapid re-housing activities, homeless prevention, outreach, essential services, operations and data entry (HMIS) including the plan to merge the ESG allocation process with the Continuum of Care planning and funding policy and procedures. The Planning Council has four primary committees: Data Collection and Evaluation, Funding and Strategies, Quality and Performance, and Housing and Program Continuum Development. The State ESG program will be part of the work of each committee.

During the 2013 program year, the State ESG program will continue to further the goals of Continuum of Care and further the state's efforts to end homelessness by establishing common performance goals. The guiding philosophies include a Housing First model for homelessness solutions, the need for an effective outreach and triage infrastructure to prevent homelessness and rapidly re-house individuals and families experiencing homelessness, and the proven efficacy of permanent supportive housing and rapid re-housing. The strategic objectives of the Planning Council are to:

1. Decrease shelter stays by increasing rapid re-housing to stable housing.
2. Reduce recidivism of households experiencing homelessness.
3. Decrease the number of Veterans experiencing homelessness.
4. Decrease the number of persons experiencing Chronic Homelessness.
   - Create new permanent supportive housing beds for chronically homeless persons.
   - Increase the percentage of participants remaining in Continuum of Care funded permanent housing projects for at least six months to 86 percent or more.
5. Decrease the number of homeless households with children.
   - Increase the number of rapid re-housing vouchers and services.
   - Increase the percentage of participants in Emergency Solutions Grant funded rapid re-housing that move into permanent housing to 82 percent or more.
   - Increase the percent ate of participants in Continuum of Care funded transitional housing that move into permanent housing to 70 percent or more.
6. Increase the percentage of participants in Continuum of Care funded projects that are employed at exit to 38 percent or higher.
7. Increase persons experiencing homelessness access to mainstream resources.

8. Collaborate with local education agencies to assist in the identification of homeless families and inform them of their eligibility for McKinney-Vento education services.

9. Improve homeless outreach and triage to housing and services.

10. Improve HMIS data quality and coverage, and use data to develop strategies and policies to end homelessness.

11. Develop effective discharge plans and programs for individuals leaving State Operated Facilities at risk of homelessness.

The Data Collection and Evaluation Committee will provide oversight and monitor the use of HMIS to measure performance measures such as length of shelter stays and recidivism as well as tracking housing stability measures for the rapid re-housing program. This committee will also advise the HMIS lead agency during the implementation of the Arizona Matrix as both a vulnerability index to inform case managers developing housing plans with participants and program level performance reports for the Funding and Strategies committee.

The State ESG program allocation process is now being merged with the Funding and Strategies committee which has oversight of the Balance of State competitive McKinney Vento Homeless Assistance funds. By aligning ESG and CoC funding, the State will be in a position to use ESG rapid re-housing funds strategically with Supportive Housing Program and Shelter Plus Care funds. In addition, the alignment will also allow allocation of ESG funds to be better informed by the Point in Time Count, Housing Inventory Count, and HMIS data. This committee will participate in reviewing the ESG Rapid Re-housing proposals submitted.

The Quality and Performance committee is being consulted to develop shelter and rapid re-housing quality standards using national best practices and a housing first approach to homeless assistance. The shared quality standards will focus on reduction in the length of homelessness, reduction in the return to homelessness and improved engagement and efficacy of all homeless assistance programs.

The Housing and Program Continuum Development committee will work with the state ESG program to develop and coordinate regional central intake and triage centers to insure access to assistance is driven by the needs of persons experiencing homelessness. The Housing and Program Continuum Development committee will also coordinate the State ESG program with the Continuum of Care strategic planning around key community service systems: housing, employment, child care, youth services, primary health care, behavior health care, addiction treatment and other mainstream resources.