STATE OF INDIANA
SUBSTANTIAL AMENDMENT TO ACTION PLAN
FOR CDBG SUPPLEMENTAL DISASTER RECOVERY FUNDS

U.S. Department of Housing and Urban Development
Docket No. FR-5256-N-01
[Federal Register: August 14, 2009 (Volume 74, Number 156)]

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INTRODUCTION

The State of Indiana is required to publish a Substantial Amendment to their Action Plan for Disaster Recovery (Action Plan) that describes the proposed use of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) funding associated with the Supplemental Appropriations Act, 2008 (Public Law 110-329, approved September 30, 2008) for disaster relief of unmet needs resulting from severe weather and flooding in the state. This document will describe:

- the citizen participation process used to develop the Action Plan;
- eligible affected areas and applicants, and the methodology to be used to distribute funds to those areas and applicants;
- activities for which funding may be used; and
- grant administration standards.

This Action Plan will be used by the state to guide the distribution of $348,382,701 of CDBG Disaster Recovery Funding toward meeting unmet housing, infrastructure, business, public service, public facility, and other needs in counties designated as Presidential Disaster Areas, as directed by Public Law 110-329 and HUD. This Action Plan is in relation to the U.S. Department of Housing and Urban Development's Notice of Funding Availability provided in Federal Register / Volume 74, Number 156, Docket No. FR-5337-N-01.

THE EFFECT OF THE DISASTERS ON INDIANA'S RECOVERY NEEDS

The 2008 disasters in Indiana have been among the worst in our state's history. 82 of Indiana's 92 counties were declared as Presidential disaster areas between the three disaster periods (DR-1740, DR-1766 and DR-1795).

DR-1740, which affected northern Indiana, occurred after winter rains melted several feet of snow, causing severe flooding. 21 counties were declared as a result of the winter weather. Additionally, the northwestern-most counties declared as part of DR-1740 were again affected by severe storms. As of the end of 2008, the declared counties received $7.6 million of Individual Assistance and $5.1 million in Public Assistance as a result of DR-1740.

DR-1766, the result of tornados and severe flooding in late May and early June, was clearly the most substantial 2008 disaster with 44 counties declared as Presidential disaster areas. FEMA estimates that total IA and PA for this disaster will exceed $275 million. FEMA and the SBA received 17,844 applications for IA during DR-1766, resulting in over $127 million in assistance. The PA process is now in full swing with FEMA having 318 eligible applicants from local and state government and an estimated 2,111 project worksheets. Currently $22 million have been obligated to local governments, and PA total estimates exceed $150 million.

Lastly, when the powerful remnants of Hurricane Ike passed through Indiana in early September they caused severe flooding in the northern parts of the state and wind storms in the south. DR-1795 resulted in 38 county declarations. To date, 25,800 IA applications have been filed with FEMA and $43 million of financial assistance provided to individuals.

The chart below depicts the best possible estimate of the financial impact of all the 2008 disasters to the state of Indiana. Based on these estimates, the state has been subject to over $1.9 billion in damage to public infrastructure, housing and farmland.

Category	**Estimated Financial Impact $000**
FEMA Relief	372,714
Private Insurance Claims for Natural Disasters	735,000
Dams, Levees, & Other Infrastructure	246,500
Federal Highway Repairs	13,700
Agriculture	270,000
Other Unmet Needs *(Based on HUD Estimates)*	266,108
TOTAL	**1,904,022**

While the estimated FEMA assistance is substantial with over $370 million in funding provided, it will not cover the estimated recovery needs in the areas of economic and workforce development, infrastructure, and housing. The following summarizes the key unmet needs in each of these areas:

Economic and Workforce Development

The largest economic impact to Indiana will be in the area of agriculture where early estimates indicate that crop losses will exceed $300 million and land rehabilitation losses for activities like debris and sediment removal, levee repair and soil erosion repair will exceed $200 million.

Impact to other Indiana businesses is likely to exceed $500 million with most of the damage occurring in the five most effected counties of Bartholomew, Johnson, Vigo, Morgan and Owen. The most substantial areas of damage occurred in Columbus, Indiana, where the Columbus Regional Hospital was completely immobilized and had over $211 million in damages of which less that $75 million will be covered by FEMA. Additionally, the city's largest employer reported damages in excess of $200 million none of which qualified for assistance.

Infrastructure

Damage to Indiana's public infrastructure will likely exceed $325 million and it is estimated that FEMA-PA will cover $217.4 million that was found to be eligible for their program, providing a federal share of $123.3 million or less than half, of this expense. The remainder does not qualify, is covered by another Federal program, or represents the state/local match. The chart below depicts the financial assistance the State of Indiana has received. However, the costs that go beyond what is covered below have been identified as key areas of remaining need.

	FEMA-IA Applicants	FEMA-IA Assistance ($000)	SBA Loans ($000)	FEMA-PA Assistance ($000)	Total Financial Assistance ($000)
DR-1740	3,291	7,653	8,890	6,864	23,407
DR-1766	17,850	55,768	73,456	170,866	300,090
DR-1795	26,039	34,088	28,622	39,734	102,444
TOTALS	47,180	97,509	110,968	217,464	425,941

About half of Indiana's PA expense comes from the extensive damages to Columbus Regional Hospital, a major hospital servicing a large portion of Southeastern Indiana. The hospital suffered over $211 million in damage of which about half will qualify for FEMA-PA. One of the state's top priorities has been to help CRH recover from the catastrophic losses experienced in June of 2008, and a portion of PA-match funding would be for this effort. The remaining PA expenses result from damage to a mixture of public infrastructure such as damaged roads, bridges, dams and levees.

Housing

Indiana has over 17,000 families who suffered some type of damage to their dwelling. Housing is a key challenge for the state. FEMA-IA has provided substantial assistance; however, additional help will be required. The most urgent need is to insure that homeowners who are displaced by flooding are not faced with outstanding mortgage debt from a substantially damaged property that precludes them from obtaining suitable replacement housing. Over 700 homes totaling $80MM have been identified for community buy-out programs. Projections from DR-1766 indicate that FEMA's payout under the HMGP will leave Indiana with a shortfall of at least $12MM. Extrapolating these metrics to DR-1795, Indiana expects an underpayment from FEMA to total $6MM. Moreover, 20% of the displaced homeowners also find themselves underwater on average 10% with their mortgage. To make these homeowners whole will cost an additional $1.6MM. In total, Indiana anticipates nearly $20MM in unmet housing need for homeowners who have lost their homes due to these recent disasters. Filling this gap with CDBG Disaster Recovery Funds would make homeowners whole and permit localities to move forward with their buy-out programs expeditiously.

FEDERAL AND STATE RESPONSES TO DATE

From the onset of the major disasters of 2008, federal and state agencies have exhibited an unprecedented level of cooperation. This coordinated effort has resulted in quick and efficient response and a transparent delivery of services to Hoosiers.

Early in the disaster period during DR-1766, Governor Daniels initiated a unique approach to recovery in that he ordered all state and federal agencies to set up One-Stop-Shops around the disaster areas. These centers were designed to include appropriate federal, state and volunteer resources so flood victims could initiate all of their recovery efforts at one time. This resulted in a quick enrollment of almost all applicants and the quick disbursement of nearly $285 million in IA, ONA and SBA loans.

This effort was replicated in Northern and Southern Indiana after the disastrous remnants of Hurricane Ike. One stop shops were set up in 21 counties where thousands of Indiana residents were served and nearly $66 million were disbursed in IA, ONA and SBA loans. Additionally, Indiana's Family and Social Services Administration served nearly 50,000 Indiana residents through the distribution of $17.6 million dollars of disaster food stamps at the 21 different one stop shops.

Governor Daniels also created the Office of Disaster Recovery (ODR) to coordinate the state's ongoing recovery efforts with one voice. ODR has five primary areas of focus: 1) Maximizing federal financial assistance, 2) Ensuring optimal short and long-term housing, 3) Maximizing PA and issuing funds to local government quickly, 4) Addressing the long-term dam and levee issues, and 5) Ensuring farmers receive maximum USDA assistance. ODR coordinates the activities of many federal and state agencies and is in close partnership with FEMA's DR-1766 JFO. ODR's activities are summarized and key metrics are available at www.emergency.in.gov.

CONSULTATION WITH LOCAL GOVERNMENTS

In early January 2009, the Office of Community & Rural Affairs solicited feedback from local units of government in the 82 counties affected by disasters in 2008 through a Capital Infrastructure Survey. The Indiana Association of Cities and Towns, the Association of Indiana Counties and the Indiana Association of Regional Councils were key partners in soliciting information from the units of local government, including HUD Entitlements.

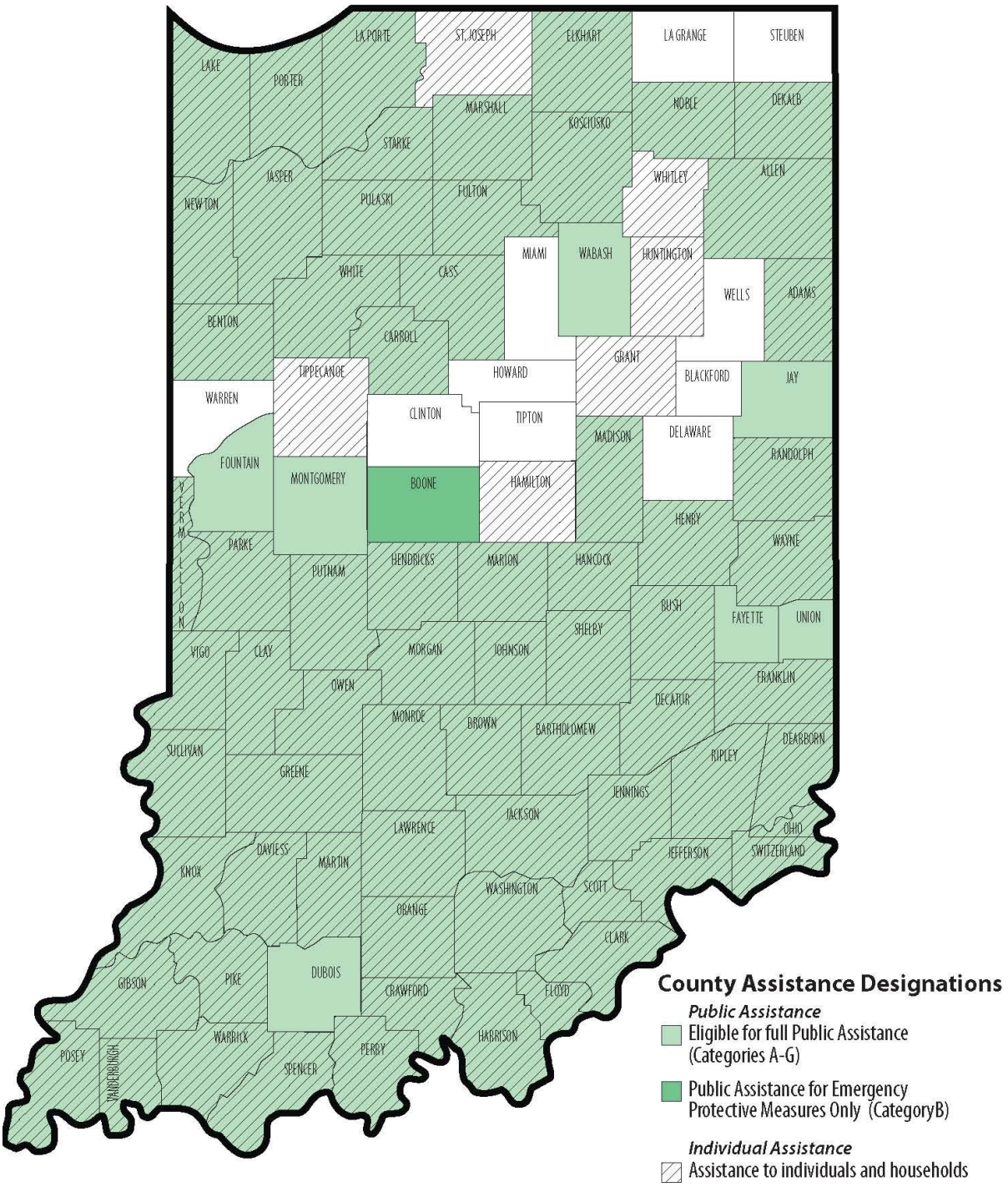
In addition, the Indiana Office of Community & Rural Affairs, Indiana Economic Development Corporation and the Indiana Association of Regional Councils in collaboration are charged with the task of directing the use of funds from the *2008 Supplemental Appropriations Disaster Relief Opportunity and the American Recovery and Reinvestment Act of 2009*. In order to garner input from local and regional entities a survey was developed and sent to a wide target audience including all units of local government (including all HUD Entitlements), economic development organizations, elected officials and other stakeholders. Information provided by this group of stakeholders will be used to prioritize projects and develop a statewide disaster and economic recovery plan. Follow up meetings will be held on a regional basis to gather additional information as indicated by the following schedule.

Location	Date and Time
Northeast (Ft. Wayne) Sweetwater	Friday, February 27 10:00 – 1:00 PM EST
Southwest (Evansville) Ivy Tech	Friday, February 27 10: - 1:00 PM CST
Central Indiana West (Greencastle) Area 30 Career Center	Monday, March 2 9:00 – 11:30 AM EST
Northwest (Portage) Northwest Indiana Forum	Tuesday, March 3 9:00 – 11:30 AM CST
North Central (Mishawaka) Mishawaka Council Chambers	Tuesday, March 3 2:30 – 5:00 PM EST
Southeast (North Vernon) IEDC Office	Wednesday, March 4 10:00 – 1:00PM EST
Central Indiana TBD	Wednesday, March 4 4:00 – 7:00 PM EST
Central Indiana East (Anderson) Flagship Enterprise Center	Monday, March 2 2:30 – 5:00 PM EST

The information gathered from each of these surveys was instrumental in determining the priorities of the CDBG Supplemental Disaster Relief Program.

FEDERALLY DESIGNATED AREAS ELIGIBLE FOR ASSISTANCE

Counties Approved for 2008 Disaster Assistance



PROMOTION OF SHORT TERM/LONG TERM RECOVERY

Short Term Recovery

The State of Indiana has a state level disaster recovery mechanism coordinated through the Indiana Department of Homeland Security (IDHS) for short-term recovery that provides assistance to disaster stricken counties and communities. In the event of an emergency anywhere in the state the local jurisdictions are responsible for first response to the emergency, under the direction of the Local Emergency Management Coordinator. The Local Coordinator works with IDHS to determine the immediate level of assistance.

Indiana has a team that coordinates and supplements the efforts of the local teams. For Individual Assistance, State agencies coordinate teams that include staffs from IDHS, Department of Workforce Development (DWD), Family and Social Services Administration (FSSA), Indiana Housing and Community Development Agency (IHCDA), Bureau of Motor Vehicles (BMV), Office of Faith-Based and Community Initiatives (OFBCI), Red Cross and other Non-Governmental Organizations (NGO's) to provide immediate assistance to individuals.

For Public Assistance, teams from IDHS, Office of Community and Rural Affairs (OCRA) and other regional development agencies work with local officials to document the damages and to begin the plans for recovery.

Long Term Recovery

Indiana consistently promotes land use planning at the local level. The state believes that land use decisions must originate with local government with input from state and federal partners. In response to the flooding, state and federal agencies are providing tools such as enhanced floodplain mapping and mitigation analysis tools to aid local government in making decisions, particularly on home buy-out programs. Once plans are complete, the state is committed to expedite the regulatory requirements under its purview.

OCRA has partnered with regional planning organizations to start planning and acting on long term recovery, including long term economic recovery. Six Regional Planning Commissions (RPC's) have hired additional staff to serve as Disaster Recovery Coordinators. The funding for staff comes from EDA and from OCRA (providing local match). The Coordinators help counties develop recovery plans and also economic recovery plans. They also assist individual communities in finding funds and applying for these funds.

OCRA has received an EDA grant; and is further developing a statewide disaster economic recovery plan. This plan will provide for coordination of the priorities established in the local plans; and also guide the efforts of the regions.

METHOD OF DISTRIBUTION

All local units of government (cities, towns, counties) will be eligible for the Disaster Recovery program, including HUD Entitlements.

Indiana Housing and Community Development Authority (IHCDA) Programs:

Rental Housing Finance Fund

The state of Indiana plans to invest $40,000,000 to develop affordable rental properties in communities devastated by the disasters of 2008. The rental markets in many of the communities impacted the most suffered from an under supply of units and excessive demand from income-restricted households. Utilizing CDBG Disaster Recovery Funds to replace and expand rental opportunities in these communities meets two key objectives: 1) allows existing residents to remain in the community; and 2) provides a ready supply of housing alternatives for a service sector workforce that previously could not afford to reside in the community. Applications will be awarded in 1-2 competitive rounds.

Allocation: $40,000,000

Emergency Housing Plans

Indiana proposes to use $1.5M ($15k per county) for County Emergency Housing Plans. During the 2008 floods it became apparent that county wide housing disaster plans would provide great assistance in determining potential emergency shelter points, identifying short term and long term rental housing resources including hotels, motels, single family landlords and apartment owners. Establishing upfront relationships with these partners and processes in the event of a future disaster is of vital importance in ensuring a successful and timely response.

Allocation: $1,500,000

Flood Plain Acquisition and Green Space Development

IHCDA, in coordination with the Indiana Department of Homeland Security (IDHS), proposes to provide grants that allow cities, towns, and counties to acquire and demolish substantially damaged residential properties contained within a floodplain or floodway and to redevelop the area into permanent green space for community use. The voluntary program must be initiated by a local community and be agreed to by individual homeowners.

In order to be considered for mitigation funds, communities must have a FEMA-approved multi-hazards mitigation plan. The Indiana Department of Homeland Security has provided grants to the 42 counties impacted by the floods to complete these plans. To expedite the overall process, FEMA has given

approval for communities to apply for mitigation funds while they assemble their multi-hazards plans. Interested communities must submit a joint grant application to IDHS.

This appropriation of Disaster Recovery Funds will not be used for the 25% non-federal match requirement under FEMA's Hazard Mitigation Grant Program. Rather it will be used to fill the mortgage gap that is created by shortfalls in FEMA payout. This use will ensure that homeowners have the necessary funds to obtain suitable replacement housing. Local communities in coordination with IDHS will determine the gap each homeowner may experience.

The Flood Plain Acquisition and Green Space Development Program has no maximum grant amount. Applications will be awarded on an ongoing basis until all funds are expended.

Allocation: $20,000,000

Owner Occupied Rehabilitation Fund

The state of Indiana plans to invest $23,000,000 in the rehabilitation of owner occupied homes in communities devastated by the disasters of 2008. The owner occupied markets in many of the communities impacted were not able to fully rehabilitate their homes because of caps in assistance to home affected by the floods. Utilizing CDBG Disaster Recovery Funds to rehabilitate owner occupied homes in these communities meets two key objectives: 1) allows existing residents to remain in the community; and 2) assist owner occupied victims of the disaster that were not made whole or did not receive rehabilitation funds from FEMA . Applications will be awarded in 1-2 competitive rounds.

Allocation: $23,000,000

Community Revitalization Fund

The State of Indiana plans to invest $5,000,000 to supplement the States current NSP projects or fund NSP projects that were not funded during the competitive allocation. NSP funds are used to marshal resources and to deploy comprehensive strategies in a concentrated footprint that will serve as a catalyst for additional investment. Funds will be used for demolition of blighted structures, the rehabilitation of housing units, commercial façade and infrastructure improvements. Applications will be accepted and awards made until all funds have been expended.

Allocation: $5,000,000

Indiana Office of Community and Rural Affairs (OCRA) Programs:

Storm Drainage Improvements

Inadequate storm drainage had an enormous impact on the severe flooding in Indiana. In order to revitalize these communities and mitigate future flooding, the State is obligating $45,000,000 to storm drainage systems. Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area. All projects must meet the National Objective of LMI Area Benefit (51% low to moderate income persons).

Projects/applications will be evaluated using the following criteria:

1. The importance of the project to post disaster recovery of the applicant – 40%
2. The percentage of low-to-moderate income persons served – 30%;
3. The relative economic distress of the applicant – 15%;
4. Applicant ranking on the OCRA Rurality Index – 15%.

Grants will be awarded in 2 competitive funding rounds (Round 1 awarded September 2009). Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the factors described above. There is a $1,000,000 maximum grant award for the Storm Drainage Improvements Program.

Allocation: $45,000,000

Wastewater and Drinking Water System Improvements (SRF/USDA)

Eligible applicants will have approved projects with the Indiana State Revolving Fund and/or the USDA-RD Water and Environmental Programs. Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area. All projects must meet the National Objective of LMI Area Benefit (51% low to moderate income persons).

Applications will be evaluated using the following criteria:

1. The importance of the project to post disaster recovery of the applicant;
2. The percentage of low-to-moderate income persons served;
3. The relative economic distress of the applicant;

Grant applications will be accepted and awards made until funding is no longer available. Grant amounts will be determined at the discretion of OCRA based on the above criteria.

Allocation: $85,463,566

Wastewater and Drinking Water Small Projects Program

Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area. All projects must meet the National Objective of LMI Area Benefit (51% low to moderate income persons).

Applications will be evaluated using the following criteria:

1. The importance of the project to post disaster recovery of the applicant – 40%
2. The percentage of low-to-moderate income persons served – 30%

3. The relative economic distress of the applicant – 20%
4. Applicant ranking on the OCRA Rurality Index – 10%

Grants will be awarded in 1 competitive funding round. There is a $1,000,000 maximum grant award for the Wastewater and Drinking Water Small System Program.

Allocation: $30,000,000

Dam and Levee Improvements

OCRA, in coordination with the Department of Natural Resources (DNR) will provide grants to communities to address damaged and failing dams and levees. These dams are owned by local units of government or not-for-profit organizations and have significant safety deficiencies and/or damage or failure from storm events. The owners will typically consider these structures an asset that needs to be upgraded to a better condition or a nuisance that need to be decommissioned; both considerations are to protect the community safety and economic development. Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area. Projects must meet the National Objective of either Urgent Need or LMI Area Benefit (51% low to moderate income persons). National Objective will be determined by the Office of Community and Rural Affairs.

Applications will be evaluated using the following criteria:

1. The extent of damage caused by a 2008 storm event;
2. The importance of the project to post disaster recovery of the applicant;
3. The DNR assessed hazard level;
4. The percentage of low-to-moderate income persons served;
5. The relative economic distress of the applicant;

Grant applications will be accepted and awards made until funding is no longer available. Grant amounts will be determined at the discretion of OCRA based on the above criteria.

Allocation: $25,000,000

Waterway Debris Removal Program

In coordination with the Department of Natural Resources (DNR), OCRA intends to make funds available to local communities to address the impact of the 2008 storms on our waterways. Logjam and debris obstructions left unattended within a waterway will continue to grow in size and density over time. As these obstructions grow in size, it takes smaller and smaller storm events to cause upstream flooding. These obstructions restrict or may even totally cut off the flow of water in the channel or they may completely reroute the flow of water in a different direction. Flooding is more frequent, flood depths are higher, and the duration of flooding is longer in those areas located upstream from an obstruction in

the waterway. The resulting impacts caused by logjams and debris left within a waterway pose significant threats to public safety and economic development. Due to the significant risk of continual flooding, OCRA has deemed all projects in this program category to meet the criteria for the National Objective of Urgent Need. OCRA will apply the National Objective of LMI Area Benefit whenever possible. Eligible projects will either be a direct effect of one of the three (3) 2008 federally declared disasters or can justify that the project is vital to the economic recovery of the area.

Applications will be evaluated using the following criteria:

1. The extent of damage caused by a 2008 storm event;
2. The importance of the project to post disaster recovery of the applicant;
3. The percentage of low-to-moderate income persons served;
4. The relative economic distress of the applicant;

Grant applications will be accepted and awards made until funding is no longer available. Grant amounts will be determined at the discretion of OCRA based on the above criteria.

Allocation: $15,000,000

Community Economic Development Program

Eligible projects will be vital to the economic recovery of the area. Eligible projects will create jobs for a minimum of 51% low-to-moderate income persons.

Projects/applications will be evaluated using the following criteria:

1. The importance of the project to post disaster recovery of the applicant;
2. The number of low-to-moderate income jobs to be created/retained;
3. The average hourly wage of the jobs created/retained.

Grant applications will be accepted and awards made until funding is no longer available.
Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the factors described above. There is no maximum grant award for the Economic Development Program.

Allocation: $30,000,000

Clearance/Demolition Program

There is a significant need for funds to address clearance/demolition of deteriorated buildings around the state. In many instances these unsightly and dangerous buildings are a detriment to economic recovery. Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area.

Projects/applications will be evaluated using the following criteria in a single competitive round.

1. The importance of the project to post disaster recovery of the applicant – 40%;
2. The percentage of low-to-moderate income persons served – 40%;
3. The relative economic distress of the applicant – 10%;
4. The rurality of the applicant – 10%.

Grants will be awarded in 1 competitive funding round. Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the factors described above. There is a $500,000 maximum grant award for the Clearance/Demolition Program.

Allocation: $6,000,000

Emergency Services Program

Eligible projects will either have sustained damage in a disaster or be vital to the economic recovery of the area. Projects must meet the National Objective of LMI Area Benefit (51% low-to-moderate income persons).

Projects/applications will be evaluated using the following criteria in a single competitive round.

5. The importance of the project to post disaster recovery of the applicant – 40%;
6. The percentage of low-to-moderate income persons served – 30%;
7. The percentage of grant amount in relation to applicant's annual budget – 5%;
8. The relative economic distress of the applicant – 10%;
9. The rurality of the applicant – 15%.

Grants will be awarded in 1 competitive funding round (awarded September 2009). Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the factors described above. There is a $500,000 maximum grant award for the Emergency Services Program.

Allocation: $2,500,000

Downtown Revitalization Program

Eligible projects will be vital to the economic recovery of the area. Projects must meet the National Objective of LMI Area Benefit (51% low-to-moderate income persons). Grants will be available for Downtown Revitalization Plans and Downtown Revitalization Implementation Projects.

Projects/applications will be evaluated using the following criteria in a single competitive round.

1. The importance of the project to post disaster recovery of the applicant – 40%;
2. The percentage of low-to-moderate income persons served – 30%;
3. The percentage of grant amount in relation to applicant's annual budget – 5%;
4. The relative economic distress of the applicant – 10%;
5. The rurality of the applicant – 15%.

Grants will be awarded in 1 competitive funding round (awarded September 2009). Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the factors described above. There is a $50,000 maximum grant award for Downtown Revitalization Plans and a $500,000 maximum grant award for Downtown Revitalization Implementation.

Allocation: $2,500,000

Administration

The State will set aside $17,419,135 of its CDBG Disaster Recovery Funds for payment of costs associated with administering the Program (Docket No. FR-5337-N-01). This constitutes five percent (5%) of the State's CDBG Disaster Recovery allocation. 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.).

Allocation: $17,419,135

ANTI-DISPLACEMENT AND RELOCATION

Recipients implementing activities identified in this Action Plan are expected to ensure the assistance and protections afforded to any persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCD), as amended. Indiana plans to exercise the waivers set forth in Federal Register Vol. 73 No. 177 pertaining to URA and HCD given its priority to engage in voluntary acquisition and optional relocation activities to avert repeated flood damage and to improve floodplain management.

HIGH QUALITY, DURABILITY AND ENERGY EFFICIENCY

All housing activities involving the construction or rehabilitation of multi-family and single-family dwellings must meet all building codes and standards adopted and enforced by the State of Indiana as well as any local ordinances that exceed State codes and standards.

All housing activities shall be designed to achieve maximum energy efficiency to the extent that this can be accomplished on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, Green Globes, Energy Star, and/or other comparable guidelines and rating systems. Historic aesthetic and local sourced materials shall be afforded value in this analysis.

PROVISION OF ADEQUATE, FLOOD-RESISTANT HOUSING FOR ALL INCOME GROUPS THAT LIVED IN THE DISASTER-IMPACTED AREAS

The State of Indiana will utilize a portion of its CDBG supplemental appropriation to mitigate the unmet affordable housing needs in disaster-impacted communities through voluntary acquisition, rehabilitation, and homebuyer assistance.

Many impacted communities have convened a long-term recovery committee in collaboration with the Indiana Association of United Ways and the Lilly Endowment. An integral responsibility of these committees is deploying strategic solutions to address unmet housing needs. Local Continuums of Care have been actively engaged in the long-term recovery committees to ensure that the homeless or those at risk of homelessness due to flooding have adequate housing and support services. As appropriate, the Homeless Management Information System will be utilized to assess household needs, to link families with services, and to track outcomes. It is anticipated that shelters, transitional housing units and permanent supportive housing properties damaged or lost due this flooding disaster will be eligible for some assistance under the housing assistance component of this plan.

Immediately following the disaster, Indiana, through the Indiana Housing and Community Development Authority (IHCDA) which administers the Section 8 program for the Balance of State, extended the 60-day time constraint that Section 8 voucher holders typically have to locate new, suitable housing. IHCDA will continue to identify administrative policies that can be amended, suspended, or repealed to increase the supply of affordable housing opportunities in each impacted community.

IndianaHousingNow.org, an online interactive database of available affordable rental units across the state has also been a useful tool in matching households with housing. Indiana expects that IndianaHousingNow will continue to grow and prove to be a robust service in future disasters.

ACTION PLAN AMENDMENTS

The following events would require a substantial amendment to the Action Plan:

- Addition or deletion of any allowable activity described in the Plan;
- Change in the planned beneficiaries;

Substantial amendments to the Disaster Recovery Action Plan, if any, will be published on the both the IHCDA and OCRA websites, emailed to affected units of general local government and will provide for a public comment period.

All comments will be considered.

MONITORING

CDBG (non-housing) monitoring. OCRA uses the following processes and procedures for monitoring projects receiving HUD funds:

- Evaluation on program progress;
- Compliance monitoring;
- Technical assistance;
- Project status reports;
- Monitoring technical assistance visits;
- Special visits; and
- Continued contact with grantees by program representatives.

Monitoring. OCRA conducts a monitoring of every grant project receiving HUD funds. Two basic types of monitoring are used: off-site, or "desk" monitoring and on-site monitoring.

- Desk monitoring is conducted by staff for non-construction projects. Desk monitoring confirms compliance with national objective, eligible activities, procurement and financial management.
- On-site monitoring is a structured review conducted by OCRA staff at the locations where project activities are being carried out or project records are being maintained. One on-site monitoring visit is normally conducted during the course of a project, unless determined otherwise by OCRA staff.

Grants utilizing a sub-recipient to carry out eligible activities are monitored on-site annually during the 5-year reporting period to confirm continued compliance with national objective and eligible activity requirements.

In addition, if there are findings at the monitoring, the grantee is sent a letter within 3 to 5 days of monitoring visit and is given 30 days to resolve it.

CDBG (housing) monitoring. IHCDA uses the following processes and procedures for monitoring projects receiving CDBG and HOME funds:

- Self monitoring;
- Monitoring reviews (on-site or desk-top);
- Results of monitoring review;
- Determination and responses;
- Clearing issues/findings
- Sanctions;
- Resolution of disagreements; and
- Audits.

IHCDA conducts at least one monitoring of every grant project receiving CDBG and HOME funds. The recipient must ensure that all records relating to the award are available at IHCDA's monitoring. For those projects determined to need special attention, IHCDA may conduct one or more monitoring visits while award activities are in full progress. Some of the more common factors that would signal special attention include: activity appears behind schedule, previous audit or monitoring findings of recipient or administrative firm, high dollar amount of award, inexperience of recipient or administrative firm, and/or complexity of program. These visits will combine on-site technical assistance with compliance review. However, if the recipient's systems are found to be nonexistent or are not functioning properly, other actions could be taken by IHCDA, such as suspension of funding until appropriate corrective actions are taken or termination of funding altogether.

Monitoring. Two basic types of monitoring are used: on-site monitoring and desk-top monitoring.

- On-site monitoring review:
    - Community Development Representative will contact recipient to set-up monitoring based on award expiration and completion/close-out documentation submitted and approved.
    - Recipient will receive a confirmation letter stating date, time, and general monitoring information.
    - On date of monitoring, IHCDA staff will need: files, an area to review files, and a staff person available to answer questions.
    - Before leaving, IHCDA staff will discuss known findings and concerns, along with any areas that are in question.
- Desk-top monitoring review:
    - Community Development Representative or Community Development Coordinator will request information/documentation from award recipient in order to conduct the monitoring. IHCDA staff will give approximately 30 days for this information to be submitted.
    - IHCDA staff will review information/documentation submitted and correspond via the chief executive officer the findings of the desk-top review. However, if during the course of the review additional information and/or documentation is needed, staff will contact the award administrator.

The Indiana State Board of Accounts will audit the Disaster Recovery program on an annual basis and report its findings to the Lieutenant Governor's Business Office.

STEPS THE STATE WILL TAKE TO AVOID OR MITIGATE OCCURRENCES OF FRAUD, ABUSE, AND MISMANAGEMENT

Administration and Staffing

The Office of Community and Rural Affairs and the Indiana Housing and Community Development Authority, will provide technical assistance to local government grant recipients and undertake administrative and monitoring activities to ensure compliance with applicable federal requirements.

National Objective

All activities must meet one of the three national objectives set out in the Housing and Community Development Act (address slum and blight, urgent need, or primarily benefit LMI persons). At least 50% of the Supplemental Funding will be used for activities that meet the National Objective of primarily benefiting persons of low- and moderate-income.

Administrative Costs

Sub-grantees are strongly encouraged to minimize their administrative costs so that the amount available for program activities will be maximized. To promote this goal, the amount of allowable sub-grantee administrative costs will be capped at a reasonable amount for each of the various activity categories (i.e. FEMA buy-out, housing repair, public facilities), but will not exceed 5% for any of the categories.

Program Changes through Contract Amendments

All sub-grantees will be encouraged to carefully plan projects that meet the stated requirements and to specify activities, associated costs, and proposed accomplishments and beneficiaries in order to reduce the need for amending contracts. Sub-grantees must contact the awarding agency (OCRA or IHCDA) prior to requesting an amendment or contract modification that affects the budget, activities, beneficiaries, or time frame for accomplishing the proposed activities. Substantial amendments may be cause to review the entire Application submitted to determine if the project is meeting its stated goals and its timelines.

Documentation

The use of the disaster funding is contingent upon certain requirements, and both the state and local government will be expected to certify that these requirements will be met or carried out. The chief elected official, or designee authorized by the local governing authority of the local government applying for funds will be required to certify in writing that the grant will be carried out in accordance with applicable laws and regulations.

In addition, local governments will be required to submit or maintain documentation that fully supports the application that is submitted to the State. Failure to document that the project is needed as a result of the disaster(s), or to mitigate the effects of future disasters, will result in an application being declared ineligible. If this discovery is made after an award has been made, the contract with the local government will be terminated and the local government will have to repay any funds received to that point.

Reporting

Each awarded applicant must report on a form provided by the awarding agency on the status of the activities undertaken and the funds drawn. Additional reporting requirements (i.e., annual audits, contractual obligations and minority business enterprise reports, as applicable) will be specified in the Grant Agreement.

Citizen Complaints

All sub-grantees and recipients should establish procedures for responding to citizens' complaints regarding to activities carried out utilizing these funds. Citizens should be provided with an appropriate address, phone number, and times during which they may submit such complaints. Sub-grantees should provide a written response to every citizen complaint within 15 working days of the complaint.

Regulatory Requirements

Sub-grantees must comply with fair housing, nondiscrimination, labor standards, and environmental requirements applicable to the CDBG Program, as follows:

(i.) Fair Housing: Each Sub-grantee will be required to take steps to affirmatively further fair housing; and when gathering public input, planning, and implementing housing related activities, will include participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, and members of each distinct affected community or neighborhood which might fall into the assistance category of low and moderate income communities.

(ii.) Nondiscrimination: Each Sub-grantee will be required to adhere to the State's established policies which ensure that no person be excluded, denied benefits or subjected to discrimination on the basis race, color, national origin, religion, sex, familial status, and/or physical and mental handicap under any program funded in whole or in part by Federal CDBG funds. Sub-grantees will be required to document compliance with all nondiscrimination laws, executive orders, and regulations.

(iii.) Labor Standards: Each Sub-grantee will be required to oversee compliance with Davis-Bacon Labor Standards and related laws and regulations. Regulations require all laborers and mechanics employed by contractors or subcontractors on CDBG funded or CDBG assisted public works construction contracts in excess of $2,000, or residential construction or rehabilitation projects involving eight or more units be paid wages no less than those prescribed by the Department of Labor and in accordance with Davis Bacon Related Acts.

(iv.) Environmental: Specific instructions concerning environmental requirements at 24 CFR Part 58 will be made available to all Sub-grantees. Some projects may be exempt from the environmental assessment process, but all Sub-grantees will be required to submit a Request for Release of Funds and Certification. Funds will not be released for expenditure until the awarding agency is satisfied that the appropriate environmental review has been conducted. Sub-grantees will not use CDBG disaster

recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

All suspected cases of fraud or abuse will be reported to the Lieutenant Governor's Business Office. The Business Office will make a determination on further investigation.

APPENDIX A: CERTIFICATIONS FOR STATE GOVERNMENTS, WAIVER AND ALTERNATIVE REQUIREMENT

In accordance with the applicable statutes and the regulations governing the consolidated plan and the Supplemental Appropriations Act, 2008, the State certifies that:

a) The state certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard. (See 24 CFR 570.487(b)(2).)

b) The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.

c) The state certifies its compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that Part.

d) The state certifies that the Action Plan for Disaster Recovery is authorized under state law and that the state, and any entity or entities designated by the state, possesses the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.

e) The state certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24, except where waivers or alternative requirements are provided for this grant.

f) The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.

g) The state certifies that it is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.115 (except as provided for in notices providing waivers and alternative requirements for this grant), and that each unit of general local government that is receiving assistance from the state is following a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).

h) The state certifies that it has consulted with affected units of local government in counties designated in covered major disaster declarations in the nonentitlement, entitlement and tribal areas of the state in determining the method of distribution of funding;

i) The state certifies that it is complying with each of the following criteria:

1) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in areas covered by a declaration of major disaster under title IV of the

Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) as a result of recent natural disasters.

2) With respect to activities expected to be assisted with CDBG disaster recovery funds, the action plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.

3) The aggregate use of CDBG disaster recovery funds shall principally benefit low- and moderate income families in a manner that ensures that at least 50 percent of the amount is expended for activities that benefit such persons during the designated period.

4) The state will not attempt to recover any capital costs of public improvements assisted with CDBG disaster recovery grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (A) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (B) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (A).

j) The state certifies that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

k) The state certifies that it has and that it will require units of general local government that receive grant funds to certify that they have adopted and are enforcing:

1) A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2) A policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

l) The state certifies that each state grant recipient or administering entity has the capacity to carry out disaster recovery activities in a timely manner, or the state has a plan to increase the capacity of any state grant recipient or administering entity that lacks such capacity.

m) The state certifies that it will not use CDBG disaster recovery funds for any activity in an area delineated as a special flood hazard area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR Part 55.

n) The state certifies that it will comply with applicable laws.

Signature/Authorized Official

9/28/2009
Date

Executive Director, OCRA
Title

APPENDIX B: CITIZEN PARTICIPATION AND RESPONSE TO PUBLIC COMMENT

The Draft Supplemental Disaster Action Plan Amendment was released for public comment on Monday, September 21, 2009. The public comment period for the document ran from September 21, 2009 to September 28, 2009. The Draft Plan was posted on the websites of the Office of Community and Rural Affairs (www.ocra.in.gov) and the Indiana Housing and Community Development Authority (www.in.gov/ihcda) on September 21st as well. The Draft Plan was also emailed to all Regional Planning Commissions and all cities, towns and counties in Indiana. An announcement of the Action Plan's availability was made in each of the following newspapers a minimum of one time beginning Monday, September 14th and no later than Friday, September 18th.

The Republic
Columbus, IN 47201

Indianapolis Star
Indianapolis, IN 46204

The Journal-Gazette
Ft. Wayne, IN 46802

The Chronicle-Tribune
Marion, IN 46953

The Courier Journal
Louisville, KY 40202

Gary Post Tribune
Merrillville, IN 46410

Tribune Star
Terre Haute, IN 47807

Journal & Courier
Lafayette, IN 47901

Evansville Courier & Press
Evansville, IN 47072

South Bend Tribune
South Bend, IN 46626

Palladium-Item
Richmond, IN 47375

The Times
Munster, IN 46321

The Star Press
Muncie, IN 47307-0408

LEGAL NOTICE

OF FILING OF SUBSTANTIAL AMENDMENT TO

SUPPLEMENTAL DISASTER RECOVERY ACTION PLAN

The Office of Community and Rural Affairs (OCRA) and the Indiana Housing and Community Development Authority (IHCDA) wish to encourage citizens to participate in the development of the Substantial Amendment to the State of Indiana Supplemental Disaster Recovery Action Plan. The State is providing the opportunity for citizens to comment on the draft Plan, which will be submitted to the US Department of Housing and Urban Development (HUD) on or about September 30, 2009. The Action Plan will set forth the method of distribution of funds for the HUD-funded program.

Members of the public, especially persons of low to moderate income, are invited to review the draft Plan prior to its submission Monday, September 21 through Monday, September 28, 2009, during normal business hours of 8:30 a.m. to 5:00 p.m., Monday-Friday, at the Indiana Office of Community & Rural Affairs, One North Capitol, Suite 600, Indianapolis, Indiana 46204. The 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 Monday, September 21, 2009 through Monday, September 28, 2009, at the following address:

Supplemental Disaster Recovery Action Plan Amendment

Office of Community and Rural Affairs

One North Capitol, Suite 600

Indianapolis, Indiana 46204-2288.

Additional information may also be obtained via e-mail at bdawson2@ocra.IN.gov or by phone at 1-800-824-2476.

The State of Indiana received the below letters in response to the DRAFT CDBG Supplemental Disaster Recovery Action Plan Amendment.

TOWN OF GREENS FORK
12 SOUTH WATER STREET
P.O. BOX 193
GREENS FORK, IN 47345-0193
765-886-1292

RECEIVED
SEP 25 2009
OFFICE OF COMMUNITY & RURAL AFFAIRS

September 23, 2009

Ms. Kathleen Weissenberger, Director
Indiana Office of Community and Rural Affairs
One North Capitol, Suite 600
Indianapolis, IN 46204-2288

Re: Supplemental Disaster Recovery Action Plan Amendment Comments

Dear Ms. Weissenberger:

The Town of Greens Fork is pleased to participate in the development of the Substantial Amendment to the State of Indiana Supplemental Disaster Recovery Action Plan by offering these comments.

We urge the State of Indiana to keep at least $45 million in the Action Plan for these US Department of Housing and Urban Development funds, as intended. Greens Fork is among the small cities and towns in Indiana in great need for assistance with our Wastewater Treatment Plant, especially following the disastrous flooding of last year.

Greens Fork's Certified Income Survey, completed this July, shows that more than 64 % of our community's households are in the Low to Moderate Income category, and we are working very hard to qualify for a portion of this additional $45 million from the Federal Government. If we fail to qualify, a tremendous burden will be placed on the vast majority of our utility ratepayers who are LMI!

Sincerely,

Buddy Strunk, President
Greens Fork Town Council

Cathy Campbell, Member
Greens Fork Town Council

Bill Lasher, Member
Greens Fork Town Council

September 28, 2009

Indiana Office of Community & Rural Affairs

One North Capitol, Suite 600

Indianapolis, Indiana 46204

Dear Beth Dawson:

The Town of Oolitic is a rural community that faces uncertain economic times. The Town is working to revitalize our Downtown but lacks funding to make the necessary upgrades to make improvements. It is my understanding that the Office of Community and Rural Affairs is seeking comments on the State's Supplemental Disaster Recovery Action Plan. I have reviewed the plan and would like the inclusion of Downtown Enhancement to be a fundable component of the Disaster Recovery Plan.

Our Downtown is an integral part to the economic recovery of Oolitic, a small rural community and many other communities in our area. Businesses and residents continually try to better Oolitic both downtown and throughout the Town limits, however, this increases our cost of providing basic services to residents and businesses by the necessity to establish new infrastructure instead of reuse of existing facilities. At the same time businesses and residents are leaving the downtown where infrastructure is available. I believe one of the reasons people are migrating to the Town's borders is because of the appearance of our downtown. With Disaster Recovery 2 funding the Town would be able to strengthen the Downtown to generate new businesses and economic growth in our small community. Please reconsider and allow for funding of Downtown Enhancement projects. If you have any questions please contact me at 812-275-6813.

Sincerely,

Delvin Nikirk

Town Council President – Town of Oolitic

SOUTHERN INDIANA DEVELOPMENT COMMISSION

P.O. BOX 442 LOOGOOTEE, INDIANA 47553 • 812-295-3707 FAX: 812-295 3717 • E-mail - staff@sidc.cc • Web Page - www.sidc.cc

September 28, 2009

Indiana Office of Community & Rural Affairs

One North Capitol, Suite 600

Indianapolis, Indiana 46204

Dear Beth Dawson:

Southern Indiana Development Commission is a five County regional planning commission in Southern Indiana. An area that has been hit hard by the floods of 2008 and one that stands to be effected even greater by the proposed I-69 Interstate Highway that will pass directly though the middle of our member counties. I was pleased to see the inclusion of necessary infrastructure improvements in the Supplemental Disaster Recovery Action Plan presented by the Office of Community and Rural Affairs. However I was disappointed to not see Downtown Enhancement as part of the proposed funding. Being the Director of SIDC I have seen first hand the economic transformation that can occur from simply removing the slum and blighted areas of a downtown. I have seen Downtowns that with boarded up windows and vacant buildings become vibrant economic engines for small business because of the investment that occurred in the Downtown.

Communities face uncertain times and have seemingly fewer resources to make necessary improvements. Movement of residents and businesses to the outskirts of Town creates a burden on local communities to continually put in new infrastructure to the un-served areas. If investment was made into the downtown I believe and have seen that communities would bring economic and neighborhood revitalization to areas of the City/Town that already have the infrastructure which helps lessen the burden on the Cities and Towns of my area. I-69 will only exacerbate the need for strong downtowns because without a strong downtown businesses and residents are going to want to locate closer to the transportation ports to other communities which will further stress community infrastructure and the cost of infrastructure.

SOUTHERN INDIANA DEVELOPMENT COMMISSION

P.O. BOX 442 LOOGOOTEE, INDIANA 47553 • 812-295-3707 FAX: 812-295 3717 • E-mail - staff@sidc.cc • Web Page - www.sidc.cc

It is my understanding that the Office of Community and Rural Affairs is seeking comments on the State's Supplemental. I have reviewed the plan and would like the inclusion of Downtown Enhancement to be a fundable component of the Disaster Recovery Plan. With Disaster Recovery 2 funding the Cities and Towns would be able to strengthen the Downtown to generate new businesses and, in time, help to bring residents and businesses into areas where infrastructure is available, lessening the infrastructure burden on communities. Please reconsider and allow for funding of Downtown Enhancement projects. If you have any questions please contact me at the number above.

Sincerely,

Greg Jones

Executive Director

Southern Indiana Development Commission

Dawson, Beth

From: Debbie Bennett-Stearsman [DBennett@southwestindiana.org]
Sent: Monday, September 21, 2009 12:53 PM
To: Dawson, Beth
Cc: Weissenberger, Kathleen A.
Subject: Amendment to Disaster Two Plan - September 21, 2009

Categories: Red Category

The Economic Development Coalition is pleased with the plan as presented. It is truly an exciting and opportunistic time for our four counties to take advantage of funding to aid in the recovery from the 2008 disasters.

Thank you for your great work and continued support in helping Indiana recover and grow.

Debbie Bennett-Stearsman

Debra Bennett-Stearsman
Vice President, Community Development

ECONOMIC DEVELOPMENT COALITION

Economic Development Coalition of Southwest Indiana
318 Main Street, Suite 400
Evansville, IN 47708
P: 812-423-2020
F: 812-423-2080
Cell: 812-549-5335

www.southwestindiana.org

ONE REGION-ONE ECONOMY-ONE VOICE

Dawson, Beth

From: Carl Malysz [cmalysz@cityofnewalbany.com]
Sent: Friday, September 25, 2009 3:55 PM
To: Dawson, Beth
Cc: Doug England; dougeng@sbcglobal.net; Stewart, Scott (GOV); Chrysler, Danielle
Subject: RE: CDBG Disaster Appropriation 2 Action Plan Amendment

Categories: Red Category

Ms. Dawson:

On behalf of Mayor Douglas England and the City of New Albany, I am respectfully submitting this email as official commentary regarding the Indiana Office of Community and Rural Affairs' planned use of funding through the above-referenced program, to wit:

1. The City of New Albany is concerned that very little, if any, funding will be awarded to CDBG Entitlement Communities. We urge revision of formulae devised to distribute funding to be inclusive of CDBG Entitlement Communities, given the economic impact suffered by these communities as they experienced the numerous natural disasters of 2009. We are thankful that Federal resources have been allocated to our state to support the recovery, however we urge that care be taken that proportional access to these resources be provided to assist in the recovery of Indiana's small and large urban areas, as well.

2. Specific evaluation criterion referred to as the "rurality index" awards points to rural cities and towns and, of course, we support their access to funding, however we recommend parity and access be provided to communities with larger urban populations as these areas, too, suffered from the disasters. Indiana's wealth is its people, and these communities and their neighborhoods are in great need of the state's attention in order to recover. Criterion, as proposed, may impede recovery. For example, Floyd County—with New Albany as its largest community—is ranked 11th from the bottom of the county rurality index list. Daily, our Mayor is contacted by citizens desperate for storm drainage improvements to prevent future calamity. Consequences include greatly increased insurance costs, barriers to needed revitalization and development and loss of faith in local and state government. In order to sustain home ownership and small business, our community and others of our size look to the state and Congress for help.

3. We advance another grave concern. With respect to the minority groups located within Indiana, this criterion creates a lack of proportional access to essential resource appropriated by Congress. The vast majority of minority populations are found within urbanized areas. Proposed criterion may create a tacit barrier for participation by minority groups.

Please call if any of these points require additional detail or documentation, and I would be very pleased to comply. I appreciate your attention to these concerns and will look forward to working with you towards implementation of the CDBG-DR Program.

Sincerely,

Carl

Carl E. Malysz
Deputy Mayor/Director of Community Development
Room 316 City-County Building
311 Hauss Square
New Albany, Indiana 47150

Dawson, Beth

From: Roger Emmons [roger@warrickcounty.gov]
Sent: Monday, September 28, 2009 12:25 PM
To: Dawson, Beth
Cc: Art Noffsinger; Don Williams; Tim Mosbey; Debra Bennett-Stearsman (dbennett@southwestindiana.org); Dallas Scott; Bobby Howard; Sam Roach
Subject: Amendment to the Disaster Two Action Plan for Disaster Recovery Fund from the CDBG

Dear B. Dawson,

Warrick County is very grateful for this grant opportunity.

Respectfully,
Roger E. Emmons, Administrator
Warrick County Commissioners

Dawson, Beth

From: Mike Healy [mhealy@jonesandsons.com]
Sent: Monday, September 28, 2009 3:47 PM
To: Dawson, Beth
Subject: Fwd: Delivery Status Notification (Failure)

---------- Forwarded message ----------
From: <postmaster@state.in.us>
Date: Mon, Sep 28, 2009 at 3:45 PM
Subject: Delivery Status Notification (Failure)
To: mhealy@jonesandsons.com

This is an automatically generated Delivery Status Notification.

Delivery to the following recipients failed.

bdawson@ocra.in.gov

Original-Recipient: rfc822;bdawson@ocra.in.gov
Final-Recipient: rfc822;bdawson@ocra.in.gov
Action: failed
Status: 5.1.1

---------- Forwarded message ----------
From: Mike Healy <jmhealy@rtccom.net>
To: bdawson@ocra.in.gov
Date: Mon, 28 Sep 2009 15:45:08 -0400
Subject: Supplemental Disaster Recovery Action Plan

Dear Beth:

The Town of Montgomery is a rural community that faces uncertain economic times as does a lot of Southwest Indiana. We are working to revitalize our downtown area to make necessary improvements in our downtown including stormwater system improvements, but we lack the funding to do so. It's our understanding that OCRA is seeking comments on the above. after reviewing the plan and would very much like for the inclusion of Downtown Enhancement to be a fundable component of it.

Downtown's are integral to the economic success of Montgomery as well as many other communities in southwestern Indiana. Businesses and new residences continue to stretch into outlying areas and outside of the Towm limits. This increases our cost of providing basic services to residences and businesses, since it expands the infrastructure necessary to provide these services instead of taking advantage of existing infrastructure.

We also believe that the appearance of our downtown area has sped up this migration. Disaster Recovery 2 Funds would help Montgomery strengthen our downtown to help us reverse this trend. This would lessen the infrastructure burden on our community.

Please reconsider and allow for funding Downtown enhancement projects. Thank you for your time.

Sincerely

J. Michael Healy
President of Town Council
Town of Montgomery
Phone: 812-259-4543
Fax: (812) 254-3293

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Mike Healy
Jones & Sons, Inc.
Phone: (812) 254-4731
Fax: (812) 254-3293
mhealy@jonesandsons.com

The State of Indiana sent the letters below in response to written comments received.

INDIANA OFFICE OF
Community & Rural Affairs
Where Rural Matters

September 28, 2009

Buddy Strunk, President
Greens Fork Town Council
12 South Water St., PO Box 193
Greens Fork, IN 47345-0193

Dear Mr. Strunk:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Kathleen Weissenberger
Director, Community Affairs
One North Capitol, Suite 600
Indianapolis, Indiana 46204
Tel: 317-232-1703
Fax: 317-233-3597
kweissenberger@ocra.in.gov

c Cathy Campbell, Greens Fork Town Council Member
Bill Lasher, Greens Fork Town Council Member

INDIANA OFFICE OF
Community & Rural Affairs
Where Rural Matters

September 29, 2009

Delvin Nikirk, President
Oolitic Town Council
109 Main St., PO Box 7
Oolitic, IN 47451

Dear Mr. Nikirk:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Kathleen Weissenberger
Director, Community Affairs
One North Capitol, Suite 600
Indianapolis, Indiana 46204
Tel: 317-232-1703
Fax: 317-233-3597
kweissenberger@ocra.in.gov

Dawson, Beth

From: Dawson, Beth
Sent: Tuesday, September 29, 2009 1:29 PM
To: 'Greg Jones'
Subject: RE: DR2 Supplemental Funding

September 29, 2009

Dear Mr. Jones:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that
so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Beth Dawson

Beth Dawson, Administrative Assistant
Indiana Office of Community and Rural Affairs
One North Capitol Avenue - Suite 600
Indianapolis, Indiana 46204
Office: 317.232.8333
Fax: 317.233.3597
bdawson2@ocra.IN.gov

Dawson, Beth

From: Dawson, Beth
Sent: Monday, September 28, 2009 10:55 AM
To: 'Debbie Bennett-Stearsman'
Subject: RE: Amendment to Disaster Two Plan - September 21, 2009

September 28, 2009

Dear Ms. Bennett-Stearsman:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Beth Dawson, Administrative Assistant
Indiana Office of Community and Rural Affairs
One North Capitol Avenue - Suite 600
Indianapolis, Indiana 46204
Office: 317.232.8333
Fax: 317.233.3597
bdawson2@ocra.IN.gov

From: Debbie Bennett-Stearsman [mailto:DBennett@southwestindiana.org]
Sent: Monday, September 21, 2009 12:53 PM
To: Dawson, Beth
Cc: Weissenberger, Kathleen A.
Subject: Amendment to Disaster Two Plan - September 21, 2009

The Economic Development Coalition is pleased with the plan as presented. It is truly an exciting and opportunistic time for our four counties to take advantage of funding to aid in the recovery from the 2008 disasters.

Thank you for your great work and continued support in helping Indiana recover and grow.

Debbie Bennett-Stearsman

Debra Bennett-Stearsman
Vice President, Community Development

Dawson, Beth

From: Dawson, Beth
Sent: Monday, September 28, 2009 10:49 AM
To: 'Carl Malysz'
Cc: Doug England; dougeng@sbcglobal.net; Stewart, Scott (GOV); Chrysler, Danielle
Subject: RE: CDBG Disaster Appropriation 2 Action Plan Amendment

September 28, 2009

Dear Deputy Mayor Malysz:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Beth Dawson, Administrative Assistant
Indiana Office of Community and Rural Affairs
One North Capitol Avenue - Suite 600
Indianapolis, Indiana 46204
Office: 317.232.8333
Fax: 317.233.3597
bdawson2@ocra.IN.gov

From: Carl Malysz [mailto:cmalysz@cityofnewalbany.com]
Sent: Friday, September 25, 2009 3:55 PM
To: Dawson, Beth
Cc: Doug England; dougeng@sbcglobal.net; Stewart, Scott (GOV); Chrysler, Danielle
Subject: RE: CDBG Disaster Appropriation 2 Action Plan Amendment

Ms. Dawson:

Dawson, Beth

From: Dawson, Beth
Sent: Tuesday, September 29, 2009 1:19 PM
To: 'Roger Emmons'
Cc: Art Noffsinger; Don Williams; Tim Mosbey; Debra Bennett-Stearsman (dbennett@southwestindiana.org); Dallas Scott; Bobby Howard; Sam Roach
Subject: RE: Amendment to the Disaster Two Action Plan for Disaster Recovery Fund from the CDBG

September 29, 2009

Dear Mr. Emmons:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that
so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Beth Dawson

Beth Dawson, Administrative Assistant
Indiana Office of Community and Rural Affairs
One North Capitol Avenue - Suite 600
Indianapolis, Indiana 46204
Office: 317.232.8333
Fax: 317.233.3597
bdawson2@ocra.IN.gov

From: Roger Emmons [mailto:roger@warrickcounty.gov]
Sent: Monday, September 28, 2009 12:25 PM
To: Dawson, Beth
Cc: Art Noffsinger; Don Williams; Tim Mosbey; Debra Bennett-Stearsman (dbennett@southwestindiana.org); Dallas Scott; Bobby Howard; Sam Roach
Subject: Amendment to the Disaster Two Action Plan for Disaster Recovery Fund from the CDBG

Dear B. Dawson,

Warrick County is very grateful for this grant opportunity.

Respectfully,
Roger E. Emmons, Administrator
Warrick County Commissioners

Dawson, Beth

From: Dawson, Beth
Sent: Tuesday, September 29, 2009 1:05 PM
To: 'Mike Healy'
Subject: RE: Delivery Status Notification (Failure)

September 29, 2009

Dear Mr. Healy:

Thank you for expressing your interest in the Supplemental Disaster Recovery Action Plan. We appreciate that so many Hoosiers are taking the time to provide us with their valuable feedback.

Please be assured that all comments will be reviewed and considered as we continue this process and submit the Supplemental Disaster Recovery Action Plan to the U.S. Department of Housing and Urban Development.

Please feel free to contact our office should you have additional questions.

Sincerely,

Beth Dawson, Administrative Assistant
Indiana Office of Community and Rural Affairs
One North Capitol Avenue - Suite 600
Indianapolis, Indiana 46204
Office: 317.232.8333
Fax: 317.233.3597
bdawson2@ocra.IN.gov

From: Mike Healy [mailto:mhealy@jonesandsons.com]
Sent: Monday, September 28, 2009 3:47 PM
To: Dawson, Beth
Subject: Fwd: Delivery Status Notification (Failure)

---------- Forwarded message ----------
From: <postmaster@state.in.us>
Date: Mon, Sep 28, 2009 at 3:45 PM
Subject: Delivery Status Notification (Failure)
To: mhealy@jonesandsons.com

This is an automatically generated Delivery Status Notification.

Based on the limited number of responses, the State has decided that they will not make changes to the program allocations for the Supplemental Disaster Recovery Action Plan.