Draft Report

State of Indiana
2012 Action Plan

Housing and Community Development Activities

Draft Report

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State of Indiana Consolidated Plan 2012 Action Plan

Prepared for

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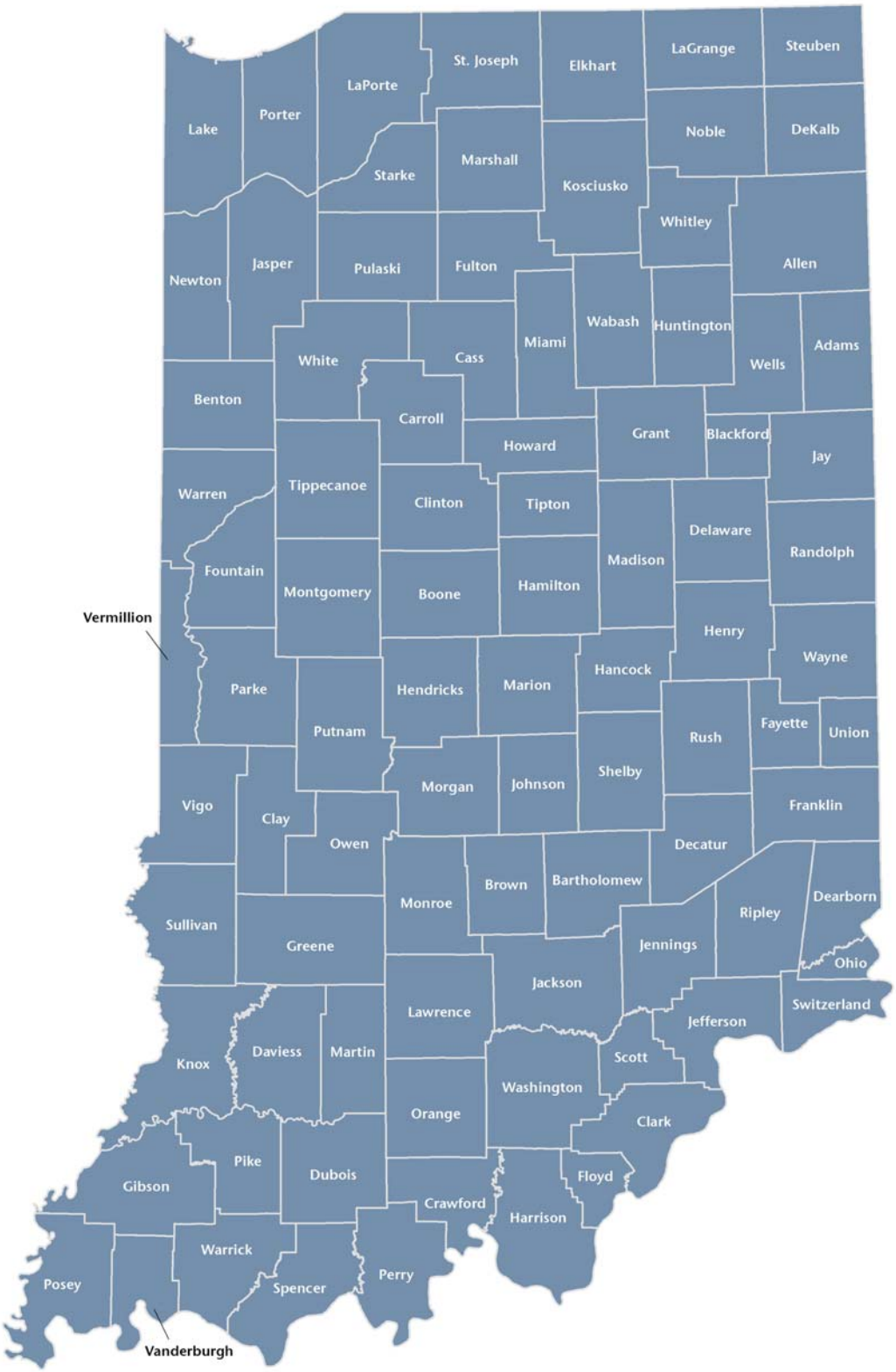
Frequently Used Acronyms

Acronym	Definition
AHP	Affordable Housing Program—a grant program through the Federal Home Loan Bank
BMIR	Below market interest rate
CAP	Community Action Program agency
CBDO	Community Based Development Organization—as defined by the CDBG regulations in 24 CFR 570.204(c)
CDBG	Community Development Block Grant (24 CFR Part 570)
CHDO	Community housing development organization—a special kind of not-for-profit organization that is certified by the Indiana Housing and Community Development Authority
CPD Notice	Community Planning and Development Notice—issued by the U.S. Department of Housing and Urban Development to provide further clarification on regulations associated with administering HUD grants
CoC	Continuum of Care—a federal program providing funding for homeless programs
ESG	Emergency Solutions Grant—operating grants for emergency shelters. Applied for through the IHCDA. Formally the Emergency Shelter Grant.
FEMA	Federal Emergency Management Agency
FHLBI	Federal Home Loan Bank of Indianapolis
First Home	Single family mortgage program through IHCDA that combines HOME dollars for down payment assistance with a below market interest rate mortgage
FMR	Fair market rents
FMV	Fair market value, generally of for-sale properties
FSP Memo	Federal and State Programs Memo—issued by IHCDA to provide clarification or updated information regarding grant programs IHCDA administers
FSSA	Family and Social Services Administration
GIM	Grant Implementation Manual—given to all IHCDA grantees at the start-up training. It provides guidance on the requirements of administering IHCDA grants
HOC/DPA	Homeownership Counseling/Down Payment Assistance
HOME	HOME Investment Partnerships Program (24 CFR Part 92)
HOPWA	Housing Opportunities for Persons With AIDS—grant program awarded by HUD and administered by the IHCDA
HUD	U.S. Department of Housing and Urban Development
IDEM	Indiana Department of Environmental Management
IFA	Indiana Finance Authority
IHCDA	Indiana Housing and Community Development Authority

Frequently Used Acronyms

Acronym	Definition
IPCH	Indiana Planning Council on the Homeless
LIHTF	Low Income Housing Trust Fund
MBE	Minority Business Enterprise—certified by the State Department of Administration
NAHA	National Affordable Housing Act of 1990—federal legislation that created the HOME Investment Partnerships Program
NC	New construction
NOFA	Notice of Funds Availability
OCRA	Indiana Office of Community and Rural Affairs
OOR	Owner-occupied rehabilitation
PITI	Principal, interest, taxes, and insurance—the four components that make up a typical mortgage payment
QCT	Qualified census tract
RFP	Request for Proposals
RHTC	Rental Housing Tax Credits (also called Low Income Housing Tax Credits or LIHTC)
S+C	Shelter Plus Care - part of the McKinney grant that is applied for directly to HUD through the SuperNOFA application
SHP	Supportive Housing Program - part of the McKinney grant that is applied for directly to HUD through the SuperNOFA application
SRO	Single room occupancy
SuperNOFA	Notice of Funds Availability issued by HUD for a number of grant programs. It is an annual awards competition. Shelter Plus Care and Supportive Housing Program and the Continuum of Care are some of the programs applied for through this application process.
TBRA	Tenant-Based Rental Assistance
TPC	Total project costs
URA	Uniform Relocation Act
WBE	Women Business Enterprise—certified by the State Department of Administration

Map of Indiana Counties



SECTION I.
Executive Summary, 91.320 (b)

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Purpose of the Consolidated Plan

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 grants finds include: Community Development Block Grants (CDBG), Emergency Solutions Grant (ESG),[1] 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.

HUD requires that any state or local jurisdiction that receives block grant funds prepare a report called a Consolidated Plan every three to five-years. The Consolidated Plan is a research document that identifies a state's, county's or city's housing and community development needs. It also contains a strategic plan to guide how the HUD block grants will be used during the Consolidated Planning period.

This 2012 Action Plan reports how the State proposes to allocate the CDBG, HOME, ESG and HOPWA funds during the 2012 program year, July 1, 2012 to June 30, 2013.

CAPER. The Consolidated Annual Performance and Evaluation Report (CAPER) is also required yearly. The CAPER reports on how funds were actually spent (v. proposed in the Action Plan), the households that benefitted from the block grants and how well the City/State met its annual goals for housing and community development activities. This report is completed by the State during the months after the end of each program year and is available for public comment September 15-30 of each year.

Fair housing requirement. HUD requires that cities and states receiving block grant funding take actions to affirmatively further fair housing choice. Cities and states report on such activities by completing an Analysis of Impediments to Fair Housing Choice (AI) every three to five-years. In general, the AI is a review of impediments to fair housing choice in the public and private sector.

The State of Indiana's 2012 Update of the Analysis of Impediments to Fair Housing Choice for 2010-2014 will be completed during the summer and fall of 2012.

Compliance with Consolidated Plan Regulations

The State of Indiana's 2012 Action Plan was prepared in accordance with Sections 91.300 through 91.330 of the U.S. Department of Housing and Urban Development's (HUD) Consolidated Plan regulations.

[1] Formerly the Emergency Shelter Grant.

Lead and Participating Organizations

The lead agencies for completion of the State's 2012 Action Plan include:

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

The State of Indiana retained BBC Research & Consulting, Inc. (BBC), an economic research and consulting firm specializing in housing research, to assist in the preparation of the 2012 Action Plan and AI update. In addition to BBC, the Indiana-based consulting firms Briljent and Engaging Solutions, assisted with the key person interviews, resident survey and stakeholder survey conducted in 2012.

Organization of the Report

The remaining sections of this report include:

Section II: The Citizen Participation and Consultation Process section summarizes the public participation opportunities that were available and the public input gathered during development of the 2012 Action Plan.

Section III: The Resources section details the federal, state, local and private resources the State plans to use to address housing and community development needs in 2012.

Section IV: This section contains the annual objectives and activities for 2012.

Section V: This section contains the specific requirements for each of the four federal grant programs.

Appendix A: This appendix contains the Citizen Participation Plan that governs the citizen participation process during the five-year Consolidated Planning period, including each the process in each Action Plan year.

Appendix B: This appendix contains information about the public participation process and public hearings conducted for the 2012 Action Plan and (for final version) public comments received during the 30-day comment period.

Appendix C: This appendix contains background information on demographic and housing market conditions and the special needs populations in Indiana.

Appendix D: This appendix contains the HUD required needs and summary tables.

Appendix E: This appendix describes the 2012 Method of Distribution for CDBG by OCRA.

Appendix F: This appendix describes the 2012 Method of Distribution for IHCDA.

Appendix G: This appendix contains the HUD required signed Certifications and SF-424s.

Five-Year Goals, Objectives and Outcomes and 2012 Action Plan

Four goals were established to guide funding during the 2010-2014 Consolidated Planning period:

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.

The *objectives* and *outcomes* detail what the State intends to accomplish with the identified funding sources to meet housing and community development needs for the 2010-2014 program years and each Action Plan year. The outcome and objective that will be achieved is included in each of the planned activities and is identified using the numbering system that ties to the Community Planning and Development Performance Measurement System developed by HUD.

The outcome/objective numbers are as follows:

	Availability/ Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

The following section outlines the 2010-2014 Strategic Plan goals, objectives and outcomes in detail along with the 2012 Action Plan outcomes. . The State of Indiana certifies that not less than seventy-percent (70 percent) of FY 2012 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.

Decent Housing:

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

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.

  DH-2.1 outcomes/goals:

  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - *Five-year outcome/goal:* 675 housing units
    - *2012 outcome/goal:* 100 housing units; $3 million HOME
      - *Targeted to elderly and persons with disabilities:* 33 housing units

- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.

  DH-2.2 outcomes/goals:

  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - *Five-year outcome/goal:* 2,500 households/housing units
    - *2012 outcome/goal:* 700 households/housing units; $4 million HOME
  - Provide funds to organizations for the **development of owner occupied units**.
    - *Five-year outcome/goal:* 125 housing units
    - *2012 outcome/goal:* 25 housing units; $1 million HOME
      - *Targeted to special needs populations:* 5 housing units
  - Provide funds to organizations to complete **owner occupied rehabilitation**.
    - *Five-year outcome/goal:* 1,500 housing units
    - *2012 outcome/goal:* 240 housing units; $3.5 million CDBG & $500,000 HOME
      - *Targeted to elderly and persons with disabilities:* 160 housing units

- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.

  DH-2.3 outcomes/goals:

  - Provide funding for **predevelopment loans** to support affordable housing.
    - *Five-year outcome/goal:* 25 housing units
    - *2012 outcome/goal:* 5 housing units; $250,000 HOME
  - Provide funding for **organizational capacity**.
    - *Five-year outcome/goal:* 80 housing units
    - *2012 outcome/goal:* 8 housing units; $500,000 HOME

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

- **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for **homeless and special needs populations**.

  DH-1.1 outcomes/goals:

  - Support the construction and rehabilitation of **permanent supportive housing** units.
    - *Five-year outcome/goal:* 250 housing units
    - *2012 outcome/goal:* 40 housing units; $4 million HOME
      - *Targeted to special needs populations:* 40 housing units
  - **New objective in 2012:** Support the construction and rehabilitation of **migrant farmworker housing** units.
    - *Five-year outcome/goal:* N/A
    - *2012 outcome/goal:* 40 beds; $500,000 CDBG
  - Provide **tenant based rental assistance** to populations in need.
    - *Five-year outcome/goal:* 1,000 housing units
    - *2012 outcome/goal:* 200 housing units (HOME), 108 units (ESG); $1 million HOME, plus $1.17 million ESG rapid re-housing funding.
      - *Targeted to special needs populations:* 200 housing units

- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters; rapid re-housing activities; and case management to persons who are homeless. Beginning in FY2012, funding allocations will focus on rapid re-housing.

  DH-1.2 outcomes/goals:

  - **Operating support**—provide shelters with operating support funding.
    - *Five-year outcome/goal:* 55 shelters receiving support; $6.12 million over next five-years
    - *2012 outcome/goal*:* 55 shelters receiving support annually; $1.22 million ESG
  - **Essential services**—provide shelters with funding for essential services to homeless families and individuals in emergency shelter.
    - *Five-year outcome/goal:* 53 shelters; $2 million over next five-years.
    - *2012 outcome/goal:** 31 shelters, for an estimated 15,000 clients assisted annually; $200,000 ESG
  - **Rapid re-housing**—includes housing relocation and stabilization and tenant-based rental assistance (TBRA).

- *Five-year outcome goal:* 3-4 programs annually; $5,830,474 over next five years
- *2012 outcome/goal:** 3 programs, for an estimated 130 clients assisted annually; $1.17 million ESG
- *Anticipated match:* Shelters match 100 percent of their rewards
- *Anticipated number of counties assisted annually:* 90
- *Anticipated number of clients served over next five years:* 100,650 (unduplicated count) with 100,000 assisted with temporary emergency housing
- **Five year goals were based on 2011 funding levels. Fiscal year 2012 allocation levels and exact outcomes of new HEARTH activities are unknown at the time of the writing of the Consolidated Plan. Estimates for Rapid Re-housing activities are based loosely on Homeless Prevention and Rapid Re-housing outcomes, though the programs differ in eligible program activities.*

➢ Other ESG activities:

- Homeless Management Information System (HMIS): 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).

■ **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.

DH-1.3 outcomes/goals:

➢ **Housing information services.**

- *Five-year outcome/goal:* 375 households
- *2012 outcome/goal:* 75 households; $100,000 HOPWA

➢ **Permanent housing placement services.**

- *Five-year outcome/goal:* 500 households
- *2012 outcome/goal:* 100 households; $50,000 HOPWA

■ **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.

DH-2.4 outcomes/goals:

- **Tenant based rental assistance**.
  - *Five-year outcome/goal:* 1,000 households/units
  - *2012 outcome/goal:* 200 households/units; $500,000 HOPWA
- **Short-term rent, mortgage and utility assistance**.
  - *Five-year outcome/goal:* 1,500 households/units
  - *2012 outcome/goal:* 300 households/units; $200,000 HOPWA
- **Facility based housing operations support**.
  - *Five-year outcome/goal:* 35 units
  - *2012 outcome/goal:* 7 units; $50,000 HOPWA
- **Short term supportive housing**.
  - *Five-year outcome/goal:* 100 units
  - *2012 outcome/goal:* 21 units; $50,000 HOPWA

Suitable Living Environment:

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

- **Objective SL-1.1 (Availability/Accessibility):** Improve the quality and/or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-1.1 outcomes/goals:

  - **Emergency services**—Construction of fire and/or Emergency Management Stations (EMS) stations or purchase fire trucks.
    - *Five-year outcome/goal:* 35-45 projects
    - *2012 outcome/goal:* 5 projects; $1.5 million CDBG
  - Construction of **public facility projects** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
    - *Five-year outcome/goal:* 30 public facility projects
    - *2012 outcome/goal:* 4 public facility projects (anticipate receiving 2 applications for projects benefiting special need populations); $1.5 million CDBG
  - Completion of **downtown revitalization projects**.
    - *Five-year outcome/goal:* 10 downtown revitalization projects
    - *2012 outcome/goal:* Not funded in 2012.

- Completion of **historic preservation projects**.
  - *Five-year outcome/goal:* 10 historic preservation projects
  - *2012 outcome/goal:* 2 historic preservation project; $500,000 CDBG

- Completion of **brownfield/clearance projects**.
  - *Five-year outcome/goal:* 10-25 brownfield/clearance projects
  - *2012 outcome/goal:* 2 clearance projects; $200,000 CDBG

- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-3.1 outcomes/goals:

  - Construction/rehabilitation of **infrastructure improvements** such as wastewater, water and storm water systems.
    - *Five-year outcome/goal:* 120 infrastructure systems
    - *2012 outcome/goal:* 23 systems; $11,678,970 CDBG

- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund**) funded by CDBG and HOME dollars.

  SL-3.2 outcomes/goals:

  - Provide **planning grants** to units of local governments and CHDOs to conduct market feasibility studies and needs assessments, as well as (for CHDOs only) predevelopment loan funding.
    - *Five-year outcome/goal:* 145 planning grants
    - *2012 outcome/goal:* 45 planning grants; $1.3 million CDBG

- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

SL-3.3 outcomes/goals:

- Provide project support for community development projects.
  - *Five-year outcome/goal:* 10-25 community development projects
  - *2012 outcome/goal:*
    - ✓ **Flexible Funding Program**: 2 projects; $900,000 CDBG;
    - ✓ **Stellar Communities**: 6 projects; $3 million CDBG
    - ✓ **Main Street Revitalization Program**: 4 projects; $1 million CDBG

Economic Opportunities:

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

- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.

  EO-3.1 outcomes:

  - Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
    - *Five-year outcome/goal:* 1,300 jobs
    - *2012 outcome/goal:* 120 jobs; $1.2 million CDBG
  - Fund training and micro-enterprise lending for low to moderate income persons through the **Micro-enterprise Assistance Program**.
    - *Five-year outcome/goal:* Will be made available if there is demand
    - *2012 outcome/goal:* Due to low demand this program has been suspended.

A matrix outlining the Consolidated Plan five-year goals, objectives and outcomes and action items for program year 2012 is provided at the end of this section in Figure I-1.

Administration. The State of Indiana will use CDBG, HOME, ESG and HOPWA funds to coordinate, monitor and implement the Consolidated Plan objectives according to HUD. During the five-year Consolidated Plan the State will create annual Action Plans and CAPER documents acceptable to HUD while working to affirmatively further fair housing.

Citizen Participation and Consultation Process

During the development of the 2012 Action Plan, the State conducted a public participation process to obtain input regarding housing and community development needs. That process consisted of four major parts:

- A Housing and Community Development Needs Survey was made available to many types of stakeholders in Indiana. The survey was sent to more than 800 organizations that provide assisted housing (public housing authorities and nonprofits), social service and health care services, and that assist low income and special needs residents.

- Fair housing barrier questions were incorporated into a resident survey, conducted by IHCDA which will be available for the AI analysis, to be conducted in summer and fall 2012.
- 25 interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted; and
- Two public hearings were conducted through video conferences with seven locations across Indiana. Public hearing comments are available in Appendix B of the final Plan.

The 30-day comment period began on April 9, 2012 and ended on May 9, 2012. All contacts who received the surveys and key persons who were interviewed were emailed about the availability of the draft Plan and were encouraged to provide their comments.

Five-Year and 2012 Action Plan Year Matrix

The following figure presents the five-year goals, objectives, both five-year and 2012 (year three) outcomes/goals, as well the 2012 funding proposal in one matrix. The matrix shows how the State of Indiana plans to allocate its FY 2012 block grants to address its five-year Consolidated Plan goals.

Figure I-1.
FY2012 Action Plan for Five-Year Consolidated Plan Goals, State of Indiana

Goal	Objectives	HUD Objective Code	2012 Activity	Indicator	Goals: Five Year	Goals: Year Three	Funding for Year Three: CDBG	Funding for Year Three: HOME	Funding for Year Three: ESG	Funding for Year Three: HOPWA	2012 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	$3,500,000	$500,000			$ 4,000,000
	• **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	$500,000				
	• **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 *			$1,220,000		$ 1,220,000
			➢ Essential services	Persons	80,000	15,000 *			$200,000		$ 200,000
			➢ Rapid re-housing	Persons	N/A	130			$1,170,000		$ 1,170,000
	• **Improve the rang 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	200				$500,000	$ 500,000
			➢ Short-term rent, mortgage and utility assistance	Units	1,500	300				$200,000	$ 200,000
			➢ Facility based housing operations support	Units	35	7				$50,000	$ 50,000
			➢ Short term supportive housing	Units	100	21				$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	5	$1,500,000				$ 1,500,000
			- Public facilities	Facilities	30	4	$1,500,000				$ 1,500,000
			- Historic preservation projects	Projects	10	2	$500,000				$ 500,000
			- Brownfield/clearance projects	Projects	10-25	2	$200,000				$ 200,000
	• **Improve the quality and/or quantity of public improvements for low and moderate income persons.**	SL-3.1	➢ Community Focus Fund								
			- Infrastructure systems	Systems	120	23	$11,678,970				$ 11,678,970
		SL-3.2	➢ Planning Fund	Grants	145	45	$1,300,000				$ 1,300,000
		SL-3.3	➢ Flexible Funding Program	Projects	10-25	2	$900,000				$ 900,000
			➢ Stellar Communities	Projects		6	$3,000,000				$ 3,000,000
			➢ Main Street Revitalization Program	Projects		4	$1,000,000				$ 1,000,000
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	➢ Community Economic Development Fund	Jobs	1,300	120	$1,200,000				$ 1,200,000
Administrative and supportive services			➢ CDBG admin. (OCRA and IHCDA)				$642,155				$ 642,155
			➢ HOME admin. (IHCDA)					$500,000			$ 500,000
			➢ HOPWA admin. (IHCDA)							$100,000	$ 100,000
			➢ ESG program admin. (IHCDA)						$135,500		$ 135,500
			➢ Tech. assist. set-aside (OCRA)				$271,078				$ 271,078
Total							**$27,692,203**	**$14,750,000**	**$2,725,500**	**$1,050,000**	**$ 46,217,703**

ource: BBC Research & Consulting.

SECTION II.
Citizen Participation and Consultation Process, 91.320 (b)

SECTION II.
Citizen Participation and Consultation Process, 91.320 (b)

This section discusses Indiana's housing and community development needs, as identified by citizens, public service agencies and government officials through stakeholder consultation and surveys. This section partially satisfies the requirements of Sections 91.305, 91.310, and 91.315 of the State Government's Consolidated Plan Regulations. It also incorporates the consultation requirements of the new rule that was issued in conjunction with the second round of ESG funding.

Appendix A of this report contains the State of Indiana's Citizen Participation Plan. Appendix B provides the 2012 Indiana Stakeholder Housing and Community Development Needs Survey invitation materials. The final 2012 Action Plan will contain the public hearing materials, sign-in sheets and comments received at public hearings.

During the development of the 2012 Action Plan, the State conducted a public participation process to obtain input regarding housing and community development needs. That process consisted of four major parts:

- A Housing and Community Development Needs Survey was made available to many types of stakeholders in Indiana. The survey was sent to more than 800 organizations that provide assisted housing (public housing authorities and nonprofits), social service and health care services, and that assist low income and special needs residents.
- Fair housing barrier questions were incorporated into a resident survey, conducted by IHCDA which will be available for the AI analysis, to be conducted in summer and fall 2012.
- 25 interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were conducted; and
- Two public hearings were conducted through video conferences with seven locations across Indiana. Public hearing comments are available in Appendix B of the final Plan.

The 30-day comment period began on April 9, 2012 and ended on May 9, 2012. All contacts who received the surveys and key persons who were interviewed were emailed about the availability of the draft Plan and were encouraged to provide their comments.

Summary of Stakeholder and Resident Input

The comments received during the public input process held for the 2012 Action Plan are summarized below using the following categories: decent housing, suitable living environment and economic opportunities.

Decent housing. Affordable rental housing rated as the highest need among survey respondents and was also a high priority for interviewees. Energy efficiency improvements were also rated highly in the survey, similar to 2011. Interviewees mentioned a number of different priorities for housing, from very low income households to seniors to rehabilitation of housing stock and downtown infill.

Suitable living environment. Community service needs rated highly across the board by stakeholders. Transportation services, as well as family self-sufficiency programs, and services for special needs populations received top ratings.

For special needs housing, stakeholders prioritized facilities to assist persons who are homeless included permanent supportive housing and shelters. Facilities for children (child care centers, youth centers and facilities for abused and neglected children) were top rated among special needs and community facilities.

Economic opportunities. Consistent with 2011, stakeholders of the State of Indiana rated job creation/retention as the highest rating of all needs listed for economic development, followed by employment training. Stakeholders who felt their community has gotten worse over the last five years felt it was mainly due to the poor economy. Most of these Stakeholders sited the loss of jobs and businesses in their community.

Key Person Interviews

Twenty-five interviews with key persons or groups who are knowledgeable about housing and community development needs in the State were contacted through email and invited to participate in an interview about top housing and community development needs. Summaries of their input, divided by housing and community/economic development issues, appear at the end of this section. The surveys were conducted by Briljent, an Indiana women-owned business.

Community development interviews, organizations represented.

- Grant County Economic Development Council
- Southwest Indiana Regional Development
- River Hills Economic Development
- Hunnum Wagle and Cline Engineering
- Randolph County Economic Development
- Ball State University, Economic Development Outreach
- Monan-White County, Kankakee Iraqouis Regional Planning Commission
- Administrative Resources Association
- Economic Development Group-Wabash County
- Beumer Consulting

Housing interviews, organizations represented.

- The Whitsett Group;
- Hoosier Uplands Economic Development Corp
- Affordable Housing Corp. – Grant County
- SIHCDC/A+X Development – Austin
- Community Action of Greater Indianapolis
- Neighborhood Development Association;

- Pioneer Development Services
- Affordable Midwest Housing Corporation
- Herman and Kittle Properties
- Building Blocks Non-Profit Housing Corporation
- Milestone Ventures
- Crestline Development
- Sterling Development
- Housing Assistance Office

Stakeholder Survey

The stakeholder survey process was managed by Engaging Solutions, an Indiana minority-owned business.

A survey was made available to stakeholders throughout the State in March of 2012 to better understand housing and community development needs within the State of Indiana. A letter was mailed and emailed from the Indiana Office of Community & Rural Affairs (OCRA) and the Indiana Housing & Community Development Authority (IHCDA) requesting several elected officials and housing/community development organizations to participate in the survey and encouraging them to invite others to also take part. A web link was provided to complete the short survey online with a very user friendly application. Reminder calls and emails were made prior to the close of the survey to ensure maximum participation.

Between February 28 and March 12 2012, 170 respondents completed the Stakeholder Housing and Community Development Survey. The respondents used the survey to indicate their local housing and community development needs. Categories of focus included community facilities, special needs population facilities, infrastructure, community services, businesses and jobs, housing and housing for special needs populations.

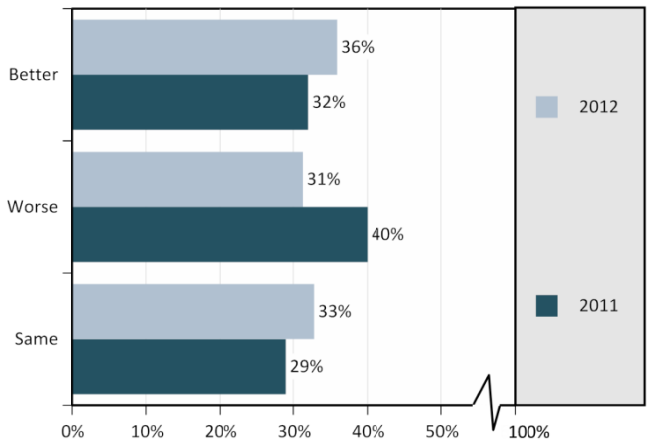
Survey respondents were asked to indicate need using a numbered rating system; 1 indicating the lowest need and four indicating the highest need. Additionally survey respondents were asked to list the top community development, economic development and housing needs. The survey also asked respondents their perception of their community and how they would like their community to be.

The respondents were asked to provide the name of the community they planned to address in the survey. There was a diverse representation of counties across the state; all 92 counties were represented.

Perception of community. Respondents were asked if the perception of their community has gotten better, worse or has remained the same over the last 5 years. There was an almost even split in the responses between better, worse or has remained the same. Thirty-six percent (36%) of respondents replied their community was better off than five years earlier, 33 percent replied their community was the same and the remaining 31 percent responded their community was worse. Figure II-1 provides a comparison to the 2012 Stakeholder Housing and Community Development Survey responses for this same question.

Figure II-1.
2011-2012 Response Comparison of Community Perception, 2012

Source:
2012 and 2011 Indiana Stakeholder Housing and Community Development Survey



Better. Reasons why respondents felt their community was *better* included: communities learning the value of working together, commercial and residential development, increase in infrastructure spending and increased businesses. Stakeholders also mentioned increased availability and awareness of affordable housing programs.

Stakeholders emphasized how the communities are still progressing and working together even through the economic downturn. They praised their leadership, organizations that continue to push for the needs of the community. In addition, some Stakeholders mentioned enhancements to public transportation as the reason why their communities are better.

Worse. The majority of the reason why Stakeholders felt their communities had gotten worse over the last five years was the poor economy. Most of the Stakeholders sited the loss of jobs and businesses in their community. Additionally, Stakeholders stated an increase in unemployment, foreclosures, gas prices, crime, teen pregnancy, abandoned houses/buildings, aging housing stock, dwindling services, property taxes, absentee landlords, lack of skills for reemployment and the presence of drugs. Stakeholders also mentioned the lack of public transportation and population decrease as reasons their community was worse.

Respondents were also asked how would they like their community and were provided suggestions, e.g. be more accessible for persons with physical disabilities, be more affordable for renters, be safer for children, provide more jobs, etc. A large number of Stakeholders mentioned more affordable housing (rental and owner occupied), providing more jobs with a living wage and benefits, enhancing the public transportation system, having safe and clean neighborhoods, providing more resources for the homeless, providing transitional housing and adequate water, sewer and storm water lines.

Respondents also stated they would like their community to provide affordable healthcare options, strengthen ex-offender reentry programs, increase the number of substance abuse treatment centers, expand higher education opportunities and develop more community education and awareness for available social service programs. These responses were very similar to those provided in the 2011 survey.

Needs Identification. The survey asked respondents to list their top needs and to rat—from no need to 1 to 4 (1 being lowest need and 4 being highest)—the greatest needs in their communities. These needs were organized into the following categories:

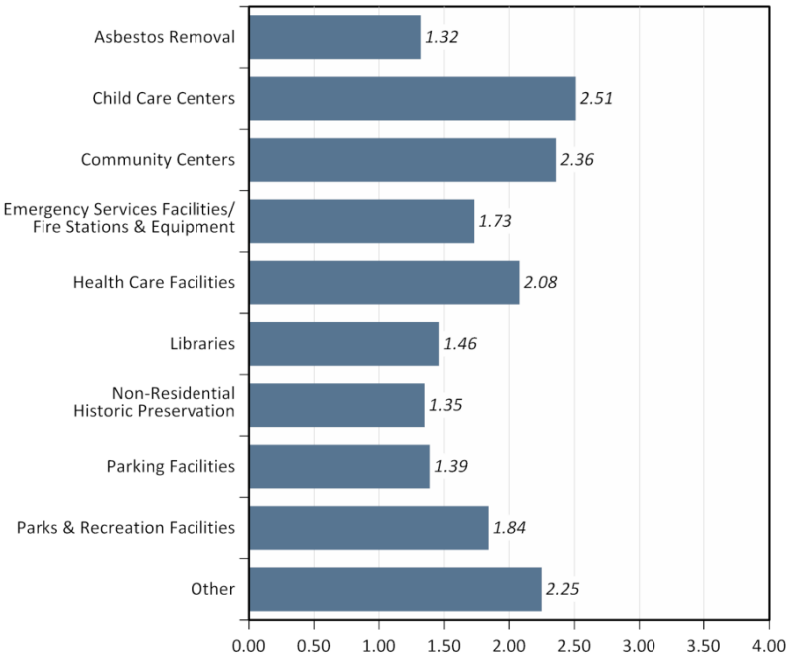
- Suitable Living Environment
  - Community Facilities
  - Special Needs Population Facilities
  - Infrastructure
  - Community Services
- Economic Opportunities
  - Businesses and Jobs
- Decent Housing
  - Housing
  - Housing for Special Needs Populations

Suitable Living Environment.

Community Facility Needs. The respondents rated child care centers and community centers as their highest community needs. They also included healthcare facilities and other as high rated categories. Other largely included such items as: low income housing, bike paths and walk trails, transitional living facilities for homeless women, substance abuse treatment centers, performing arts centers, rehabilitation facilities and youth centers. The respondents indicated parking facilities, asbestos removal, and non-residential historic preservation as their lowest community needs. The average response rate in the community facilities category was 87 percent for Stakeholder Survey respondents. Figure II-2 displays the average rating for all community facilities by HUD category.

Figure II-2.
Average Rating for Community Facility Needs, 2012

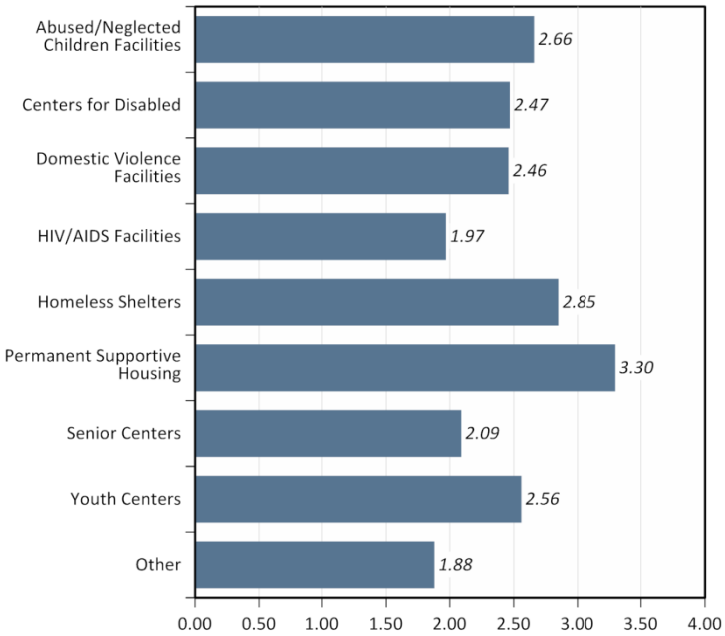
Source:
2012 Indiana Stakeholder Housing and Community Development Survey



Special Needs Population Facility Needs. The highest rated among respondents was the need for permanent supportive housing followed by homeless shelters and facilities for abused/neglected children. The lowest need was for HIV/AIDS facilities and other. Other included such items as: respite centers for the seriously mentally ill, transitional housing, job training facilities for ex-offenders, affordable and income based housing, work release facilities, and housing facilities for youth ages 15-24. The average response rate among all Stakeholder Survey respondents in the special needs population facilities category was 86 percent. Figure II-3 displays the average rating for all facilities for special needs populations by HUD category.

Figure II-3.
Average Rating for Special Needs Population Facility Needs, 2012

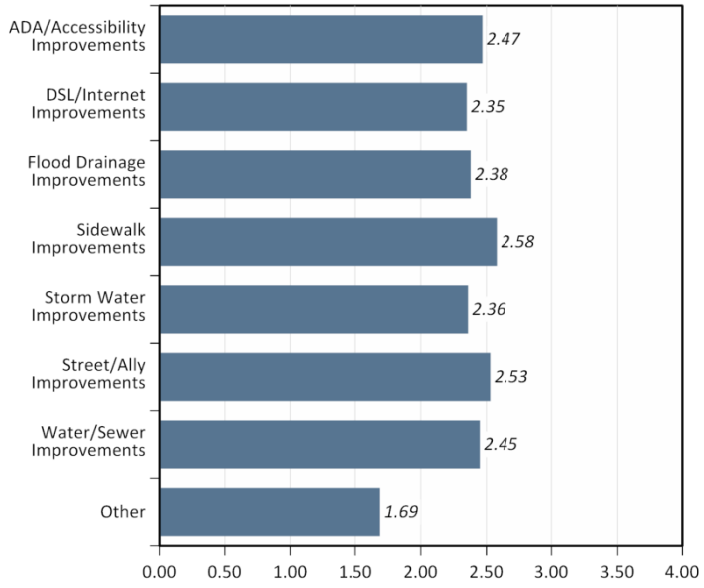
Source:
2012 Indiana Stakeholder Housing and Community Development Survey



Infrastructure Needs. Infrastructure needs had fewer variations in rating than other needs categories. For example, the top rated need—sidewalk improvements—was rated as 2.58 on average, just .23 points lower than the lowest rated need. The average response rate among all Stakeholder Survey respondents in the infrastructure category was 86 percent. Figure II-4 displays the average rating for all infrastructure improvements by HUD category.

Figure II-4.
Average Rating for Infrastructure Needs, 2012

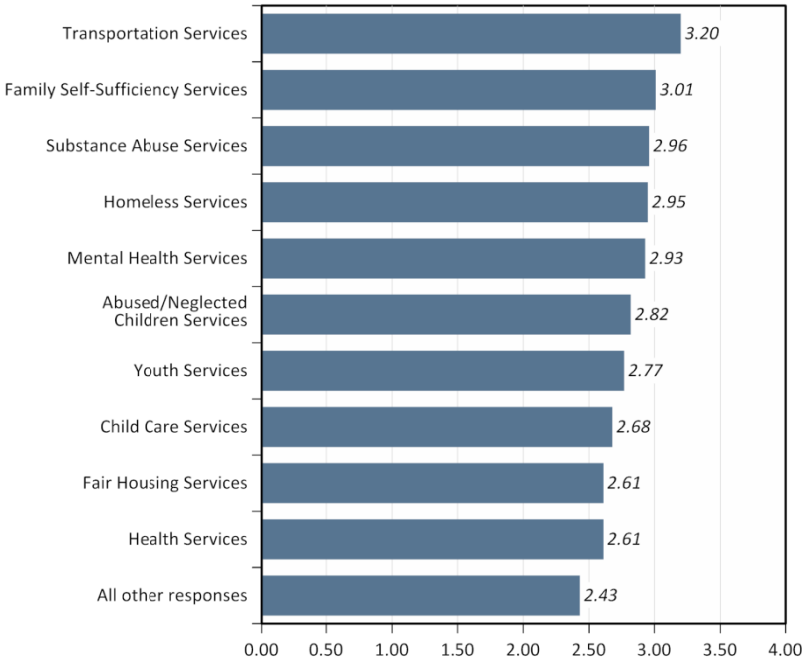
Source:
2012 Indiana Stakeholder Housing and Community Development Survey.



Community Service Needs. The item with the highest reported need for Stakeholder respondents was transportation followed by family self-sufficiency and substance abuse services. The lowest rated need was HIV/AIDS services (excluding other). The average response rate among all Stakeholder Survey respondents in the community services category was 86 percent. Figure II-5 displays the average rating for all community services by HUD category.

Figure II-5.
Average Rating for Community Service Needs, 2012

Source:
2012 Indiana Stakeholder Housing and Community Development Survey.



Most Important Community Development Needs. The survey asked the respondents to list the top community development needs in their community. Top needs listed by the Stakeholders included: affordable housing, removal of abandon properties, infrastructure upgrades (i.e. sidewalk improvements, water sewer, storm water and highway) and public transportation.

Stakeholders also mentioned housing for victims of domestic violence, emergency shelter for homeless and parks and recreation.

Economic Opportunities.

Business and Job Needs. Job creation/retention received the highest rating of all needs listed by the Stakeholder surveys. In fact, 66 percent of the Stakeholder responses to this question rated this need as *high* (4). The second greatest identified need was for employment training followed by start-up business assistance. The item with the lowest indicated need was commercial/industrial clearance/demolition. The average response rate among all Stakeholder Survey respondents in the business and jobs category was 82 percent. Figure II-6 displays the average rating for all business and job needs by HUD category.

Figure II-6.
Average Rating for Business and Job Needs, 2012

Source:
2012 Indiana Stakeholder Housing and Community Development Survey.

Most Important Economic Development Needs. The overwhelming economic development need stated by Stakeholder survey respondents was the need for jobs. Respondents' top needs included job creation and retention, jobs that pay a living wage and job training. Stakeholders also stated the need to assist businesses with loan assistance, coaching/mentoring, access to capital, and infrastructure improvements. Educational opportunities were another top need mentioned by respondents. These responses were similar to those provided in the 2011 survey.

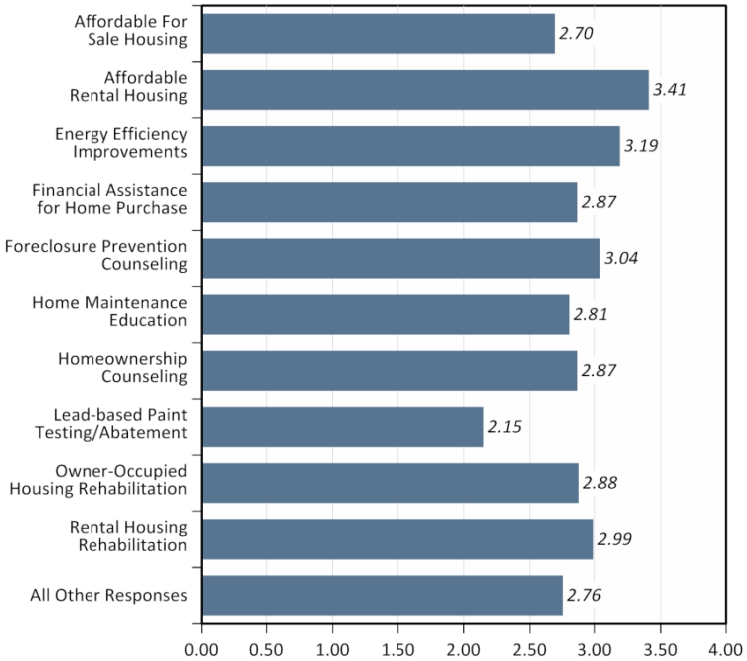
Decent Housing.

Housing Needs. The housing item with the greatest reported need was affordable rental housing for Stakeholder survey respondents. In fact, over half (63%) of the Stakeholder responses to this question rated this need as *high* (4). This housing item was also rated as the greatest need in the 2011 survey.

The need for energy efficiency improvements and rental housing subsidies were the second and third highest rated needs for Stakeholder respondents. The item rated the lowest by the respondents was lead-based paint testing/abatement. This was the same rating for the 2011 survey. The average response rate among all Stakeholder Survey respondents in the housing needs category was 82 percent. Figure II-7 displays the average rating for all housing needs by HUD category.

Figure II-7.
Average Rating for Housing Needs, 2012

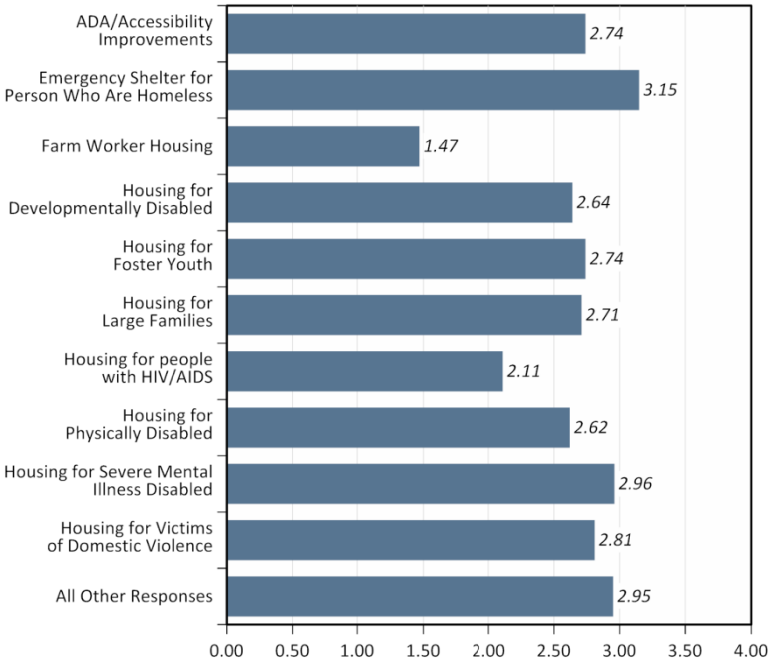
Source:
2012 Indiana Stakeholder Housing and Community Development Survey.



Housing Needs for Special Needs Population. Housing for the homeless populations (i.e. supportive housing, emergency shelters and transitional housing) were the highest rated needs of the Stakeholder survey respondents, similar to the 2011 survey. Farm worker housing and housing for people with HIV/AIDS rated low for Stakeholder respondents. The average response rate among all Stakeholder Survey respondents in the housing needs for special needs category was 81 percent. Figure II-8 displays the average rating for all housing needs for special needs populations by HUD category.

Figure II-8.
Average Rating for Housing Needs for Special Needs Population, 2012

Source:
2012 Indiana Stakeholder Housing and Community Development Survey



Most Important Housing Needs. The survey asked the respondents to list the top housing needs in their community. Affordability was a common theme in many of the written responses for the surveys. Stakeholders mentioned the need for affordable housing including: senior, rental and owner occupied units, low income housing, and family and single dwellings. Transitional and supportive housing services for the homeless, domestic violence victims and ex-offenders were also mentioned as top housing needs. In addition, renovations for owner/ renter occupied and vacant units were also housing needs listed by the respondents.

Barriers to Affordable Housing Development. According to respondents, the most serious barriers to affordable housing development and creation were housing cost, cost of development and zoning policies.

Office of Community and Rural Affairs (OCRA)

2012 Consolidated Plan

Key Person Interviews

Primary Findings

This document contains the interviewers' primary findings from conducting interviews for the FY2012 Action Plan (11 interviews in all).

These observations are parceled into the following random categories:

- Common themes
- Competing priorities
- Key person attitudes

Common Themes

The following are common themes:

- Even when expressing mild critiques of OCRA's processes or policies, almost every interviewee acknowledged that the OCRA staff was performing quite creditably in lieu of the diminishing funding resources available to OCRA.
- Participants gave OCRA's leadership and staff high marks for their professionalism, helpfulness, transparency, listening initiatives, and in communicating information.
- Several persons suggested OCRA return to a multiple-round format for allocations, citing small- and rural-community hardships resulting from delays and rejections.
- Many interviewees stated they had more confidence speaking to community and/or economic development issues than to the questions pertinent to housing needs.
- Participants tended to focus on infrastructure needs rather than housing needs.
- The interviewees seemed less interested in discussing fair housing issues than in years past (2010 and 2011). Overall, interviewees were not concerned about fair housing issues, especially in the rural areas. Urban participants seemed to focus on fair housing as evidenced in NIMBYism (i.e., not-in-my-backyard-ism), if at all.
- Most respondents agreed that OCRA's priorities aligned with those of the local communities.

Competing Priorities

The following are competing priorities identified by interviewees:

- Some interviewees spoke of the Stellar Communities initiative as if it were “manna from the heavens.” A few were chagrin that it uses funds that could have been spent to “serve more people.”
- Many participants wanted to see more money put to affordable housing for the 20 - 40% AMI population. Others wanted more focus on the 80% AMI folks.
- While most responders thought OCRA’s allocation process was transparent, one person thought it favored the field liaison’s “vested interests.”
- Naturally, the rural respondents and urban respondents clearly saw their respective needs as taking priority.
- Those who saw securing jobs (with living wage pay) as a top priority seemed to outnumber those who favored spending OCRA money on quality-of-life enhancements.
- One interviewee differed with all others in claiming that 92 counties could not keep competing with each other for limited resources. Rather, regional collaboration and “new thinking” was required throughout the state.

Key Person Attitudes

The following are key person attitudes:

- To a person, each interviewee was willing, and some even eager, to participate in a phone interview so they could voice their recommendations and offer suggestions.
- Many participants professed that the burden of “staying engaged” did not fall on OCRA, but was rather their own responsibility. The interviewer was impressed by the passion these key persons had for their public service.
- Some respondents expressed pleasure at being on the Key Person list, and, while valuing the e-mails from OCRA, still liked the opportunity to provide input through the survey.
- There seemed to be a time crunch this year, and there were two or three interviewees who, because of scheduling conflicts, could not participate in the survey before the deadline.

Indiana Housing & Community Development Authority (IHCDA)

2012 Consolidated Plan

Key Person Interviews

Primary Findings

This document contains the interviewers' primary findings from conducting interviews for the FY2012 Action Plan (14 interviews in all).

These observations are parceled into the following random categories:

- Common themes
- Competing priorities
- Key person attitudes

Common Themes

The following are common themes:

- The majority of respondents were complimentary to IHCDA's leadership and staff for their cooperation, helpfulness, professionalism, and efforts at streamlining processes for user-friendliness.
- IHCDA's tax credit assistance program received high praise from many interviewees, and the scoring process was described as fair and transparent.
- Regret over insufficient financial resources was frequently admitted, but most responders applauded the IHCDA staff on its equanimity in allocating funds to a variety of needs around the State.
- There was a strong consensus that affordable housing was a prevalent need around the State, but the target population for that housing was as diverse as the respondents' varied priorities.
- Respondents praised the IHCDA's ability to leverage funding with community partners.
- The most frequently named barrier to fair housing was "NIMBYism" (i.e., not-in-my-backyard-ism). Overall, interviewees were not concerned about fair housing issues, especially in the rural areas.
- Participants were generally very pleased with IHCDA's training opportunities (availability, accessibility, and affordability), and thought the alliance with the Indiana Association for Community Economic Development (IACED) was wise.
- Several persons suggested IHCDA return to a multiple-round format for allocations, citing small- and rural-community hardships resulting from delays and rejections.

Competing Priorities

The following are competing priorities identified by interviewees:

- While all respondents acknowledged shrinking federal funds to the State, there was divergence on how available funds ought to be allocated. Some favored the current "umbrella" disbursement system where every constituency around the State gets a little. Others lobbied for the State to focus its funding on one or two top priorities that could impact the greatest number of people (more like the "funnel" effect).
- There was divergence in whether grant funds or loan funds were the most helpful.
- While most interviewees appreciated IHCDA's processes, many also touted the need to make more "soft money" available.
- Interviewees' priorities for who ought to receive affordable housing varied sharply: 20% AMI, 30 - 40% AMI, 60% AMI, 80% AMI, urban seniors, rural seniors, homeless, and homeless veterans.
- While many respondents pressed for increased availability of new construction of affordable housing (rentals), an equal number favored putting that funding for affordable housing into rehabbing existing housing stock in downtowns and neighborhoods.
- The issue of "aging-in-place" received a lot of attention from interviewees. Some considered the concept to be right on target. Others believed this concept was overrated, too expensive for the numbers benefiting, and missing the mark for seniors who simply needed their existing housing rehabbed.
- One interviewee differed with all others in claiming that 92 counties could not keep competing with each other for limited resources. Rather, regional collaboration and "new thinking" was required throughout the State.

Key Person Attitudes

The following are key person attitudes:

- Most interviewees were very willing to participate in the phone survey. Some preferred this format of seeking their input over online questionnaires, but understood that the online system might reach more people more quickly.
- Most expressed their appreciation that IHCDA was making an effort to solicit their suggestions and to share information with the local communities.
- Three or four interviewees were unable to participate this year because of scheduling conflicts during the narrow window of opportunity.
- The interviewer was impressed by the dedication, passion, and enthusiasm of all participants. The State is fortunate to have their services.
- Several respondents noted that our State had received national accolades for its accomplishments in the housing arena.

SECTION III.
Resources, 91.320 (c)(1) and (2)

SECTION III.
Resources, 91.320 (c)(1) and (c)(2)

As shown in Figure III-1, the State of Indiana will receive approximately $42 million during the 2012 program year in block grants for community development and housing activities. 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.

Figure III-1. Estimated 2012 Action Plan Funding by Program and State Agency

Source:
U.S. Department of Housing & Urban Development.

Program/Agency	FY2012 Funding Allocations
CDBG (Indiana Office of Community and Rural Affairs)	$27,107,784
HOME (Indiana Housing and Community Development Authority)	$10,302,524
ESG (Indiana Housing and Community Development Authority)	$3,609,214
HOPWA (Indiana Housing and Community Development Authority)	$980,105

Four goals were established to guide funding during the 2010-2014 Consolidated Planning period:

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, objectives and outcomes identified in the Executive Summary and Section IV., 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 and specific objectives identified in the 2010-2014 Strategic Plan.

This section describes some of the resources that may be utilized

The State does not project receipt of any program income for the period covered by this FY2012 Consolidated Plan. In the event the State receives CDBG Program Income, such moneys will be placed in the Community Focus Fund for the purpose of making additional competitive grants under that program.

Other resources

The State anticipates resources from private and other public sources to be made available to address the housing and community development needs identified in the 2010-2014 Consolidated Plan and 2012 Action Plan.

OCRA other resources. The following figure provides a list of the anticipated resources for OCRA's 2012 program year programs.

Figure III-2.
OCRA Anticipated Resources to Address Community and Economic Development Needs, State of Indiana, 2012 Action Plan Year

CDBG Program	State and/or Local Funds	Private and Other Funds
Community Economic Development Fund		$15,000,000
Community Focus Fund	$10,000,000 **	$300,000 *
Flexible Funding Program		
Main Street Revitalization Program	$300,000 **	$100,000 *
Planning Grants	$250,000	$60,000 *
Stellar Communities	$4,000,000 ***	$1,000,000
Total	**$14,550,000**	**$16,460,000**

Note: *This can include philanthropic funds.
** Includes USDA-RD loans and/or SRF (EPA) loans.
*** Includes local and private funds.
Source: Indiana Office of Community and Rural Affairs.

CDBG matching funds. 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 Community Focus Fund (CFF) projects is ten-percent (10 percent) of the total estimated project costs. This percentage is computed by adding the proposed CFF grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The 2012 definition of match has been adjusted to include a maximum of 5 percent 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 percent 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 Community Economic Development Fund (CEDF); such investment will, however, be evaluated as part of the project's impact, and should be documented. The Business Office reserves the right to determine sources of matching funds for CEDF projects.

IHCDA other resources. The following figure provides a list of the anticipated resources for the 2012 program year that IHCDA is expected to receive.

Figure III-3.
IHCDA Anticipated Other Resources, State of Indiana, 2012 Action Plan Year

Program	PY2012	Reduce Homelessness	Expand Housing Opportunity	Revitalize Communities	Promote Economic Development
State Revenue:					
Individual Development Accounts	$1,000,000		$500,000	$500,000	$250,000
Mortgage Foreclosure Counseling	$2,000,000		$2,000,000		
Development Fund	$7,000,000	$1,000,000	$1,000,000	$2,500,000	$2,500,000
Neighborhood Assistance Program	$2,500,000			$4,000,000	$1,000,000
Total	**$12,500,000**	**$1,000,000**	**$3,500,000**	**$7,000,000**	**$3,750,000**
Annual Federal Appropriations:					
HUD Supportive Housing Program	$9,500,000	$9,500,000			
HUD Shelter + Care	$6,000,000	$6,000,000			
HUD VASH	$2,500,000	$2,500,000			
HUD Mainstream Vouchers	$600,000	$600,000			
HUD Housing Choice Vouchers	$20,000,000	$1,000,000	$18,500,000		$500,000
HUD Performance Based Contract	$160,000,000		$160,000,000		
USDA Rental Assistance*	$20,000,000		$20,000,000		
HHS LIHEAP	$55,000,000		$54,000,000		$1,000,000
Treasury LIHTC	$112,000,000	$11,000,000	$90,000,000	$11,000,000	
Multi-family Bond Volume	$30,000,000		$30,000,000		
USDA Multi-family Loans*	$5,500,000		$5,500,000		
USDA Single-family Loans*	$560,000,000		$560,000,000		
Mortgage Revenue Bond Volume	$125,000,000		$125,000,000		
Mortgage Credit Certificate	$12,000,000		$12,000,000		
Next Home Mortgage	$200,000,000		$200,000,000		
NW National Foreclosure Mitigation	$2,500,000		$2,500,000		
DOE Home Energy Conservation	$12,000,000		$12,000,000		
USDA Repair and Preservation*	$2,000,000		$2,000,000		
USDA Community Facilities*	$14,000,000			$14,000,000	
USDA Water and Waste*	$90,000,000			$90,000,000	
USDA Utility*	$135,000,000			$135,000,000	
HHS Community Services Block Grant	$5,000,000	$1,000,000	$1,000,000	$2,500,000	$500,000
HHS Assets for Independence	$1,000,000		$400,000	$400,000	$200,000
HHS Refugee IDA Program	$200,000		$150,000		$50,000
USDA Business Guarantee*	$38,000,000				$38,000,000
USDA Business Enterprise*	$1,000,000				$1,000,000
USDA Renewable Energy*	$5,000,000			$5,000,000	
Total	**$1,623,800,000**	**$31,600,000**	**$1,293,050,000**	**$257,900,000**	**$41,250,000**
Extraordinary Federal Funds:					
ARRA HUD TCAP Revolving Loan	$27,000,000		$27,000,000		
HHS Money Follows the Person*	$21,000,000	$21,000,000			
HUD CDBG-Disaster	Unknown		Unknown	Unknown	
Total	**$48,000,000**	**$21,000,000**	**$27,000,000**	**$0**	**$0**
Other Sources:					
FHLB Affordable Housing Program*	$5,500,000		$5,500,000		
IFF Community Facilities*	$2,500,000			$2,500,000	
IFF Rental Housing*	$3,500,000		$3,500,000		
Township Trustees*	$25,000,000	$12,500,000	$12,500,000		
Educational Development Accounts	$250,000			$250,000	
Total	**$36,750,000**	**$12,500,000**	**$21,500,000**	**$2,750,000**	**$0**
Grand Total	**$1,721,050,000**	**$66,100,000**	**$1,345,050,000**	**$267,650,000**	**$45,000,000**

Note: *Resources not administered by IHCDA.

Source: Indiana Housing and Community Development Authority.

IHCDA match pool. 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. Due to this, IHCDA will 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 percent. These eligible sources of match are kept on record and may be used as match for future IHCDA-funded projects. This 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. Emergency Solutions Grant grantees are required to match 100 percent of the ESG award, and can include cash, grants and in-kind donations.

CDBG housing leverage. The State of Indiana requires a 10 percent leverage requirement 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 percent match, which is a federal requirement rather that a state policy. Applicants must demonstrate eligible matching funds equal to 25 percent 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.

Figure III-4.
IHCDA Matching and Leveraging Requirements, Program Year 2012

Activity Type	CDBG Leverage Requirement (% of award)	Development Fund Leverage Requirement (% of award)	CDBG or Development Fund Beneficiary Income Restrictions (% of area median income)	HOME Match Requirement (% of HOME award minus admin., environ., review & CHDO operating costs)(2)	HOME Beneficiary Income Restrictions (% of area median income)
Emergency Shelter (1)	10%	5%	30%	___	___
Youth Shelter (1)	10%	5%	30%	___	___
Migrant/Seasonal Farm Worker Housing (1)	10%	5%	30%	___	___
Transitional Housing	10%	5%	80%	25%	60%
Permanent Supportive Housing Rehabilitation	10%	5%	80%	25%	60%
Rental Housing	10%	5%	80%	25%	60%
Homeownership Counseling/Down Payment Assistance	___	5%	80% - Trust fund only	25%	___
Homebuyer - New Construction/Rehabilitation	___	5%	80% - Trust fund only	25%	80%
Owner-Occupied Rehabilitation	10%	5%	80%	25%	80%
Voluntary Acquisition/Demolition	10%	___	80%	___	___

Note: (1) Beneficiaries of these activities are members of groups presumed by HUD to be of low and moderate income (victims of domestic violence, homeless persons, and migrant/seasonal farm workers) and presumed by IHFA to be at or below 30% of area median income.

(2) Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds minus administration, environmental review, and CHDO operating costs.

Source: Indiana Housing and Community Development Authority.

Additional resources. The following summary includes descriptions of several programs and their anticipated funds to assist with IHCDA's program/activity goals for 2012.

Affordable Housing and Community Development Fund. In fiscal year 2011, the Affordable Housing and Community Development Fund is expected to generate approximately $7 million from its dedicated revenue stream. IHCDA administers the Development Fund and distributes proceeds through its Strategic Investment Process. Given the recent influx of funding for housing-related activities, IHCDA expects to target a majority of the Development Fund resources toward community revitalization and economic development over the coming year.

Indiana Foreclosure Prevention Network. Community service and housing-related organizations, government agencies, lenders, realtors, and trade associations have come together in a public-private partnership to provide a multi-tiered solution to Indiana's foreclosure problem. This statewide initiative is targeted public awareness campaign that utilizes grassroots strategies and mainstream media to drive Hoosiers facing foreclosure to a statewide toll-free helpline and educational website.

Anyone who has fallen behind on his or her mortgage payments, or thinks they might, will be encouraged to call 877-GET-HOPE or to visit www.877GETHOPE.org. The confidential, toll-free helpline is available daily from 8:00 a.m. to 8:00 p.m. Whenever possible, counselors will assist homeowners over the phone. If more extensive assistance is needed, the counselor will refer the homeowner to a local foreclosure intervention specialist. IFPN uses $4 million annually to provide free counseling services to homeowners. As such, homeowners facing foreclosure should not to pay for foreclosure prevention services.

The Don't Let the Walls Foreclose In On You: Get Help, Get Hope public awareness campaign evokes a sense of urgency, recognizes that foreclosure can happen to anyone, and offers a message of hope. Marketing materials including brochures, posters, and other collateral pieces will be distributed through a variety of local outlets such as:

- Places of worship;
- WorkOne centers;
- Hospitals;
- Libraries;
- Utilities;
- Community-based organizations; and
- State and municipal agencies

IFPN continues to collaborate with Indiana Legal Services, Indiana Bar Association, and the Pro Bono Commission to identify and train attorneys who may assist homeowners during the foreclosure process. Similarly, IFPN and the Indiana Association of Realtors are identifying and training realtors in short sale transactions. When a foreclosure prevention specialist determines that a short sale is the most appropriate solution, he or she will have a pool of realtors to assist with the transaction.

In 2009, the Indiana State Legislature gave homeowners an additional tool to address foreclosure when it passed Senate Bill 492. This bill required that all homeowners with a foreclosure action filed against them have the right to participate in a settlement conference with their lender in an effort to come to an agreement that will avert foreclosure. The Mortgage Foreclosure Trial Court Assistance Project (MFTCAP) was created to assist trial courts in scheduling and conducting mortgage foreclosure settlement conferences. This program utilizes court-appointed facilitators to reach out to

foreclosed borrowers, ensure they are aware of their right to a settlement conference, and to bring both parties to the table to try to find a mutually-agreeable settlement, or "workout". The MFTCAP is funded by the IFPN through a portion of the $50.00 filing fee levied on all foreclosure cases after July 1, 2009.

The MFTCAP launched on a pilot basis in February 2010 in Allen County, in April 2010 in St. Joseph, Marion, and Monroe counties, in July 2010 in Lake County, in August 2010 in Madison County, in October 2010 in Clark, Vanderburgh, Martin, and Hamilton counties, in November 2010 in Tippecanoe, Howard, and Hendricks counties, and in December 2010 in LaPorte, Delaware, and Elkhart counties. This program will be implemented statewide in early 2011.

Current pilot county data:

- In Allen, Marion, St. Joseph, Madison, Monroe, and Vanderburgh Counties (3/1/10 – 12/1/10):
  - 1751 telephone conferences were scheduled;
  - 883 telephone conferences were held (the remaining 868 borrowers failed to appear);
  - 713 settlement conferences were requested;
  - 618 settlement conferences were held;
  - 315 conferences resulted in workouts;
  - 223 conferences resulted in no workout (lender to proceed with foreclosure); and
  - 80 conferences are being followed up by the facilitator.

It has been estimated that each averted foreclosure saves local communities and stakeholders at least $40,000. Using this figure, from March to November 2010, the MFTCAP has preserved more than $12.6 million of value in Indiana communities.

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets in early 2010 to provide financial assistance to families in the states most impacted by the downturn of the housing market. Subsequently that fall, the Department of Treasury announced Indiana received $223 million to help unemployed homeowners pay their mortgage. IHCDA will administer the program and use the funding to help families who have fallen behind on their mortgage loans due to the loss of employment. Homeowners experiencing a financial hardship due to unemployment may begin submitting applications online or over the phone in spring 2011.

Low Income Housing Tax Credits (LIHTC). IHCDA utilizes set-aside categories in its Low Income Housing Tax Credit Program to target the housing priorities set forth in the agency's strategic plan and to achieve the goals in the Statewide Consolidated Plan. Below is a list of the set-aside categories in the 2011 & 2012 Qualified Allocation Plan:

- Development by qualified not-for-profit organizations;
- Community Impact;
- Senior housing;
- Development location;
- Preservation; and
- Housing First.

IHCDA further supports strategic objectives by targeting evaluation criteria of LIHTC applications based on rents charged, constituency served, development characteristics, high performance housing characteristics, project financing and market strength, and other unique features and services.

Section 8 voucher program. The Housing Choice Voucher Program comprises the majority of IHCDA's Section 8 rental assistance programs. IHCDA administered vouchers help approximately 4,100 families' pay their rent each month. HCV funding for FY2011 was $19.7 million. Eligibility for the Housing Choice Voucher program is based on a family's household income. The tenants' share is an affordable percentage of their income and is generally calculated to be between 30 to 40 percent of their monthly-adjusted gross income for rent and utilities. The HCV program services are provided by Local Subcontracting Agencies throughout the State of Indiana.

In an effort to better align Indiana's strategic housing goals with targeted voucher recipients, IHCDA has established the following preference categories:

- Existing Applicant—applicant was on waiting list prior to implementation of preferences.
- Residency—applicant is a legal resident of the State of Indiana.
- Homelessness—applicant is currently homeless
- Homelessness prevention—applicant is a victim of domestic violence or an individual that will be released from an institution or will be emancipated from foster care.
- Self-Sufficiency—applicants are working families or enrolled in an educational or training program.
- Elderly—applicant is age 62 or older.
- Disability—meets HUD definition of a person with a disability

IHCDA is also converting approximately 130 housing choice vouchers into project-based rental assistance for five permanent supportive housing projects over the next year.

SECTION IV.
Annual Objectives and Activities, 91.320 (c)(3) – (j)

SECTION IV.
Annual Objectives and Activities, 91.320 (c)(3)–(j)

Annual Objectives, Activities, Outcome Measures, 91.320 (c)(3), (d) and (e)

The priority needs and strategies for the State of Indiana Five-year Consolidated Plan for 2010-2014 were developed based on the findings from both quantitative research (Housing Market Analysis) and qualitative research (focus groups, surveys and key person interviews). For housing and community development programs, a priority need ranking has been assigned to households to be assisted under each priority action: High, Medium, Low and No Such Need.

The Consolidated Plan identifies the areas of greatest need for the State (and nonentitlement areas) in general, and this information is used to guide the funding priorities for each program year. However, the Plan is unable to quantify specific needs on the local level. For local needs, the State relies on the information presented in the funding applications.

Figures IV-1 and IV-2 (on the following pages) show the prioritization of housing and community development activities for the 2010-2014 Consolidated Plan years. These remain in place for the FY2012 Action Plan.

Figure IV-1.
Community Development Needs, Priorities for 2010-2014

Priority Community Development Needs	Need Level
Public Facility Needs	
Asbestos Removal	Medium
Emergency Services Facilites	Medium
Health Facilities	Medium
Neighborhood Facilities	Medium
Non-Residential Historic Preservation	Medium
Parking Facilities	Low
Parks and/or Recreation Facilities	Low
Solid Waste Disposal Improvements	High
Other	Low
Infrastructure	
Flood Drain Improvements	High
Sidewalks	Low
Stormwater Improvements	High
Street Improvements	Medium
Water/Sewer Improvements	High
Other Infrastructure Needs	Medium
Public Service Needs	
Employment Training	Low
Handicapped Services	Low
Health Services	Low
Substance Abuse Services	Low
Transportation Services	Low
Other Public Service Needs	Low
Senior Programs	
Senior Centers	Medium
Senior Services	Medium
Other Senior Programs	Medium

Priority Community Development Needs	Need Level
Planning	
Community Center Studies	Medium
Day Care Center Studies	Medium
Downtown Revitalization	Medium
Emergency Services Facilities	Medium
Health Facility Studies	Low
Historic Preservation	Medium
Parks/Recreation	Low
Senior Center Studies	Medium
Water/Sewer/Stormwater Plans	High
Youth Center Studies	Medium
Youth Programs	
Child Care Centers	Medium
Child Care Services	Low
Youth Centers	Medium
Youth Services	Low
Other Youth Programs	Medium
Economic Development	
CI Infrastructure Development	High
ED Technical Assistance	Medium
Micro-Enterprise Assistance	High
Other Commercial/ Industrial Improvements	High
Rehab of Publicly or Privately-Owned Commercial/Industrial	High
Other Economic Development	High
Anti-Crime Programs	
Crime Awareness	Low
Other Anti-Crime Programs	Low

Source: Indiana Office of Community and Rural Affairs.

Figure IV-2.
Housing Needs,
Priorities for 2010-2014

Source:
Indiana Housing and Community Development Authority

Priority Housing Needs	Priority Need Level	
	Percentage	*Need Level*
Renter:		
Small-related	0-30%	High
	31-50%	Medium
	51-80%	Low
Large-related	0-30%	High
	31-50%	Medium
	51-80%	Medium
Elderly	0-30%	High
	31-50%	High
	51-80%	Medium
All Other	0-30%	High
	31-50%	High
	51-80%	Medium
Owner:		
Owner	0-30%	High
	31-50%	High
	51-80%	Medium
Special Populations	0-80%	High

Programs/activities and outcome measures. The following lists the States objectives and the corresponding 2012 program year programs and activities as well as the expected outcome or goal.

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.

  DH-2.1 outcomes/goals:

  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - *Five-year outcome/goal:* 675 housing units
    - *2012 outcome/goal:* 100 housing units; $3 million HOME
      - *Targeted to elderly and persons with disabilities:* 33 housing units

- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.

  DH-2.2 outcomes/goals:

  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - *Five-year outcome/goal:* 2,500 households/housing units
    - *2012 outcome/goal:* 700 households/housing units; $4 million HOME
  - Provide funds to organizations for the **development of owner occupied units**.
    - *Five-year outcome/goal:* 125 housing units

- *2012 outcome/goal:* 25 housing units; $1 million HOME
  - *Targeted to special needs populations:* 5 housing units

➢ Provide funds to organizations to complete **owner occupied rehabilitation**.
- *Five-year outcome/goal:* 1,500 housing units
- *2012 outcome/goal:* 240 housing units; $3.5 million CDBG & $500,000 HOME
  - *Targeted to elderly and persons with disabilities:* 160 housing units

■ **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.

DH-2.3 outcomes/goals:

➢ Provide funding for **predevelopment loans** to support affordable housing.
- *Five-year outcome/goal:* 25 housing units
- *2012 outcome/goal:* 5 housing units; $250,000 HOME

➢ Provide funding for **organizational capacity**.
- *Five-year outcome/goal:* 80 housing units
- *2012 outcome/goal:* 8 housing units; $500,000 HOME

■ **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for **homeless and special needs populations**.

DH-1.1 outcomes/goals:

➢ Support the construction and rehabilitation of **permanent supportive housing** units.
- *Five-year outcome/goal:* 250 housing units
- *2012 outcome/goal:* 40 housing units; $4 million HOME
  - *Targeted to special needs populations:* 40 housing units

➢ **New objective in 2012:** Support the construction and rehabilitation of **migrant farmworker housing** units.
- *Five-year outcome/goal:* N/A
- *2012 outcome/goal:* 40 beds; $500,000 CDBG

➢ Provide **tenant based rental assistance** to populations in need.
- *Five-year outcome/goal:* 1,000 housing units
- *2012 outcome/goal:* 200 housing units (HOME), 108 units (ESG); $1 million HOME, plus $1.17 million ESG rapid re-housing funding.
  - *Targeted to special needs populations:* 200 housing units

■ **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters; rapid re-housing activities; and case management to persons who are homeless. Beginning in FY2012, funding allocations will focus on rapid re-housing.

DH-1.2 outcomes/goals:

- **Operating support**—provide shelters with operating support funding.
  - *Five-year outcome/goal:* 55 shelters receiving support; $6.12 million over next five-years
  - *2012 outcome/goal*:* 55 shelters receiving support annually; $1.22 million ESG
- **Essential services**—provide shelters with funding for essential services to homeless families and individuals in emergency shelter.
  - *Five-year outcome/goal:* 53 shelters; $2 million over next five-years.
  - *2012 outcome/goal:** 31 shelters, for an estimated 15,000 clients assisted annually; $200,000 ESG
- **Rapid re-housing**—includes housing relocation and stabilization and tenant-based rental assistance (TBRA).
  - *Five-year outcome goal:* 3-4 programs annually; $5,830,474 over next five years
  - *2012 outcome/goal:** 3 programs, for an estimated 130 clients assisted annually; $1.17 million ESG
  - *Anticipated match:* Shelters match 100 percent of their rewards
  - *Anticipated number of counties assisted annually:* 90
  - *Anticipated number of clients served over next five years:* 100,650 (unduplicated count) with 100,000 assisted with temporary emergency housing
  - **Five year goals were based on 2011 funding levels. Fiscal year 2012 allocation levels and exact outcomes of new HEARTH activities are unknown at the time of the writing of the Consolidated Plan. Estimates for Rapid Re-housing activities are based loosely on Homeless Prevention and Rapid Re-housing outcomes, though the programs differ in eligible program activities.*
- Other ESG activities:
  - Homeless Management Information System (HMIS): 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).

- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.

  DH-1.3 outcomes/goals:

- **Housing information services**.
  - *Five-year outcome/goal:* 375 households
  - *2012 outcome/goal:* 75 households; $100,000 HOPWA
- **Permanent housing placement services**.
  - *Five-year outcome/goal:* 500 households
  - *2012 outcome/goal:* 100 households; $50,000 HOPWA

- **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.

- **Objective SL-1.1 (Availability/Accessibility):** Improve the quality and/or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-1.1 outcomes/goals:

  - **Emergency services**—Construction of fire and/or Emergency Management Stations (EMS) stations or purchase fire trucks.
    - *Five-year outcome/goal:* 35-45 projects
    - *2012 outcome/goal:* 5 projects; $1.5 million CDBG
  - Construction of **public facility projects** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
    - *Five-year outcome/goal:* 30 public facility projects
    - *2012 outcome/goal:* 4 public facility projects (anticipate receiving 2 applications for projects benefiting special need populations); $1.5 million CDBG
  - Completion of **downtown revitalization projects**.
    - *Five-year outcome/goal:* 10 downtown revitalization projects
    - *2012 outcome/goal:* Not funded in 2012.
  - Completion of **historic preservation projects**.
    - *Five-year outcome/goal:* 10 historic preservation projects
    - *2012 outcome/goal:* 2 historic preservation project; $500,000 CDBG
  - Completion of **brownfield/clearance projects**.

- *Five-year outcome/goal:* 10-25 brownfield/clearance projects
- *2012 outcome/goal:* 2 clearance projects; $200,000 CDBG

- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-3.1 outcomes/goals:

  - Construction/rehabilitation of **infrastructure improvements** such as wastewater, water and storm water systems.
    - *Five-year outcome/goal:* 120 infrastructure systems
    - *2012 outcome/goal:* 23 systems; $11,678,970 CDBG

- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund**) funded by CDBG and HOME dollars.

  SL-3.2 outcomes/goals:

  - Provide **planning grants** to units of local governments and CHDOs to conduct market feasibility studies and needs assessments, as well as (for CHDOs only) predevelopment loan funding.
    - *Five-year outcome/goal:* 145 planning grants
    - *2012 outcome/goal:* 45 planning grants; $1.3 million CDBG

- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

  SL-3.3 outcomes/goals:

  - Provide project support for community development projects.
    - *Five-year outcome/goal:* 10-25 community development projects
    - *2012 outcome/goal:*
      - ✓ **Flexible Funding Program**: 2 projects; $900,000 CDBG;
      - ✓ **Stellar Communities**: 6 projects; $3 million CDBG
      - ✓ **Main Street Revitalization Program**: 4 projects; $1 million CDBG

- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.

  EO-3.1 outcomes:

  - Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
    - *Five-year outcome/goal:* 1,300 jobs
    - *2012 outcome/goal:* 120 jobs; $1.2 million CDBG
  - Fund training and micro-enterprise lending for low to moderate income persons through the **Micro-enterprise Assistance Program**.
    - *Five-year outcome/goal:* Will be made available if there is demand
    - *2012 outcome/goal:* Due to low demand this program has been suspended.

Figure IV-3.
FY2012 Action Plan for Five-Year Consolidated Plan Goals, State of Indiana

Goal	Objectives	HUD Objective Code	2012 Activity	Indicator	Goals: Five Year	Goals: Year Three	Funding for Year Three: CDBG	Funding for Year Three: HOME	Funding for Year Three: ESG	Funding for Year Three: HOPWA	2012 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	$3,500,000	$500,000			$ 4,000,000
	• **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	$500,000				
	• **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 *			$1,220,000		$ 1,220,000
			➢ Essential services	Persons	80,000	15,000 *			$200,000		$ 200,000
			➢ Rapid re-housing	Persons	N/A	130			$1,170,000		$ 1,170,000
	• **Improve the rang 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	200				$500,000	$ 500,000
			➢ Short-term rent, mortgage and utility assistance	Units	1,500	300				$200,000	$ 200,000
			➢ Facility based housing operations support	Units	35	7				$50,000	$ 50,000
			➢ Short term supportive housing	Units	100	21				$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	5	$1,500,000				$ 1,500,000
			- Public facilities	Facilities	30	4	$1,500,000				$ 1,500,000
			- Historic preservation projects	Projects	10	2	$500,000				$ 500,000
			- Brownfield/clearance projects	Projects	10-25	2	$200,000				$ 200,000
	• **Improve the quality and/or quantity of public improvements for low and moderate income persons.**	SL-3.1	➢ Community Focus Fund								
			- Infrastructure systems	Systems	120	23	$11,678,970				$ 11,678,970
		SL-3.2	➢ Planning Fund	Grants	145	45	$1,300,000				$ 1,300,000
		SL-3.3	➢ Flexible Funding Program	Projects	10-25	2	$900,000				$ 900,000
			➢ Stellar Communities	Projects		6	$3,000,000				$ 3,000,000
			➢ Main Street Revitalization Program	Projects		4	$1,000,000				$ 1,000,000
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	➢ Community Economic Development Fund	Jobs	1,300	120	$1,200,000				$ 1,200,000
Administrative and supportive services			➢ CDBG admin. (OCRA and IHCDA)				$642,155				$ 642,155
			➢ HOME admin. (IHCDA)					$500,000			$ 500,000
			➢ HOPWA admin. (IHCDA)							$100,000	$ 100,000
			➢ ESG program admin. (IHCDA)						$135,500		$ 135,500
			➢ Tech. assist. set-aside (OCRA)				$271,078				$ 271,078
Total							$27,692,203	$14,750,000	$2,725,500	$1,050,000	$ 46,217,703

Note: Five year goals were based on 2010 funding assumptions, which did not include an increased allocation of ESG or consider program changes as a result of HEARTH.

Source: BBC Research & Consulting.

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 2012 program year, the State will 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.

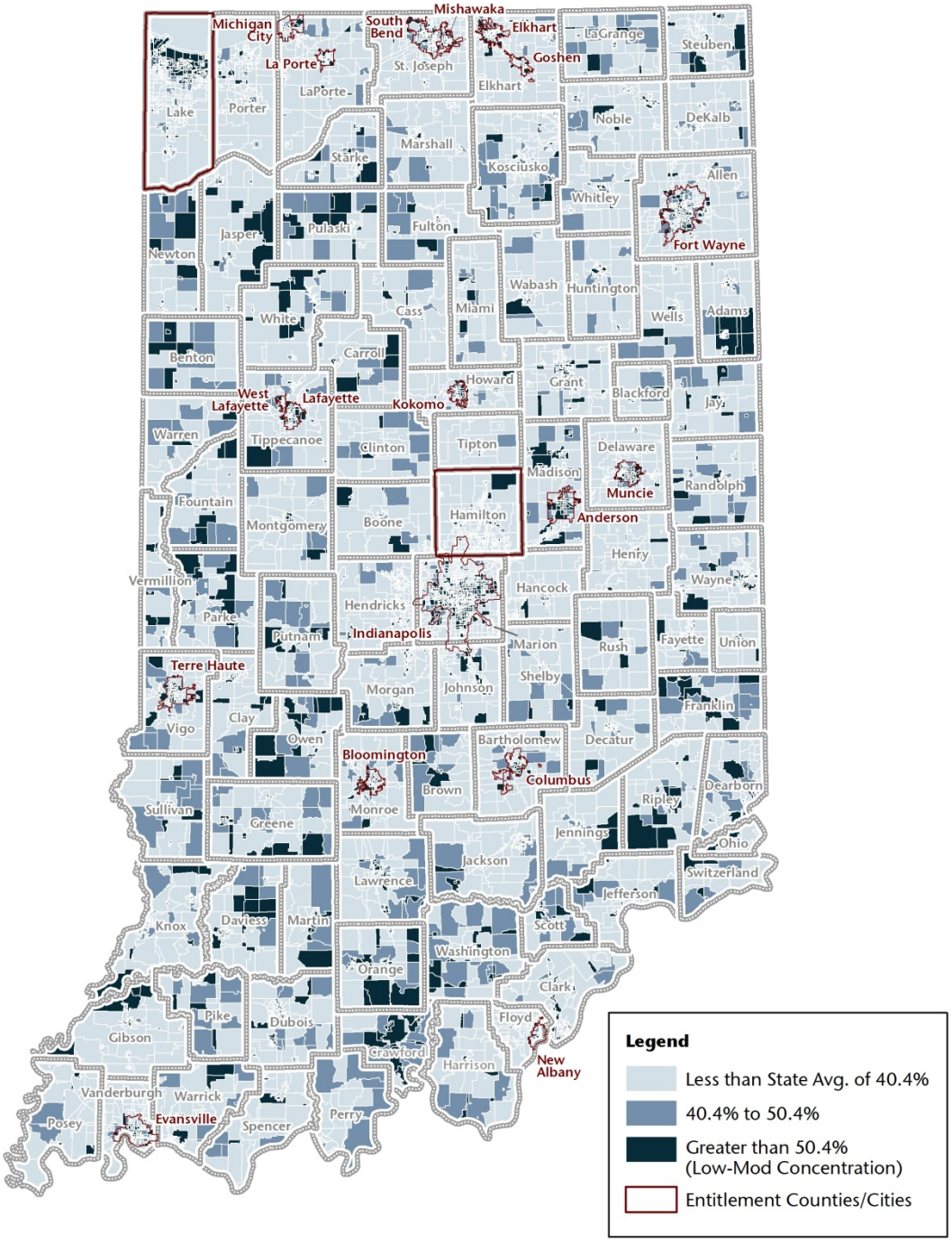
Geographic Distribution, 91.320 (d) and (f)

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.

The Office of Community and Rural Affairs and the Indiana Housing and Community Development Authority do not use any geographic preference when distributing the federal funds, it is either first come first served or competitive. 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 following figure shows the geographic location by block group of the percent of the population who earn less than 80 percent of the HUD median family income.

Figure IV-4.
Block Groups Whose Low and Moderate Income Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, the low and moderate income universe made up 40.4 percent of the State's population. The shaded Census Tracts have a higher percentage of their population that is low and moderate Income than the State overall.

Source: U.S. Department of Housing & urban Development (HUD) and BBC Research & Consulting.

Annual Affordable Housing Goals, 91.320 (g)

The following includes the affordable housing outcomes/goals for the 2011 program year. These affordable housing goals include the number of households or housing units that will be provided affordable housing through activities the provide production of new units, homeownership opportunities, home rehabilitation, capacity support for affordable housing developers, and one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the state. The term affordable housing shall be as defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.

- **Objective DH-2.1 (Affordability):** Increase the supply and improve the quality of affordable **rental housing**.

  DH-2.1 outcomes/goals:

  - Support the **production of new affordable rental units** and the **rehabilitation** of existing affordable rental housing.
    - *Five-year outcome/goal:* 675 housing units
    - *2012 outcome/goal:* 100 housing units; $3 million HOME
      - *Targeted to elderly and persons with disabilities:* 33 housing units

- **Objective DH-2.2 (Affordability):** Increase and improve affordable **homeownership opportunities** to low and moderate income families.

  DH-2.2 outcomes/goals:

  - Provide and support homebuyer assistance through **homebuyer education and counseling and downpayment assistance**.
    - *Five-year outcome/goal:* 2,500 households/housing units
    - *2012 outcome/goal:* 700 households/housing units; $4 million HOME
  - Provide funds to organizations for the **development of owner occupied units**.
    - *Five-year outcome/goal:* 125 housing units
    - *2012 outcome/goal:* 25 housing units; $1 million HOME
      - *Targeted to special needs populations:* 5 housing units
  - Provide funds to organizations to complete **owner occupied rehabilitation**.
    - *Five-year outcome/goal:* 1,500 housing units
    - *2012 outcome/goal:* 240 housing units; $3.5 million CDBG & $500,000 HOME
      - *Targeted to elderly and persons with disabilities:* 160 housing units

- **Objective DH-2.3 (Affordability):** Build capacity of affordable housing developers.

  DH-2.3 outcomes/goals:

  - Provide funding for **predevelopment loans** to support affordable housing.
    - *Five-year outcome/goal:* 25 housing units
    - *2012 outcome/goal:* 5 housing units; $250,000 HOME
  - Provide funding for **organizational capacity**.
    - *Five-year outcome/goal:* 80 housing units

- *2012 outcome/goal:* 8 housing units; $500,000 HOME

Annual Homeless and Other Special Needs Activities, 91.320 (h)

Homeless and other special needs activities for program year 2011 include activities to address emergency shelter and transitional housing needs of homeless individuals and families (including subpopulations), to prevent low income individuals and families with children (especially those with incomes below 30 percent of median) from becoming homeless, to help homeless persons make the transition to permanent housing and independent living, specific action steps to end chronic homelessness, and to address the special needs of persons who are not homeless identified in accordance with Sec. 91.315(e). The following lists these homeless and other special needs activities for program year 2011:

- **Objective DH-1.1 (Availability/Accessibility):** Improve the range of housing options for **homeless and special needs populations**.

  DH-1.1 outcomes/goals:

  - Support the construction and rehabilitation of **permanent supportive housing** units.
    - *Five-year outcome/goal:* 250 housing units
    - *2012 outcome/goal:* 40 housing units; $4 million HOME
      - *Targeted to special needs populations:* 40 housing units
  - **New objective in 2012:** Support the construction and rehabilitation of **migrant farmworker housing** units.
    - *Five-year outcome/goal:* N/A
    - *2012 outcome/goal:* 40 beds; $500,000 CDBG
  - Provide **tenant based rental assistance** to populations in need.
    - *Five-year outcome/goal:* 1,000 housing units
    - *2012 outcome/goal:* 200 housing units (HOME), 108 units (ESG); $1 million HOME, plus $1.17 million ESG rapid re-housing funding.
      - *Targeted to special needs populations:* 200 housing units
- **Objective DH-1.2 (Availability/Accessibility):** Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters; rapid re-housing activities; and case management to persons who are homeless. Beginning in FY2012, funding allocations will focus on rapid re-housing.

  DH-1.2 outcomes/goals:

  - **Operating support**—provide shelters with operating support funding.
    - *Five-year outcome/goal:* 55 shelters receiving support; $6.12 million over next five-years
    - *2012 outcome/goal:** 55 shelters receiving support annually; $1.22 million ESG

- **Essential services**—provide shelters with funding for essential services to homeless families and individuals in emergency shelter.
  - *Five-year outcome/goal:* 53 shelters; $2 million over next five-years.
  - *2012 outcome/goal:** 31 shelters, for an estimated 15,000 clients assisted annually; $200,000 ESG

- **Rapid re-housing**—includes housing relocation and stabilization and tenant-based rental assistance (TBRA).
  - *Five-year outcome goal:* 3-4 programs annually; $5,830,474 over next five years
  - *2012 outcome/goal:** 3 programs, for an estimated 130 clients assisted annually; $1.17 million ESG
  - *Anticipated match:* Shelters match 100 percent of their rewards
  - *Anticipated number of counties assisted annually:* 90
  - *Anticipated number of clients served over next five years:* 100,650 (unduplicated count) with 100,000 assisted with temporary emergency housing
  - **Five year goals were based on 2011 funding levels. Fiscal year 2012 allocation levels and exact outcomes of new HEARTH activities are unknown at the time of the writing of the Consolidated Plan. Estimates for Rapid Re-housing activities are based loosely on Homeless Prevention and Rapid Re-housing outcomes, though the programs differ in eligible program activities.*
- Other ESG activities:
  - Homeless Management Information System (HMIS): 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).

- **Objective DH-1.3 (Availability/Accessibility):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.

  DH-1.3 outcomes/goals:

  - **Housing information services**.
    - *Five-year outcome/goal:* 375 households
    - *2012 outcome/goal:* 75 households; $100,000 HOPWA
  - **Permanent housing placement services**.

- *Five-year outcome/goal:* 500 households
- *2012 outcome/goal:* 100 households; $50,000 HOPWA

- **Objective DH-2.4 (Affordability):** Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.

DH-2.4 outcomes/goals:

- **Tenant based rental assistance**.
  - *Five-year outcome/goal:* 1,000 households/units
  - *2012 outcome/goal:* 200 households/units; $500,000 HOPWA
- **Short-term rent, mortgage and utility assistance**.
  - *Five-year outcome/goal:* 1,500 households/units
  - *2012 outcome/goal:* 300 households/units; $200,000 HOPWA
- **Facility based housing operations support**.
  - *Five-year outcome/goal:* 35 units
  - *2012 outcome/goal:* 7 units; $50,000 HOPWA
- **Short term supportive housing**.
  - *Five-year outcome/goal:* 100 units
  - *2012 outcome/goal:* 21 units; $50,000 HOPWA

Chronic homelessness and homelessness prevention. Ending chronic homelessness is a HUD priority. The five priorities identified in Indiana's Plan to End Chronic Homelessness are:

- Enhance prevention activities and strategies;
- Increase organizational capacity for supportive housing development, increase supply of supportive housing, and revenue for supportive housing units;
- Enhance and coordinate support systems (mental health, substance abuse, employment, case management, outreach, primary health care);
- Optimize use of existing mainstream resources; and
- Develop a policy and planning infrastructure.

IHCDA is one of the lead agencies in the Indiana Planning Council on the Homeless and will undertake the following activities and strategies to address the plan priorities during program year 2012:

- ***Increase resources for family homelessness prevention.*** HOPWA funds can be used to prevent homelessness for low-income families with HIV/AIDS. Local HOPWA project sponsors provide short-term rent, mortgage and utility assistance to help families through financial crisis. In addition, shelters and transitional housing can use ESG funds for homelessness prevention purposes including short-term subsidies to defray rent and utility area averages for families who have received eviction or utility termination notices, or to pay for security deposits or first month's rent to permit a homeless family to move into its own apartment.

- ***Provide preferences*** under the Section 8 Housing Choice Voucher program for the chronically homeless and for homelessness prevention.

- ***Reinforce the importance of stable housing as necessary component of the service continuum.*** IHCDA has served as the lead applicant for two Shelter Plus Care programs to link rental assistance with supportive services for chronically homeless people. We have also made a commitment to the importance of Shelter Plus Care as stable housing by providing administrative reimbursement to local project sponsors as an incentive to bring more Shelter Plus Care stable housing programs to Indiana. IHCDA is also using HOME funds on two targeted tenant based rental assistance programs.

- ***Use HMIS*** for chronically homeless people to reduce duplication, streamline access, ensure consistency of service provision and generate data to carry out this plan. Currently all of the non-domestic violence shelters funded by ESG and Shelter Plus Care grantees are entering beneficiary data into HMIS. IHCDA enters information on HOPWA clients who are chronically homeless.

In addition to the States objective to support activities to end chronic homelessness, the Indiana Balance of State Continuum of Care (CoC) application works towards ending chronic homelessness by creating new beds for the chronically homeless. The CoC short-term and long-term plan for creating new permanent housing beds for the chronically homeless follows.

The Indiana Permanent Supportive Housing Initiative targets creating 1,100 units of PSH by 2013. IHCDA, with Corporation for Supportive Housing, will conduct a third PSH Development Institute, an 80 hour course to assist teams developing PSH projects. The institute will place another 300 units in the pipeline, with at least 20 percent targeting CH persons. Indiana will also have a frequent user project focusing on homeless in county jail and emergency rooms in Lafayette, creating 20 units for CH. This years NOFA application also includes a new project serving CH (25 units). The CoC also coordinates other federal resources including: creating HUD Veterans Affairs Supportive Housing (VASH) set-asides for CH. IHCDA has modified LIHTC Qualified Allocation Plan creating a 5 percent set-aside of units in all new tax credit projects (100/year) for long-term homeless; created a HOME set-aside for 20 CH units/year; created Sec 8 set-asides with a minimum of 20/year for CH. IHCDA and Division of Mental Health and Addiction developed a PSH Service Delivery model to leverage Medicaid and State service funds for CH.

IPSHI outlines an aggressive six year plan to create new PSH for all homeless in Indiana targeting CH individuals and families. Over the next 10 years, the CoC will closely monitor our pipeline to ensure adequate scattered-site and single-site PSH is developed to meet the needs of CH in Indiana. IHCDA has committed to funding set-asides for the years going forward including the LIHTC set-aside; Section 8 project-basing; HUD VASH targeting; HOME set-asides; coordination with Division of Mental Health to target units; frequent user projects; a Planning Council committee to evaluate new Section 811 opportunities; coordinating Neighborhood Stabilization Program funding; and continuing the PSH Development Institute. In 2013, IPSHI will be reevaluated to see how the goals of creating new PSH in Indiana have been met and the Council will readjust goals as necessary. Finally, all CoC members work closely to ensure Homelessness Prevention and Rapid Re-Housing Program resources are targeted appropriately and PSH is focused on CH. CoC committees will monitor all new opportunities.

Discharge coordination policy. The McKinney-Vento Act requires that State and local governments have policies and protocols developed to ensure that persons being discharged from a publicly-funded institution or system of care are not discharged immediately into homelessness. Indiana has implemented formal discharge policies pertaining to persons released from publicly funded institutions and systems of care. Each of these policies was developed and is monitored by its respective administrative agency. The Department of Health, the Department of Corrections, the Division of Child Services and the Division on Mental Health and Addiction are all represented on the Indiana Planning Council on the Homeless. A synopsis of the current agency specific policies provided in the Balance of State Continuum of Care application is provided below:

Foster care. The Chafee Plan is the basis for Indiana's protocol for implementing the Foster Care Independence Act of 1999. Components of the Indiana Plan address Independent Living Services for youth. The Division of Child Services conducts a comprehensive independent living assessment to identify areas of strength and challenges for youth age 14 to 18. Services provided include financial, housing, mentoring, counseling, employment, education, and other appropriate support to ensure youth live as healthy, productive and self-sufficient adults. The Planning Council is working with IHCDA and Division of Child Services to create housing options for persons being discharged from the foster care system. A PSH project, Connected by 25, is creating 20 units serving youth aging out and youth at risk of homelessness. This project is a statewide demonstration project to develop a model for serving this population and improving discharge protocol. The Planning Council and IHCDA work closely with foster care to monitor data and trends on discharges and work with cases as necessary. IHCDA and other local PHAs are applying for 200 FUP vouchers to assist high risk youth leaving Foster Care.

Health care. The Indiana Department of Health (IDH) has a formal discharge plan developing a set of recommendations for an integrated, statewide discharge policy. IDH is on the Planning Council. Current discharge policy in place is: The Bureau of Quality Improvement Services is responsible for ensuring that individuals transition from State operated facilities, large private ICF, MR settings and nursing homes into a community smoothly. The process includes a minimum of one pre-transition visit and two post-transition visits. Individuals are also surveyed 6mo. after transition regarding residential and support services. The CoC is currently working locally to develop discharge policies for health care systems. The Planning Council is including the Indiana Primary Health Care Association in our process to link PSH projects with primary health care centers and those discharged from emergency rooms. The long-term goal is to create a network of primary care centers who

identify people at risk of homelessness and the local CoC housing network. Local trainings are for emergency room workers and social workers on IHOPE to triage clients into the appropriate housing. The Council is working closely with private hospitals to reduce or eliminate those being discharged into homelessness through tools such as IHOPE and hospital involvement in the local CoCs. We are also implementing frequent user projects to target those in jails, emergency rooms, and shelters.

Mental health. The Indiana Department of Mental Health and Addiction (DMHA) has a formal protocol that it currently implements as described below. In addition, the Planning Council developed and approved a set of recommendations for an integrated, statewide discharge policy in 2007. The discharge policy states: DMHA requires that the admitting mental health center remain involved in the treatment and discharge planning of individuals placed in State operated facilities. Facility staff, in conjunction with the consumer, develop the plan to ensure that the individual is not released into homelessness. The formal protocol for individuals being discharged from the State Institutions of Care is under statute IC 12-21-2-3 and has been implemented since 2004. IHCDA, CSH & the Planning Council are working with the State Mental Health transformation workgroup to align their work with the IPSHI goals. In 2009, to integrate housing with discharge protocols 80 units of PSH are under development to target individuals discharged from State Hospital. DMHA is on the Housing & Program Committee. The Planning Council will implement and provide recommendations to IHCDA, DMHA and IPSHI on creating housing protocols for individuals discharged from State hospitals.

Corrections. The Indiana Department of Corrections (IDOC) has a formal discharge policy that it currently implements as described below. IDOC is represented on the Planning Council. CoCs work closely with IDOC reps to develop protocols so that individuals being released from correctional facilities are not discharged into homelessness. The current protocol is: IDOC requires case managers to develop individualized Re-Entry Accountability Plans that outline and coordinate the delivery of services necessary to ensure successful transition from incarceration to a community. Services include, but are not limited to: 1) enrollment in Medicaid, Food Stamps, TANF, and SSI; 2) issuance of birth certificates and BMV identification; 3) participation in workforce development programs; 4) limited rental assistance; and 5) referral to other community services. We recognize there are still people leaving corrections without stable housing. The Housing & Programs committee is working with the IDOC to link their data system with the IHOPE/HMIS system to link people to services and housing to end and prevent homelessness. IDOC is creating demo projects in 3 cities to connect people most at risk of homelessness with the local CoC to do the triage and to provide services while in the prison. In addition, frequent users projects under development will target individuals who most frequently are released from corrections and cycle in and out of shelters.

Barriers to Affordable Housing, 91.320 (i)

Information on barriers to affordable housing and services was gathered from housing and community development stakeholders throughout the State as a part of the five-year Consolidated Plan citizen participation process.

The focus groups of housing and special needs population professionals decided that zoning, the lack of transportation, the lack of funding for affordable housing, and the lack of housing rights education for stakeholders impedes access to fair housing and the development of affordable housing.

Many of the professionals in the focus groups mentioned they did not have much knowledge of the zoning regulations in their areas. However, some commented on residential zoning ordinances that result in people having to drive to work, and the lack of comprehensive zoning ordinances inclusive of all the needs for a community such as, shopping/banks, parks, housing and jobs. Some suggestions for fixing these problems included education for stakeholders and developers on zoning issues, and its future ramifications, reducing restrictions on multifamily housing, density bonuses and incentives.

Additionally, the housing and special needs population professionals recommended the State help residents have equal access to fair housing by investing in transportation, core areas near services, asset building and earned-income opportunities for individuals as feasible goals.

Please see the Housing Market Analysis included in Appendix C and the forthcoming 2012 Analysis of Impediments to Fair Housing Choice for a more detailed discussion of barriers to affordable housing.

Actions to remove barriers to affordable housing. In addition to the objectives outlined above, the State will continue the following activities during FY012.

Multi-family Loan Loss Guaranty. IHCDA established a loan loss guaranty program for owners of multi-family properties in Indiana that provide a portion of the units to tenants whose incomes are at or below 80% of the adjusted median income for the area. This deficiency guaranty will only be offered for short duration loans, such as those for construction or to bridge equity contributions. It is anticipated that the term of any individual deficiency guaranty will not exceed three years. The amount of the guaranty will be determined on a case-by-case basis, but it may not exceed $500,000 and it may not exceed 50 percent of the deficiency. The owner of the property must also be the Borrower obligated on the lien where a guaranty has been requested. No participant may have more than one guaranty outstanding at any time. IHCDA may use any eligible funding source for the purpose of offering guaranties, including but not limited to the Indiana Affordable Housing and Community Development Fund and HOME. During the pilot program, funds will be set aside in the full amount of the guaranties outstanding. The total amount of all guaranties issued and outstanding in IHCDA's portfolio may not exceed $2,000,000 at any time.

Affirmatively further fair housing choice. The State of Indiana is currently completing an update to the 2010-2014 Analysis of Impediments to Fair Housing Choice (AI). This document will be ready in fall 2012 and will contain an updated Fair Housing Action Plan for addressing barriers to housing choice.

Annual Community and Economic Development Goals, 91.320 (j)

Community and economic development activities for program year 2011 include activities to improve the quantity and quality of neighborhood services, public improvements and economic opportunities for low and moderate income persons. The following lists these community and economic development activities for program year 2012:

Suitable Living Environment:

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

- **Objective SL-1.1 (Availability/Accessibility):** Improve the quality and/or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-1.1 outcomes/goals:

  - **Emergency services**—Construction of fire and/or Emergency Management Stations (EMS) stations or purchase fire trucks.
    - *Five-year outcome/goal:* 35-45 projects
    - *2012 outcome/goal:* 5 projects; $1.5 million CDBG
  - Construction of **public facility projects** (e.g. libraries, community centers, social service facilities, youth centers, etc.). Public facility projects also include health care facilities, public social service organizations that work with special needs populations, and shelter workshop facilities, in addition to modifications to make facilities accessible to persons with disabilities.
    - *Five-year outcome/goal:* 30 public facility projects
    - *2012 outcome/goal:* 4 public facility projects (anticipate receiving 2 applications for projects benefiting special need populations); $1.5 million CDBG
  - Completion of **downtown revitalization projects**.
    - *Five-year outcome/goal:* 10 downtown revitalization projects
    - *2012 outcome/goal:* Not funded in 2012.
  - Completion of **historic preservation projects**.
    - *Five-year outcome/goal:* 10 historic preservation projects
    - *2012 outcome/goal:* 2 historic preservation project; $500,000 CDBG
  - Completion of **brownfield/clearance projects**.
    - *Five-year outcome/goal:* 10-25 brownfield/clearance projects
    - *2012 outcome/goal:* 2 clearance projects; $200,000 CDBG

- **Objective SL-3.1 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**), which use CDBG dollars for community development projects ranging from environmental infrastructure improvements to development of community and senior centers.

  SL-3.1 outcomes/goals:

  - Construction/rehabilitation of **infrastructure improvements** such as wastewater, water and storm water systems.
    - *Five-year outcome/goal:* 120 infrastructure systems
    - *2012 outcome/goal:* 23 systems; $11,678,970 CDBG

- **Objective SL-3.2 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund**) funded by CDBG and HOME dollars.

  SL-3.2 outcomes/goals:

  - Provide **planning grants** to units of local governments and CHDOs to conduct market feasibility studies and needs assessments, as well as (for CHDOs only) predevelopment loan funding.
    - *Five-year outcome/goal:* 145 planning grants
    - *2012 outcome/goal:* 45 planning grants; $1.3 million CDBG

- **Objective SL-3.3 (Sustainability):** Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as the **Flexible Funding Program**, newly created in 2010) offered by OCRA. OCRA recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its other funding programs. All projects in the Flexible Funding Program will meet one of the National Objectives of the Federal Act and requirements of 24 CFR 570.208 and 24 CFR 570.483 of applicable HUD regulations.

  SL-3.3 outcomes/goals:

  - Provide project support for community development projects.
    - *Five-year outcome/goal:* 10-25 community development projects
    - *2012 outcome/goal:*
      - ✓ **Flexible Funding Program**: 2 projects; $900,000 CDBG;
      - ✓ **Stellar Communities**: 6 projects; $3 million CDBG
      - ✓ **Main Street Revitalization Program**: 4 projects; $1 million CDBG

Economic Opportunities:

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

- **Objective EO-3.1 (Sustainability):** Improve economic opportunities for low and moderate income persons by coordinating with private industry, businesses and developers to create jobs for low to moderate income populations in rural Indiana.

  EO-3.1 outcomes:

  - Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.
    - *Five-year outcome/goal:* 1,300 jobs
    - *2012 outcome/goal:* 120 jobs; $1.2 million CDBG

Other Annual Actions, 91.320 (j)

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 2011 program year, the State will 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.

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).
- Section 8 voucher program

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.

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.

Section 3. Economic Opportunities for Low and Very Low Income Persons. Section 3 is a provision of the Housing and Urban Development Act of 1968 that requires that programs of direct financial assistance administered by the U.S. Department of Housing and Urban Development (HUD) provide, to the greatest extent feasible, opportunities for job training and employment to lower income residents in connection with projects in their neighborhoods. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. Section 3 is a tool for fostering local economic development, neighborhood economic improvement, and individual self-sufficiency.

Section 3 applies to employment opportunities generated (jobs created) as a result of projects receiving Community Development Block Grant (CDBG) or HOME Investment Partnerships Program (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.

Institutional structure and coordination. Many firms, individuals, agencies and other organizations are involved in the provision of housing and community development in the State. Some of the key organizations within the public, private and not-for-profit sector are discussed below.

Public sector. Federal, State and local governments are all active in housing policy. At the federal level, two primary agencies exist in Indiana to provide housing: the U.S. Department of Housing and Urban Development (HUD) and Rural Economic Community Development (RECD) through the Department of Agriculture. HUD provides funds statewide for a variety of housing programs. RECD operates mostly in non-metropolitan areas and provides a variety of direct and guaranteed loan and grant programs for housing and community development purposes.

In addition to these entities, other federal agencies with human service components also assist with housing, although housing delivery may not be their primary purpose. For example, both the Department of Health and Human Services and the Department of Energy provide funds for the weatherization of homes. Components of the McKinney program for homeless assistance are administered by agencies other than HUD.

Office of Community and Rural Affairs. At the State level, the Indiana Office of Community and Rural Affairs (OCRA) is the State's main agency involved in community and economic development and related programs. It administers the State's CDBG program, a portion of which has been designated for affordable housing purposes since 1989.

Indiana Housing and Community Development Authority. The Indiana Housing and Community Development Authority (IHCDA) is the lead agency for housing in the State. It coordinates the Mortgage Revenue Bond (MRB) and the Mortgage Credit Certificates (MCC) first-time homebuyer programs through its First Home program, and administers the State's allocation of Rental Housing Tax Credits. IHCDA is responsible for the non-entitlement CDBG dollars dedicated to housing, the Indiana Affordable Housing and Community Development Fund, and non participating jurisdiction HOME monies. IHCDA also administers community development programs for the State, including the Neighborhood Assistance Program tax credits and Individual Development Account, and is the grant administrator for HOPWA and ESG. In addition, IHCDA is currently a HUD designated Participating Administrative Entity for expiring use contracts and an approved contract administrator of certain project-based Section 8 contracts. IHCDA also administers the Housing Choice Voucher Program (also known as Section 8 vouchers), LIHEAP and Weatherization programs.

In 2009, IHCDA reorganized its Inter-Agency Council into the "Indiana Planning Council on the Homeless" (IPCH). The Council was established as an overall planning body for initiatives aimed at ending homeless in Indiana, and is committed to using a comprehensive approach to develop, operate, and improve Indiana's continuum of homelessness solutions. The Council operates from a "housing first" philosophy and embraces the proven efficacy of a permanent supportive housing model.

Indiana Permanent Supportive Housing Initiative (IPSHI). Starting in 2007, IHCDA and the, Division of Mental Health and Addiction (DMHA) have collaborated through DMHA's transformation process. As a result, DMHA's Transformation Work Group has identified the need to develop permanent supportive housing for long-term homeless individuals and families with severe mental illness and/or chronic alcohol and drug addictions.

The IHCDA, DMHA, Office of Medicaid Planning and Policy, Indiana State Department of Health, Department of Corrections and the Corporation for Supportive Housing (CSH) have created the Indiana Permanent Supportive Housing Initiative (IPSHI). IPSHI is a collaborative six-year initiative designed to create affordable housing and support services for people affected by mental illness or chemical dependency who are facing long-term homelessness. IPSHI will draw on national best practices while developing supportive housing with local partners to create an emerging Indiana model for permanent supportive housing.

The initiative aims to create at least 1,100 supportive housing units within Indiana by 2014. The IPSHI will be the core component of the growing momentum of the Indiana's Interagency Council on the Homeless and Transformation Work Group to address the needs of Hoosiers facing long-term

homelessness. The IPSHI will be a vehicle for State agencies, private foundations and other constituencies to invest in housing and services for families and individuals experiencing long-term homelessness.

FSSA and ISDH. The Indiana Family Social Services Administration (FSSA) administers the Medicaid CHOICE program, the childcare voucher program, and other social service initiatives, and is the lead agency overseeing State institutions and other licensed residential facilities. The Indiana State Department of Health (ISDH) coordinates many of the State's programs relating to persons living with HIV/AIDS and also administers the State's blood screening program for lead levels in children.

Communities throughout Indiana are involved in housing to greater or lesser degrees. Entitlement cities and participating jurisdictions are generally among the most active as they have direct resources and oversight for housing and community development.

Private sector. A number of private-sector organizations are involved in housing policy. 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.

Not-for-profit sector. 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.

Overcoming gaps in delivery systems. Several gaps exist in the above housing and community development delivery system, 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.

Public housing needs. The needs of public housing residents in Indiana are generally: health, social, education, employment and training, livable wage- and income-related. Often PHA residents—as well as Section 8 HCV holders—have incomes of less than $15,000 and the private market does not provide housing to accommodate households in this income range. If these households did not have access to public housing, Housing Choice Vouchers and Section 8 programs (Project Based Assistance) they would be cost burdened, most likely severely cost burdened.

During 2010-2014, IHCDA will collect regular information from the Indianapolis HUD field office on the "troubled" status of public housing authorities (PHA).

If a PHA in an area covered by the State HOME grant is designated as "troubled" by HUD, IHCDA will contact the PHA, interview their Executive Directors and other staff as appropriate about their needs and review their plan to address the problems that are putting them in a "troubled" status. IHCDA will then consult HUD to explore potential funding sources for technical assistance in financial and program management as well as physical improvements as may be required.

At the time of this report, the following PHAs within the State were designated as troubled: Sellersburg, Fayette County, Goshen, Decatur, Warsaw, Elkhart, Marion, Jeffersonville, Bedford and East Chicago.

SECTION V.
Program Specific Requirements, 91.320 (k)

SECTION V.
Specific Program Requirements, 91.320 (k)

This section discusses the program specific requirements for the four block grant programs covered under the 2012 Action Plan: CDBG, HOME, ESG and HOPWA.

CDBG Requirements, 91.320 (k)(1)

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' (OCRA) FY2012 CDBG program. A complete description of the FY2012 CDBG Method of Distribution for OCRA is included in Appendix D and IHCDA's Solution Allocation Process is included in Appendix F.

Method of distribution. The OCRA reserves the right to prioritize its method of funding; the OCRA 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 percent) of FY2012 CDBG funds will be expended for activities principally benefiting low and moderate income persons, as prescribed by 24 CFR 570.484, et. seq.

Section 108 loan guarantee. The State of Indiana does not use or plan to use Section 108 Loan Guarantee during FY2012.

CDBG housing. OCRA has contracted with IHCDA to administer funds allocated to the State's Housing Program. IHCDA will act as the administrative agent on behalf of OCRA. IHCDA will implement the following activities in conjunction with administration of the CDBG grant for housing-related activities.

CDBG resale or recapture guidelines. The affordability period for all CDBG units is determined by the total amount of assistance that goes into the property, e.g. demolition, construction, program delivery and developers fee.

Figure V-1a.
CDBG Homeowner Affordability Periods

Source:
Indiana Housing and Community Development Authority.

Amount of CDBG homeowner subsidy per unit:	Affordability Period
■ Less than or equal to $5,000	1 year
■ $5,001 - $10,000	2 years
■ $10,001 - $20,000	3 years

Figure V-1b.
CDBG Rental Affordability Periods

Source:
Indiana Housing and Community Development Authority.

Amount of CDBG rental subsidy per unit:	Affordability Period
■ Under $15,000	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

Homeowner Resale guidelines. The resale restriction will require the seller to sell the property only to a low-income family that will use the property as their principal place of residence. The term "low-income family" shall mean a family whose gross annual income does not exceed 80 percent of the median family income for the geographic area, published annually by HUD. With the resale option, the homeowner selling the property will be allowed to receive a **fair return** on investment, which will include the homeowner's investment and any capital improvements made to the property.

Homeowner Recapture guidelines. The maximum amount of CDBG funds subject to recapture is based on the amount of CDBG assistance that enabled the owner to rehabilitate their home. The amount to be recaptured is based on a prorate-shared net sale proceeds calculation. If there are no proceeds, there is no recapture. Any net sale proceeds that exist would be shared between the award recipient and the beneficiary as outlined according to the forgiveness schedule for the affordability period associated with the property, not to exceed the original CDBG investment. The net proceeds are the total sales price minus all loan and/or lien repayments.

If there will be proceeds from an award, the award recipient can either (1) repay IHCDA the amount of recaptured funds or (2) receive approval from IHCDA regarding the reuse of these funds.[1]

Rental Resale and Recapture Guidelines. Upon the occurrence of any of the following events during the Affordability Period, the entire sum secured by the Lien, without interest, shall be due and payable by Developer and/or Owner upon demand. Repayment may be demanded upon:

1. Transfer or conveyance of the Real Estate by deed, land contract, lease, or otherwise, within the applicable Affordability Period;

2. Commencement of foreclosure proceedings by any mortgagee (or deed in lieu of foreclosure), within the affordability Period; or

3. If the CDBG assisted rental units in the Project are not being used as a residence by a Qualifying Tenant; or

4. CDBG assisted units are not being used or leased in compliance with the Affordability Requirements.

[1] The entities receiving a loan from the award recipient may not re-loan the funds to anyone else.

Provided, however, the CDBG award shall not be due and payable if the Project is transferred to a new owner, who will use it as rental housing for Qualifying Tenants, or for such other use as specifically approved in writing by IHCDA. If such a transfer occurs, then the transferee owner must agree to take and the Real Estate must remain and continue to be subject to the terms and provisions of this Agreement for the Affordability Period approved by IHCDA.

If HOME and CDBG are used in a development during the same program year, the combined amounts will determine the affordability period.

CDBG housing leverage. The State of Indiana requires a 10 percent leverage requirement for most CDBG funds. 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.

Affirmative marketing. Development projects with five (5) or more publicly assisted units must adopt IHCDA's Affirmative Marketing Procedures. IHCDA reviews the Affirmative Marketing Plan with the project sponsor/owner as part of its regular monitoring. The following questions are a guide for that discussion:

- What are the underserved populations in the local housing market (i.e.; families with children, single parents, elderly, persons with disabilities, minorities, other)?
- What marketing efforts were carried out to reach these underserved populations (i.e.; media outlet, community outreach, social service referral network, other)?
- What were the results of these efforts?
- Based on this evaluation, how will marketing strategies and procedures be improved?

Contracting opportunities for MBE/WBEs. The State of Indiana has established a goal that 10 percent of federal awards be contracted to minority-owned business enterprises (MBE) and women-owned business enterprises (WBE) involved in construction, materials supply, consulting and architecture.

The 10 percent goal is also communicated to all CDBG housing and HOME recipients at start-up training sessions as well as in the CDBG Handbook. IHCDA and OCRA also provide award recipients with the website address to obtain the resource directory of minority- and women-owned businesses as well as informational materials on compliance with procurement guidelines for MBE/WBE participation. Recipients must document all actions taken to ensure that they have made a good faith effort to solicit MBE/WBE firms. This documentation includes the names of all potential MBE/WBE firms contacted about contracting opportunities and, if the firms were not chosen for participation in the project, the reasons why not. At a minimum, two MBE/WBE firms must be solicited for each procurement action and verified by certified mail or a signed receipt of hand delivery.

The State of Indiana expects minority participation in its CDBG and HOME programs to reflect the representation of minorities in each funded community's low and moderate income population. Since minorities make up such a small percentage (around 1 percent) of Indiana's non-entitlement cities, such participation can be relatively minor. Minority participation is most concentrated in larger non-entitlement cities as well as in north-central Indiana.

Monitoring. To ensure that all statutory and regulatory requirements are being met for activities with HUD funds, OCRA and IHCDA use various monitoring standards and procedures. OCRA and IHCDA are responsible for ensuring that grantees under the CDBG, HOME, ESG and HOPWA programs carry out projects in accordance with both Federal and State statutory and regulatory requirements. These requirements are set forth in the grant contract executed between the State and the grantee. The State provides maximum feasible delegation of responsibility and authority to grantees under the programs. Whenever possible, deficiencies are rectified through constructive discussion, negotiation and assistance.

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.

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 5 to 10 business 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.

During the period of affordability, IHCDA's multi-family department monitors properties annually for owner certification. Income verification and physical inspections are conducted annually, once every 2 years, or once every 3 years depending on the size of the project.

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

- On-site monitoring review:
  - Real-estate Development Monitor 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:
  - Real-estate Development Monitor will request information/documentation from award recipient in order to conduct the monitoring. IHCDA staff will give approximately 14 days for this information to be submitted.

IHCDA staff will review the information/documentation submitted and correspond to at least two representatives of the project as identified by the project sponsor or owner.

Shelter Plus Care monitoring. It is the policy of the IHCDA to monitor its Shelter Plus Care sub-recipients on an annual basis. Two types of reviews will be used to monitor sub-recipients: On Site Review and Remote Review. An On Site Review will consist of a complete review of the sub recipient's program and financial records as well as random review of Housing Quality Standard inspections. Remote Reviews will require sub-recipients to submit requested documentation to the IHCDA for review. Remote Reviews will address specific topics, such as participant eligibility, from random files. It is the policy of the IHCDA to perform On-Site Reviews of not less that thirty (30) percent of its sub-recipients annually. The remaining sub-recipients will be engaged in topical Remote Reviews.

The following risk factors will be used in determining which sub-recipients will be selected for On-Site Reviews:

1. Staff turnover;
2. Utilization of grant funds;
3. Claim iteration (deviation from monthly claims);
4. APR performance;
5. Consumer Complaints;
6. Unresolved HUD Finding (including APR Findings);
7. Compliance with terms and conditions of IHCDA S+C Agreement;
8. Time of last On-Site Review

Each program's past performance will be analyzed and compared against the full spectrum of IHCDA's Shelter Plus Care programs. Programs with highest risk will be selected for On-Site Review. Prior to either On Site or Remote Reviews, IHCDA will notify sub-recipient in writing of the type and date of the review. IHCDA will also provide sub-recipient with specific instructions and an explanation of review process.

HOME Requirements, 91.320 (k)(2)

The new Strategic Investment Process (SIP) Application will be available on IHCDA's website beginning July 1, 2012. The application replaces IHCDA's old SIP application, which was used for CDBG, HOME, and Affordable Housing and Community Development Fund applications. IHCDA shall implement the following provisions in order to preserve the affordability of HOME assisted homebuyer units.

Resale guidelines. Resale restrictions shall be implemented for every property constructed, redeveloped, rehabilitated, or acquired, 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 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 term "low income family" shall mean a family whose gross annual income does not exceed eighty percent (80 percent) of the median family 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.

If HOME Funds are provided to the homebuyer as a grant, the HOME funds will be subject to a resale restriction.

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.

Figure V-2.
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.

Tenant-Based Rental Assistance. IHCDA will utilize tenant based rental assistance on a limited basis to serve targeted populations. Please see Appendix C of the 2010-2014 Consolidated Plan for a detailed discussion on the housing needs of the special needs populations.

Refinancing guidelines. When loaning funds to rehabilitate multi-family 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.

Match/leverage. The HOME program requires a 25 percent match, which is a federal requirement rather that a state policy. Applicants must demonstrate eligible matching funds equal to 25 percent 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.

Figure V-3.
IHCDA Matching and Leveraging Requirements, Program Year 2012

Activity Type	CDBG Leverage Requirement (% of award)	Development Fund Leverage Requirement (% of award)	CDBG or Development Fund Beneficiary Income Restrictions (% of area median income)	HOME Match Requirement (% of HOME award minus admin., environ., review & CHDO operating costs)(2)	HOME Beneficiary Income Restrictions (% of area median income)
Emergency Shelter (1)	10%	5%	30%	___	___
Youth Shelter (1)	10%	5%	30%	___	___
Migrant/Seasonal Farm Worker Housing (1)	10%	5%	30%	___	___
Transitional Housing	10%	5%	80%	25%	60%
Permanent Supportive Housing Rehabilitation	10%	5%	80%	25%	60%
Rental Housing	10%	5%	80%	25%	60%
Homeownership Counseling/Down Payment Assistance	___	5%	80% - Trust fund only	25%	___
Homebuyer - New Construction/Rehabilitation	___	5%	80% - Trust fund only	25%	80%
Owner-Occupied Rehabilitation	10%	5%	80%	25%	80%
Voluntary Acquisition/Demolition	10%	___	80%	___	___

Note: (1) Beneficiaries of these activities are members of groups presumed by HUD to be of low and moderate income (victims of domestic violence, homeless persons, and migrant/seasonal farm workers) and presumed by IHFA to be at or below 30% of area median income.

(2) Applicants must demonstrate eligible matching funds equal to 25 percent of the amount of HOME funds minus administration, environmental review, and CHDO operating costs.

Source: Indiana Housing and Community Development Authority.

Affirmative marketing. Development projects with five (5) or more publicly assisted units must adopt IHCDA's Affirmative Marketing Procedures. IHCDA reviews the Affirmative Marketing Plan with the project sponsor/owner as part of its regular monitoring. The following questions are a guide for that discussion:

- What are the underserved populations in the local housing market (i.e.; families with children, single parents, elderly, persons with disabilities, minorities, other)?
- What marketing efforts were carried out to reach these underserved populations (i.e.; media outlet, community outreach, social service referral network, other)?
- What were the results of these efforts?
- Based on this evaluation, how will marketing strategies and procedures be improved?

Contracting opportunities for MBE/WBEs. The State of Indiana has established a goal that 10 percent of federal awards be contracted to minority-owned business enterprises (MBE) and women-owned business enterprises (WBE) involved in construction, materials supply, consulting and architecture.

The 10 percent goal is also communicated to all CDBG housing and HOME recipients at start-up training sessions as well as in the Grant Implementation Manual. IHCDA also provides award recipients with the website address to obtain the resource directory of minority- and women-owned businesses as well as informational materials on compliance with procurement guidelines for MBE/WBE participation. Recipients must document all actions taken to ensure that they have made a good faith effort to solicit MBE/WBE firms. This documentation includes the names of all potential MBE/WBE firms contacted about contracting opportunities and, if the firms were not chosen for participation in the project, the reasons why not. At a minimum, two MBE/WBE firms must be solicited for each procurement action and verified by certified mail or a signed receipt of hand delivery.

IHCDA expects minority participation in its CDBG and HOME programs to reflect the representation of minorities in each funded community's low and moderate income population. Since minorities make up such a small percentage (around 1 percent) of Indiana's non-entitlement cities, such participation can be relatively minor. Minority participation is most concentrated in larger non-entitlement cities as well as in north-central Indiana.

ESG Requirements, 91.320 (k)(3)

Consultation with Continuum of Care. The Indiana Planning Council on the Homeless is the governing body for the Balance of State Continuum. On February 15, 2012, the State ESG program presented its plans on the use of ESG funds for rapid re-housing activities, 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.

The State ESG program will 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.

ESG monitoring. The performance standards for the second round of ESG were developed in conjunction with the governing body for the Balance of State Continuum of Care, 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 measurements for the system-wide objectives will be developed upon program inception by IHCDA using the HMIS; however system outcomes will not be used to determine the FY2011 ESG-RR allocations.

In fiscal year 2013's ESG Rapid Re-housing program, the allocations will be largely determined based upon program performance on the standards. The ESG Rapid Re-housing program will set a minimum of five program standards. Three of the standards are specific to the subrecipient's program performance and the remaining two are specific to system outcomes. The first standard on housing stability states at least 82% of Rapid Re-housing participants will discharge to permanent housing. The second standard, centered on increasing income, states at least 67% of discharged RR participants will increase or maintain their employment or income upon exit from the program. The third program standard states that at least 65% of participants will access mainstream resources while participating in the Rapid Re-housing program. The percentages are based upon the program performance of HPRP subrecipients and HUD national Supportive Housing Program standards.

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

service area. The average length of stay of participants in shelters included in Rapid Re-housing program should reduce by at least 10%. The second system standard involves the extent to which individuals and families who leave homelessness experience additional spells of homelessness. Both of these standards were set based upon HUD's stated performance targets for a high performing Continuum of Care. The CoC will use the HMIS system to measure these outcomes. Beginning on March 1, 2012, IHCDA will use an open HMIS system, which will allow the Balance of State Continuum of Care to establish a baseline to track recidivism within ESG and SHP funded programs. During the second year of the ESG, participants will be required to reduce returns to homelessness to less than 5% over the previous year.

As a recipient of ESG funding through IHCDA, subrecipients are responsible for demonstrating compliance with all of the program requirements and the ESG Regulations at 24 CFR Part 576. The ESG Coordinator monitors 25 percent of all ESG Shelter awards and 100 percent of all ESG Rapid Re-housing awards on site each program year. The following is a list of the basic program requirements and responsibilities under the ESG program:

- Area-wide Systems Coordination
- Evaluation of Participant Eligibility and Needs
- Termination of Participation and Grievance Procedure
- Shelter and Housing Standards
- Conflict of Interest policy
- Homeless Participation
- Other Federal Requirements (24 CFR 576.407)
- Keeping Accurate Financial and Service Delivery Records
- Ensuring Confidentiality
- Timely Expenditure of Funds
- Participation in HMIS
- Recordkeeping and reporting requirements
- Provide 100 percent match

Monitoring reports. Each subrecipient will be required with their grant proposal to set (3) performance objectives based on HEARTH goals around permanent housing, income and length of stay. Applicants set their own 12 month and 24 month goals based upon IHCDA's three year goals in each of these areas, which vary by program type (emergency housing or transitional housing). These goals are based on HUD's standards of a high performing community.

Performance on these goals will be evaluated each year as part of the proposal review process. The performance on each goal must be documented in HMIS (or a comparable software system for domestic violence shelters). Subrecipients report final totals of ESG monies and match spent in the fiscal close-out report.

For the ESG Shelter program, three reports will be due throughout the program fiscal year: a semi-annual progress report due in mid-January, an annual progress report due in mid-July and a fiscal close-out report due in August. The two progress reports report data on the number and

characteristics of the homeless persons served as well as the progress in meeting the three (3) corresponding performance objectives.

- **Objective 1: Percentage of discharged clients who exited to a positive housing destination:**
  - Emergency and Day Shelters: 50% (18 month goal)[2]
  - Transitional Housing: 69% (18 month goal)[2]
- **Objective 2: Percentage of discharged clients who increased or maintained their employment income, or entitlements upon exit:**
  - Emergency and Day Shelters: 25% (18 month goal)
  - Transitional Housing: 65% (18 month goal)
- **Objective 3: The average length of stay for clients who discharged to a positive housing destination:**
  - Emergency and Day Shelters: 45 days or less[3] (18 month goal)
  - Transitional Housing: 180 days or less[4] (18 month goal)

HOPWA requirements, 91.320 (k)(4)

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:

- 75 percent to direct housing assistance: long-term rental assistance, short term rental assistance, short term supportive housing and facility based operations;
- 10 percent to administration;
- 10 percent to housing information: salaries;
- 5 percent to permanent housing placement: directly related to a client

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
- Short term supportive housing—units

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[2] Positive housing destination for Emergency or Day Shelter includes moving to permanent housing owned or rented by client with or without rental subsidies, permanent supportive housing for homeless persons, or living with family or friends on a permanent basis.

[3] Positive housing destination for Emergency or Day Shelter includes moving to transitional housing, permanent housing owned or rented by client with or without rental subsidies, permanent supportive housing for homeless persons, or living with family or friends on a permanent basis.

[4] Positive housing destination for Transitional Housing includes all of the above except for moving into transitional housing.

- Housing information services—households
- Permanent housing placement 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 2012 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 2012 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.

For program year 2012 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:

- How long the agency has served the population as an Indiana State Department of Health care coordination site.
- •What housing services your 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.

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 except Region 1, in which two HOPWA project sponsors will be funded for different activities during the 2012 program year due to the larger HIV/AIDS epidemiological burden in northwestern Indiana.

The project sponsors will be chosen in May therefore Information regarding the 2012 project sponsors is unavailable at this time. HOPWA allocations for the 2012 program year will reflect a combination of regional epidemiological need and past performance with previous HOPWA awards.

For program year 2012 funding, IHCDA will facilitate a competitive request for proposals (RFP) for one (1) HIV/AIDS service provider in Region 1 (Northwest Indiana) to provide Short Term Supportive Housing due to the larger HIV/AIDS epidemiological burden in Northwest Indiana. The RFP will be competitive in order to allocate funding competitively based on six criteria:

- How long the agency has served this population.
- What housing services your organization provides.
- Experience providing HOPWA assistance.
- How HOWPA Short Term Supportive Housing will meet the unmet housing need in the area.
- Involvement with local Regional Planning Council/Committees/Leadership roles within RPC.
- How the agency has been involved with the Indiana Triage Project.

IHCDA's goal for the HOPWA program is to reduce homelessness and increase housing stability for people living with HIV/AIDS and their families. Prospective project sponsors for the 2012 program year will provide information on each program's ability to support this goal via submission of the RFPs.

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

Region	Service Area Counties
Region 1	Lake, LaPore, Porter
Region 2	Elkhart, Fulton, Marshall, Pulaski, St. Joseph, Starke
Region 3	Adams, Allen, DeKalb, Huntington, Kosciuskso, LaGrange, Noble, Steuben, Wabash, Wells, Whitley
Region 4	Benton, Carroll, Clinton, Fountain, Jasper, Montgomery, Newton, Tippecanoe, Warren, White
Region 5	Blackford, Delaware, Grant, Jay, Randolph
Region 6	Cass, Hancock, Howard, Madison, Miami, Tipton
Region 8	Clay, Parke, Sullivan, Vermillion, Vigo
Region 9	Decatur, Fayette, Henry, Ripley, Ripley, Rush, Union, Wayne
Region 10	Bartholomew, Greene, Lawrence, Monroe, Owen
Region 11	Crawford, Jackson, Jefferson, Jennings, Orange, Switzerland,
Region 12	Daviess, Dubois, Gibson, Knox, Martin, Perry, Pike, Posey, Spencer, Vanderburgh, Warrick

Source: Indiana Housing and Community Development Authority.

Other resources. HOPWA funds will continue to be available for direct housing assistance. IHCDA encourages project sponsors, if they wish to build or rehabilitate HOPWA units, to seek out CDBG or HOME dollars for capital rather than using the limited HOPWA funds.

Other HOPWA Activities.

- Provide Indiana Civil Rights Commission contact information to concerned beneficiaries.
- Maintain and build the capacity of regional Continuum of Care consortia to coordinate Continuum of Care activities and improve the quality of homeless assistance programs.

APPENDIX A.
Citizen Participation Plan

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The Citizen Participation Plan (CPP) described below is the CPP established for the State's Five Year Consolidated Plan, covering program years 2010–2014. The CPP was developed around a central concept that acknowledges residents as stakeholders and their input as key to any improvements in the quality of life for the residents who live in a community.

Each program year affords Indiana residents an opportunity to be involved in the process. Citizens have a role in the development of the Consolidated Plan and annual Action Plans regardless of age, gender, race, ethnicity, disability and economic level.

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

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

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

To receive these federal grant monies, HUD requires jurisdictions to submit a Consolidated Plan every three to five years. This Consolidated Plan covers a five-year timeframe from July 1, 2010 through June 30, 2015. The State's Consolidated Plan is a comprehensive strategic plan for housing and community development activities. The purpose of programs and activities covered by this Consolidated Plan is to improve the State of Indiana by providing decent housing, a suitable living environment, and growing economic opportunities, especially for low to moderate income residents.

Encouraging Citizen Participation

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

Development of the Plans and Performance Reports

This document outlines how residents of the State of Indiana may participate in the development and review of the State's Five Year Consolidated Plan; each annual Action Plan; each Annual Performance Report; and any substantial amendments to a Consolidated Plan and/or Action Plan. The State of Indiana's program year begins July 1 and ends June 30. The Indiana Office of Community and Rural Affairs (OCRA) is responsible for implementing and reporting on the all aspects of the Consolidated Plan process. The following schedule provides an approximate timeline for the Consolidated Plan, which happens every five years, the annual Action Plan and the CAPER.

State of Indiana Citizen Participation Plan **Annual Schedule**	
July:	■ Begin annual Action Plan year ■ Begin Consolidated Annual Performance and Evaluation Report (CAPER) process
September:	■ Beginning to middle of month begin 15-day Public Comment period for CAPER ■ CAPER submitted to HUD by September 30
January—February—March:	■ Conduct public participation process for Consolidated Plan
March:	■ At the end of the month publish Public Notice informing public the draft Consolidated Plan/annual Action Plan are available for public comment and announcing public hearings
April:	■ Begin 30-day Public Comment period for draft Consolidated Plan and draft annual Action Plan ■ Hold public hearings at the end of the month
May:	■ Consolidated Plan and Action Plan submitted to HUD by May 15
June:	■ End of annual Action Plan year

Five Year Consolidated Plan. The State of Indiana's Consolidated Plan is developed through a collaborative process between the Indiana Office of Community and Rural Affairs (OCRA) and Indiana Housing and Community Development Authority (IHCDA). Citizen participation is another important part of the Consolidated Plan including developing and amending the Plan as well as providing input/comments on program performance.

Participation. The following provides detailed steps for citizen participation for the Five Year Consolidated Plan covering program years 2010–2014 and, as specified, for annual Action Plans. These techniques incorporate alternative methods of public process that encourage a broad spectrum of participation and a review of program performance.

- ***Elected official survey.*** Each Consolidated Plan and Action Plan year, a housing and community development needs survey will be distributed to local elected officials, including mayors, county commissioners, etc., of the nonentitlement areas of the state. The survey will be available in paper and online formats. OCRA distributes invitations to elected officials to complete the survey; follow up calls will be made by the consultant team to encourage participation.

- ***Resident survey.*** A survey of Indiana residents will be conducted during the research phase of the Five-year Consolidated Plan in order to gather additional information on housing and community development needs and priorities for the Consolidated Plan. The survey will be available in paper and electronic version (PDF and online). The survey is distributed to housing and community development providers (e.g., Indiana Department of Workforce Development's WorkOne Centers, Continuum of Care participants, Human Rights Council, organizations who work with persons with disabilities) to be distributed to their clients/members, is available on OCRA's website and is included in an IHCDA email to all who subscribe to IHCDA's email announcements. The survey will be available in English and Spanish. Special accommodations for persons with disabilities will be made upon request.

- ***Stakeholder survey.*** A stakeholder survey is administered each Action Plan year to organizations that provide assisted housing (public housing authorities and nonprofits), social service and health care providers that assist low income and special needs residents, including fair housing organizations.

- ***Focus groups.*** Four focus groups will be held during February and March of Consolidated Plan years with Regional Planning Commissions, advocates for persons with disabilities, persons with disabilities, Continuum of Care Regions and Human Rights Councils.

- ***Stakeholder interviews.*** A series of interviews will be conducted annually with key persons or groups who are knowledgeable about housing and community development needs in the State.

- ***Public hearings.*** During the 30-day public comment period two public hearings will be conducted through videoconferences in five to six locations across Indiana during the month of April.

- ***Written comments.*** Written comments will be accepted at any time during the Consolidated Plan and Action Plan processes.

Draft Consolidated Plan public comment. A reasonable notice is given to announce to the public the availability of the draft Consolidated Plan. Availability of the draft Plan is advertised on the State's website. Notification of the availability of the draft Plan is published in local newspapers across the State. In addition, all public meeting participants who provided contact information will be notified of the availability of the draft Plan and will be encouraged to provide their comments.

A 30-day public comment period is provided to receive written comments on the draft Plan. The 30-day comment period usually begins in early April and ends late April or early May. The draft Plan can be reviewed at OCRA and IHCDA offices and is available to download on the State's website.

Final action on the Consolidated Plan. All written comments provided during the Consolidated Plan process will be considered in preparing the final Consolidated Plan. A summary of the comments received and a summary of the State's reasons for not accepting any comments will be included in the final Consolidated Plan. The State considers these comments before taking final action on the Consolidated Plan. The final Consolidated Plan is submitted to HUD, no later than May 15 each year.

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

Draft Action Plan and public hearings. The draft Action Plan will be available for 30-days to gather public comment on the proposed spending allocation. The State will hold at least two public hearings to describe the State's proposed allocation of the program year's funding allocation during the 30-day public comment period. The availability of the draft Plan and public hearings will be publicized through legal advertisements in regional newspapers with general circulation statewide and also on the State's website. In addition, the notice will be distributed by email to local officials, nonprofit entities and interested parties statewide. The public hearings will be held in several locations across Indiana.

During the session, executive summaries of the Plan will be distributed and instructions on how to submit comments given. In addition, participants will be given an opportunity to provide feedback or comment on the draft Plan. A summary of the public hearing comments will be included in the final Action Plan.

Final Action Plan. The State staff reviews and considers all written public comments. The final Action Plan that is submitted to HUD includes a section that summarizes all comments or views in addition to explanations of why any comments were not accepted.

Consolidated Annual Performance and Evaluation Reports. Before the State submits a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD, the State will make the proposed CAPER available to those interested for a comment period of no less than 15 days. Citizens will be notified of the CAPER's availability through a notice appearing in at least one newspaper circulated throughout the State. The newspaper notification may be made as part of the State's announcement of the public comment period and will be published one to two days before the comment period begins.

The CAPER will be available on the websites of the Indiana Housing and Community Development Authority and the Office of Community and Rural Affairs during the 15-day public comment period. Hard copies will be provided upon request.

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

Substantial Amendments

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

1. A substantial change in the described method of distributing funds to local governments or nonprofit organizations to carry out activities. "Substantial change" shall mean the movement between programs of more than 10 percent of the total allocation for a given program year's block-grant allocation, or a major modifications to programs.

   Elements of a "method of distribution" are:

   - Application process for local governments or nonprofits;
   - Allocation among funding categories;
   - Grant size limits; and
   - Criteria selection.

2. An administrative decision to reallocate all the funds allocated to an activity in the Action Plan to other activities of equal or lesser priority need level, unless the decision is a result of the following:

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

Citizen participation in the event of a substantial amendment. In the event of a substantial amendment to the Consolidated Plan, the State will conduct at least one additional public hearing. This hearing will fall during a comment period of no less than 30 days, during which the proposed amended Plan will be made available to interested parties. Citizens will be informed of the public hearing, and of the amended Plan's availability, through a notice in at least one newspaper prior to the comment period and hearing.

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

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

Availability and Access to Records

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

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

Citizen Complaints

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

OCRA Citizen Participation Requirements

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, units of general local government, and the CDBG Policy Advisory committee 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 legal advertisement to regional newspapers of general circulation statewide respective to the public hearings held on the 2010 Consolidated Plan and subsequent Action Plans. 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 planning process.

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.

Newspapers confirming publication of *Legal Notice of Public Hearing FY 2012 Consolidated Plan for Funding and Modification of FY 2011 Consolidated Plan*

The Republic
333 2nd Street
Columbus, IN 47201

The Corydon Democrat and Clarion News
O'BANNON PUBLISHING CO., INC.
301 N. Capitol Ave
Corydon, IN 47112

Evansville Courier & Press
Box 268
Evansville, IN 47072

The Journal-Gazette (and News-Sentinel)
600 West Main St.
Ft. Wayne, IN 46802

Indianapolis Star
307 North Pennsylvania
Indianapolis, IN 46204

The News and Tribune
221 Spring Street
Jeffersonville, IN 47130

Journal & Courier
217 N. 6th St.
Lafayette, IN 47901

Gary Post Tribune
1433 E. 83rd Ave.
Merrillville, IN 46410

The Star Press
P.O. Box 2408
Muncie, IN 47307-0408

The Times
601 45th Ave.
Munster, IN 46321

Palladium-Item
Box 308
Richmond, IN 47375

The Salem Leader
and The Salem Democrat
117-119 East Walnut Street, P.O. Box 506
Salem, Indiana 47167

Scott County Journal
183 East McClain Ave.
Scottsburg, IN 47170

South Bend Tribune
225 W. Colfax Ave.
South Bend, IN 46614

Tribune Star
Box 149
Terre Haute, IN 47807

The Chronicle-Tribune
123 W. Canal St.
Wabash, IN 46992

LEGAL NOTICE OF PUBLIC HEARING
FY 2012 CONSOLIDATED PLAN FOR FUNDING
AND
MODIFICATION OF FY2011 CONSOLIDATED PLAN

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 2012. In accordance with this regulation, the State is providing the opportunity for citizens to comment on the 2012 Consolidated Plan draft report, which will be submitted to the US Department of Housing and Urban Development (HUD) on or before May 15, 2012. 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 2012 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

Notice is hereby given that the Indiana Office of Community & Rural Affairs will file a **modification to the 2011 Annual Consolidated Plan** with the U.S. Department of Housing & Urban Development (HUD). The State is providing the opportunity for citizens to comment on the modification, which will be submitted to the U.S. Department of Housing and Urban Development (HUD) on or about May 15, 2012. The 2011 Consolidated Plan Amendment will set forth a revised method of distribution for **Community Development Block Grant** funds issued through the Indiana Housing and Community Development Authority.

These public hearings will be conducted **on Wednesday, April 25** 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 F250
9301 E. 59th St.
Lawrence, IN 46216
2:00 p.m. or 5:30 p.m. EDT

Lafayette
3101 South Creasy Lane
Ivy Hall, Lilly Room 1114
Lafayette, IN 47903
2:00 p.m. or 5:30 p.m. EDT

Warsaw
Room 144
2545 Silveus Crossing
Warsaw, IN 46582
2:00 p.m. or 5:30 p.m. EDT

Richmond
Stidham Auditorium, #1239
2357 Chester Blvd.
Richmond, IN 47374
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

Madison
Room 1075
590 Ivy Tech Drive
Madison, IN 47250
2:00 p.m. or 5:30 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 9, 2012 through May 9, 2012 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 Monday, April 9, 2012 through Wednesday, May 9, 2012, 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 2012 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.

APPENDIX B.
Citizen Participation Process Materials and Comments

Heidi Aggeler

From: William Brown [wbrown@engagingsolutions.net]
Sent: Tuesday, February 28, 2012 8:37 AM
To: Debra Simmons Wilson
Subject: 2012 Annual Action Plan Stakeholder Survey - Response Needed by March 12, 2012
Attachments: Feb 2012 Stakeholder Survey Letter.pdf

February 2012

Dear Indiana Stakeholder:

You are invited to participate in an online survey to help the state prioritize funding needs. The State of Indiana—Office of Community and Rural Affairs (OCRA) and the Indiana Housing & Community Development Authority (IHCDA)—is in the process of developing its 2012 Annual Action Plan for housing and community development funding. The Action Plan specifies how the State intends to allocate $27 million in community development funding and $15 million in housing and homeless funding between July 2012 and June 2013. These dollars have funded homeownership and rental assistance programs, construction of homeless and domestic violence shelters, water and sewer infrastructure improvements, and programs that assist people with special needs. The funds are distributed by the State of Indiana to local governments and nonprofit housing and community development organizations throughout the state.
Please follow the instructions below to take the survey and forward this email to all of your colleagues and friends who might also want to participate.

To take the 2012 Annual Action Plan Stakeholder Survey, copy and paste this link into your Internet browser: https://www.surveymonkey.com/s/Indiana2012ActionPlan **. The survey will end on March 12, 2012.**

Please note that a separate survey targeted to low-income residents, persons with disabilities, racial and ethnic minorities, persons experiencing homelessness and persons with special needs will be conducted during summer 2012 in conjunction with a fair housing study. If you are interested in participating in this process, please send your contact information to:

Debbie Wilson
debbie@engagingsolutions.net
(317) 283-8300

Thank you for your participation in this very important effort.

Heidi Aggeler

From: William Brown [wbrown@engagingsolutions.net]
Sent: Tuesday, March 06, 2012 2:03 PM
To: Debra Simmons Wilson
Subject: 2012 Annual Action Plan Stakeholder survey reminder.
Attachments: Feb 2012 Stakeholder Survey Letter.pdf

Reminder: We would like to remind you that March 12, 2012 is the deadline to complete the 2012 Annual Action Plan Stakeholder Survey. If you have not completed it yet please use the link below, and if you have already completed the survey we would like to thank you for your participation.

March 2012

Dear Indiana Stakeholder:

To take the 2012 Annual Action Plan Stakeholder Survey, copy and paste this link into your Internet browser: https://www.surveymonkey.com/s/Indiana2012ActionPlan **. The survey will end on March 12, 2012.**

Please note that a separate survey targeted to low-income residents, persons with disabilities, racial and ethnic minorities, persons experiencing homelessness and persons with special needs will be conducted during summer 2012 in conjunction with a fair housing study. If you are interested in participating in this process, please send your contact information to:

Debbie Wilson
debbie@engagingsolutions.net
(317) 283-8300

Thank you for your participation in this very important effort.

ENGAGING SOLUTIONS
we answer to business

WILLIAM BROWN
OUTREACH SPECIALIST

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INDIANA OFFICE OF
Community & Rural Affairs
Where Rural Matters

ihcda
Indiana Housing & Community Development Authority

February 2012

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You are invited to participate in an online survey to help the state prioritize funding needs.

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APPENDIX C.
Socioeconomic, Housing Market and Special Needs Populations Analysis

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Socioeconomic, Housing Market and Special Needs Populations Analysis

This appendix discusses the demographic, economic and housing characteristics of the State of Indiana, including changes in population, household characteristics, income, employment, education, housing prices and affordability to set the context for the housing and community development analyses. This appendix incorporates the most recently released socioeconomic data from the U.S. Census Bureau and State data sources.

This section partially addresses the requirements of the Consolidated Plan regulations 91.305.

Population Growth

The U.S. Census Bureau estimates Indiana 2010 population at 6,483,802 residents, an increase of 60,689 residents from 2009. The State's population increased 6.6 percent from 2000 (6,080,485). In recent years the State's population growth has been slowing. Between 1990 and 2000, the State grew at average annual rate of 1.0 percent per year. Between 2000 and 2010, the State grew at an average annual growth rate of 0.7 percent.

From a regional perspective, Indiana grew most similarly to Kentucky. Indiana's population increased 6.6 percent between 2000 and 2010, compared to Kentucky's population increase of 7.4 percent. Michigan's population decrease of 0.6 percent during 2000 to 2010 made it the only state to lose population of Indiana's neighboring states. Illinois grew by 3.3 percent and Ohio grew by 1.6 percent over the same time period.

City and county growth rates. Many of Indiana's top growth counties were located in the nine-counties that comprise the Indianapolis region, indicating that suburban metropolitan communities are absorbing much of Indiana's new growth. Hamilton County, located in the northeastern part of the Indianapolis region, grew by the largest percentage of all Indiana counties since 2000: from 2000 to 2010, the County grew by 52 percent.

Figure C-1 depicts county-specific growth patterns between 2000 and 2010. The entitlement counties of Lake and Hamilton experienced population growth overall; however, as can be seen in Figure C-1, 11 of the 22 entitlement cities in Indiana experienced population declines. Fourteen of the 20 fastest growing jurisdictions are located in the Indianapolis MSA. This may be indicative of Indianapolis and rural residents relocating to the suburbs. Counties near large metropolitan areas grew at rates faster than Indiana as a whole, while counties with declining populations were seen west and southeast of the Indianapolis MSA and along the northern border shared with Michigan.

Figure C-1. Population Change of Indiana Counties, 2000 to 2010

Note:
Indiana's overall population change was 6.6 percent from 2000 to 2010.

Source:
2000 and 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

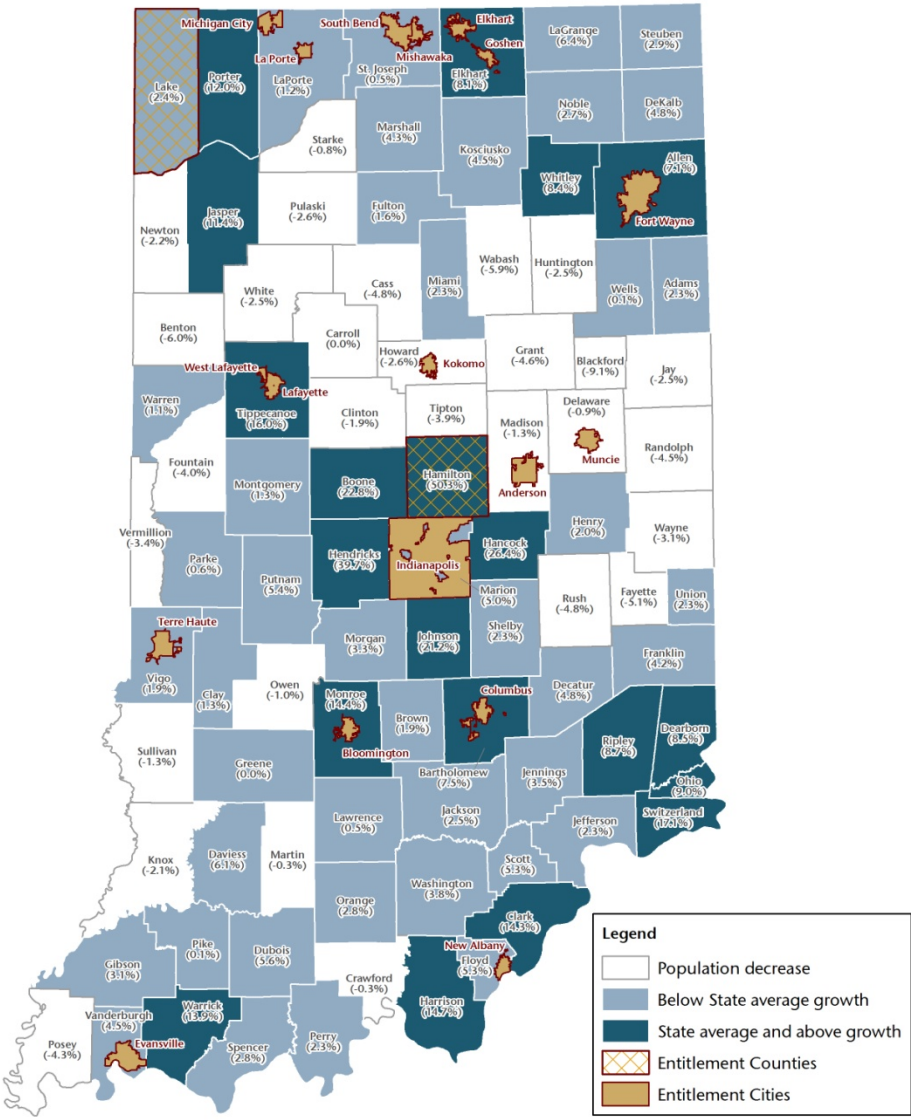


Figure C-2 shows population growth from 2000 to 2010 in CDBG entitlement and nonentitlement areas. As of 2010, 58 percent of Indiana's total population resided outside of CDBG entitlement areas. Higher growth was seen in entitlement areas (9.7 percent) from 2000 to 2010 compared to nonentitlement area growth (4.4 percent) during the same period.

Figure C-2. Population Change, State of Indiana, 2000 to 2010

Note:
The cities of Beech Grove, Lawrence, Speedway, Southport and the part of the Town of Cumberland located within Hancock County are not considered part of the Indianapolis entitlement community. Applicants that serve these areas would be eligible for CHDO Works funding. HOME entitlement areas include: Anderson, Bloomington, Each Chicago, Evansville, Fort Wayne/Allen county, Gary, Hammond, Indianapolis, Lake County, Muncie, St. Joseph County Consortium, Terre Haute, Tippecanoe County Consortium.

Source:
2000 and 2010 Census, compiled by Indiana Business Research Center.

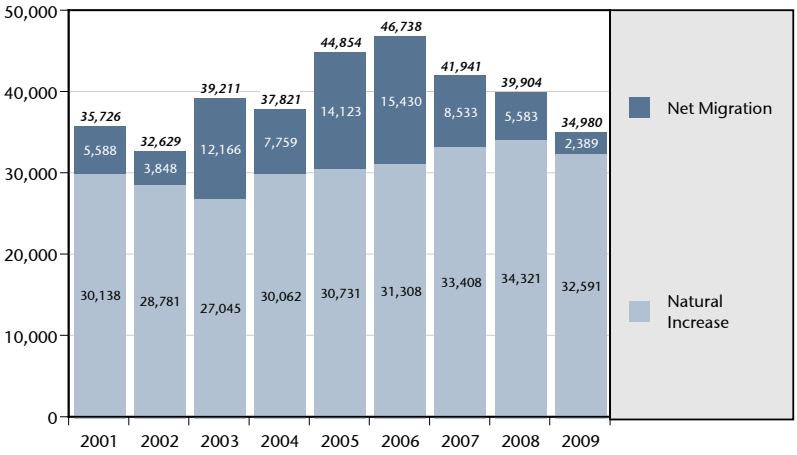
	2000		2010		Percent Change
	Number	*Percent*	*Number*	*Percent*	2000 –2010
Indiana	6,080,485	100%	6,483,802	100%	6.6%
Non-Entitlement	3,512,126	58%	3,666,811	57%	4.4%
CDBG Entitlement	2,568,359	42%	2,816,991	43%	9.7%
CDBG Entitlement Areas:					
Hamilton County	**182,740**		**274,569**		**50.3%**
Lake County:	**484,564**		**496,005**		**2.4%**
East Chicago	32,414		29,698		-8.4%
Gary	102,746		80,294		-21.9%
Hammond	83,048		80,830		-2.7%
Balance of Lake County	266,356		305,183		14.6%
Cities:					
Anderson	59,734		56,129		-6.0%
Bloomington	69,291		80,405		16.0%
Carmel	37,733		79,191		109.9%
Columbus	39,059		44,061		12.8%
Elkhart	51,874		50,949		-1.8%
Evansville	121,582		117,429		-3.4%
Ft. Wayne	205,727		253,691		23.3%
Goshen	29,383		31,719		8.0%
Indianapolis (balance)	781,870		820,445		4.9%
Kokomo	46,113		45,468		-1.4%
La Porte	21,621		22,053		2.0%
Lafayette	56,397		67,140		19.0%
Michigan City	32,900		31,479		-4.3%
Mishawaka	46,557		48,252		3.6%
Muncie	67,430		70,085		3.9%
New Albany	37,603		36,372		-3.3%
South Bend	107,789		101,168		-6.1%
Terre Haute	59,614		60,785		2.0%
West Lafayette	28,778		29,596		2.8%

Components of population change. Figure C-3 shows the components of the population change for 2001 through 2009. Population growth from 2000 to 2009 has primarily been attributed to natural increase. Net migration has dropped substantially from the high of 15,430 people in 2006.

Figure C-3. Components of Population Change, State of Indiana, 2001 to 2009

Note:
Population changes for each year are from July 1 to July 1 of the next year.
The 2000 population change is not included because it is from April 1 to July 1 of 2000.

Source:
U.S. Census Bureau's Population Estimates.



Future growth. The Indiana Business Research Center (IBRC) projects a State population of 6,581,870 in 2015 and 6,739,125 in 2020. This equates to a projected growth rate of 3.9 percent from 2010 to 2020, which is 2.7 percentage points less than the growth rate experienced in the years 2000 to 2010. Simply stated, growth in Indiana is slowing.

As shown in Figure C-4, the largest percentage growth in the next 30 years is expected to occur for the State's minority populations of "Two or More Races" and persons of Hispanic descent.

Figure C-4.
Population and Growth Rate Projection by Race and Ethnicity, State of Indiana 2010 - 2040

	Population By Race and Ethnicity						
	2010	2015	2020	2025	2030	2035	2040
American Indian	19,809	20,809	21,365	21,449	21,227	20,752	20,087
Asian	94,519	105,546	113,698	120,368	125,903	130,381	133,971
Black	588,816	620,307	649,592	676,928	701,468	723,013	742,508
White	5,642,493	5,738,008	5,839,212	5,932,838	6,010,318	6,065,082	6,102,831
Two or More Races	81,599	97,200	115,258	136,206	159,784	185,684	214,378
Hispanic or Latino	351,400	414,534	468,113	520,294	569,545	613,363	649,749
Total	**6,427,236**	**6,581,870**	**6,739,125**	**6,887,789**	**7,018,700**	**7,124,912**	**7,213,775**

	Percent Growth by Race and Hispanic Origin					
	2010-2015	2015-2020	2020-2025	2025-2030	2030-2035	2035-2040
American Indian	5.0%	2.7%	0.4%	-1.0%	-2.2%	-3.2%
Asian	11.7%	7.7%	5.9%	4.6%	3.6%	2.8%
Black	5.3%	4.7%	4.2%	3.6%	3.1%	2.7%
White	1.7%	1.8%	1.6%	1.3%	0.9%	0.6%
Two or More Races	19.1%	18.6%	18.2%	17.3%	16.2%	15.5%
Hispanic or Latino	18.0%	12.9%	11.1%	9.5%	7.7%	5.9%
Total	**2.4%**	**2.4%**	**2.2%**	**1.9%**	**1.5%**	**1.2%**

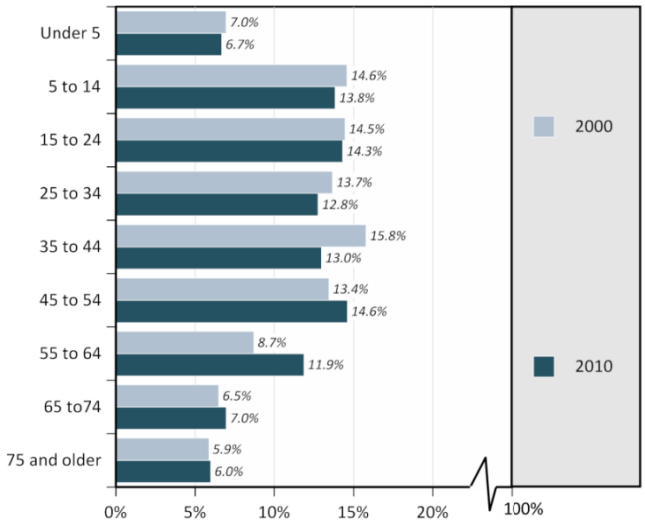
Source: Stats Indiana and Indiana Business Research Center.

Population Characteristics

Age. Indiana's median age was estimated to be 37.0 in 2010, compared to 35.2 in 2000. Similar to the rest of the nation, Indiana's baby boomers are aging, shifting the age distribution in the State overall In 2010, approximately 62.2 percent of the State's population was between the ages of 18 and 64 years. Overall, 13 percent of Indiana's population was age 65 years and over in 2010.

Figure C-5 shows the percent of Indiana's population by age group in 2000 and 2010. The 45 to 54 and 55 to 64 age group share of total population

Figure C-5.
Population by Age, State of Indiana, 2000 and 2010



Source: 2000 and 2010 Census.

grew in the past decade. Every age group less than 44 years old showed a decrease in the share of the State's population over the past decade, while all age groups above 45 years showed an increase in the State's population share.

Seventy-six of Indiana's 92 counties had a higher percentage of residents aged 65 and older than the total State average. Figure C-6 shows which counties have a large proportion of residents aged 65 years and older.

Figure C-6. Counties in which the Population 65 Years and Over is Higher Than State Average, State of Indiana, 2010

Note:

In 2010, 13 percent of the State's population was 65 years and over.

The shaded counties have a higher percentage of their population that is 65 years and over than the State overall.

Source:

U.S. Census Bureau's Population Estimates.

Racial/ethnic diversity. Indiana's racial composition changed slightly between 2000 and 2010. Individuals defining themselves as White comprised 87 percent of the population in 2000 and 84 percent of the population in 2010. The State did experience a slight increase of the proportion of its residents who are Asian, African American, those classifying themselves as "Other" and those residents who are Multi-Racial. Although these groups still make up a small percentage of the overall population, their presence is increasing.

The U.S. Census defines ethnicity as persons who *do* or *do not* identify themselves as being Hispanic/Latino and treats ethnicity as a separate category from race. Persons of Hispanic/Latino descent represented 3.5 percent of the State's population in 2000, and grew to 6.0 percent by 2010. Figure C-7 shows the breakdown by race and ethnicity of Indiana's 2000 and 2010 populations.

Figure C-7.
Population by Race and Ethnicity, State of Indiana, 2000 and 2010

	2000		2010	
	Number	*Percent*	*Number*	*Percent*
Total Population	**6,080,485**	**100%**	**6,483,802**	**100%**
Asian Alone	59,126	1.0%	102,474	1.6%
Black or African American Alone	510,034	8.4%	591,397	9.1%
White Alone	5,320,022	87.5%	5,467,906	84.3%
Other Race Alone	115,631	1.9%	194,124	3.0%
Multi-Race	75,672	1.2%	127,901	2.0%
Hispanic or Latino (of any race)	214,536	3.5%	389,707	6.0%
White Alone, Non-Hispanic	5,219,373	85.8%	5,286,453	81.5%

Source: 2000 and 2010 Census, compiled by Indiana Business Research Center.

The State's population of African Americans and persons of Hispanic/Latino mostly live in urban areas, most of which contain entitlement areas. Figures C-8 through C-11show the counties that contain the majority of these population groups.

For nonurban areas, HUD defines a "minority area"—also known as a racially or ethnically-impacted area—as any neighborhood or Census tract in which:

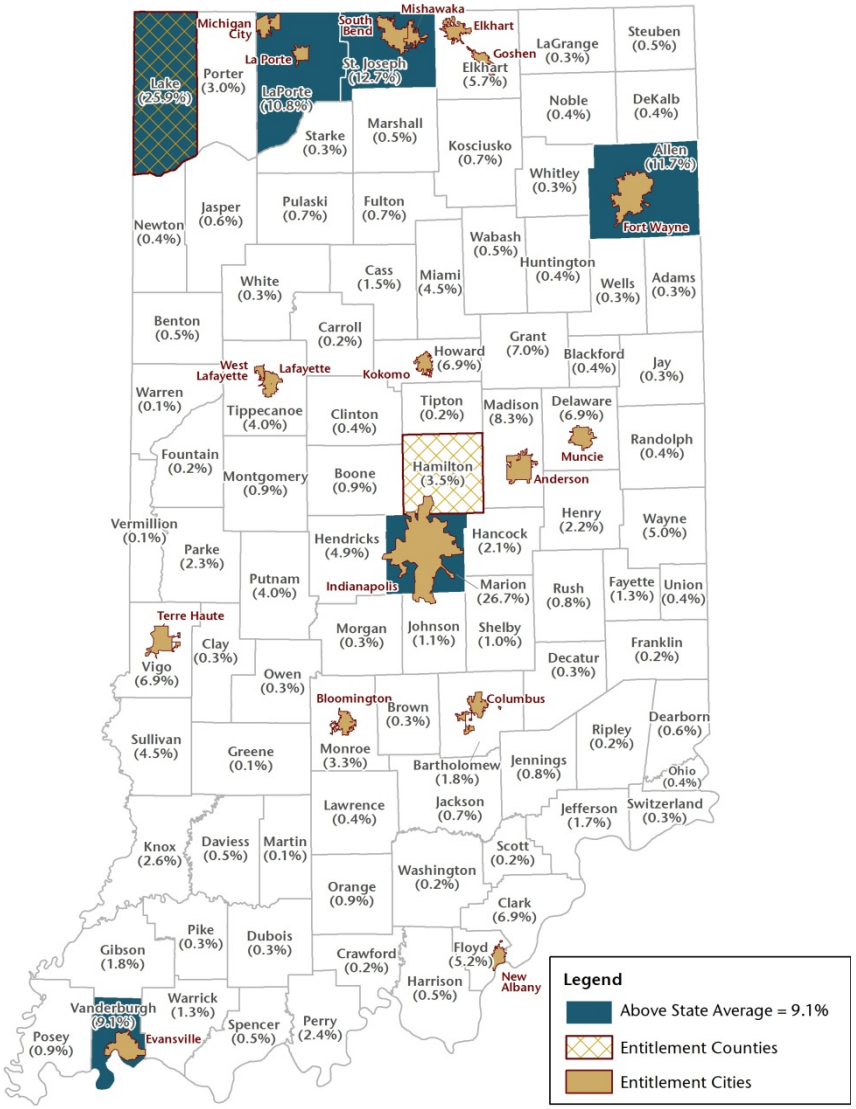
1. The percentage of households in a particular racial or ethnic minority group is at least 20 percentage points higher than the percentage of that minority group for the housing market areas; or

2. The total percentage of minority persons is at least 20 percentage points higher than the total percentage of all minorities in the housing market areas as a whole; or

The State's African American population comprises 9.1 percent of the total population; therefore an area with more than 29.1 percent is considered an area of concentration. Figure C-9 shows the Census Tracts in the State of Indiana with African American concentrations. These are mostly located in and around urban areas. Indeed, Allen, Marion, Lake, LaPorte and St. Joseph counties contain 77 percent of the African Americans in the State. Please note these data do not include racial classifications of Two or More Races, which include individuals who classify themselves as African American along with some other race.

Figure C-11 shows the Census Tracts in which there are Hispanic/Latino concentrations (exceeding the State average of 6.0 percent by 20 percentage points, or 26.0 percent). There are very few Census Tracts in the State with Hispanic concentrations.

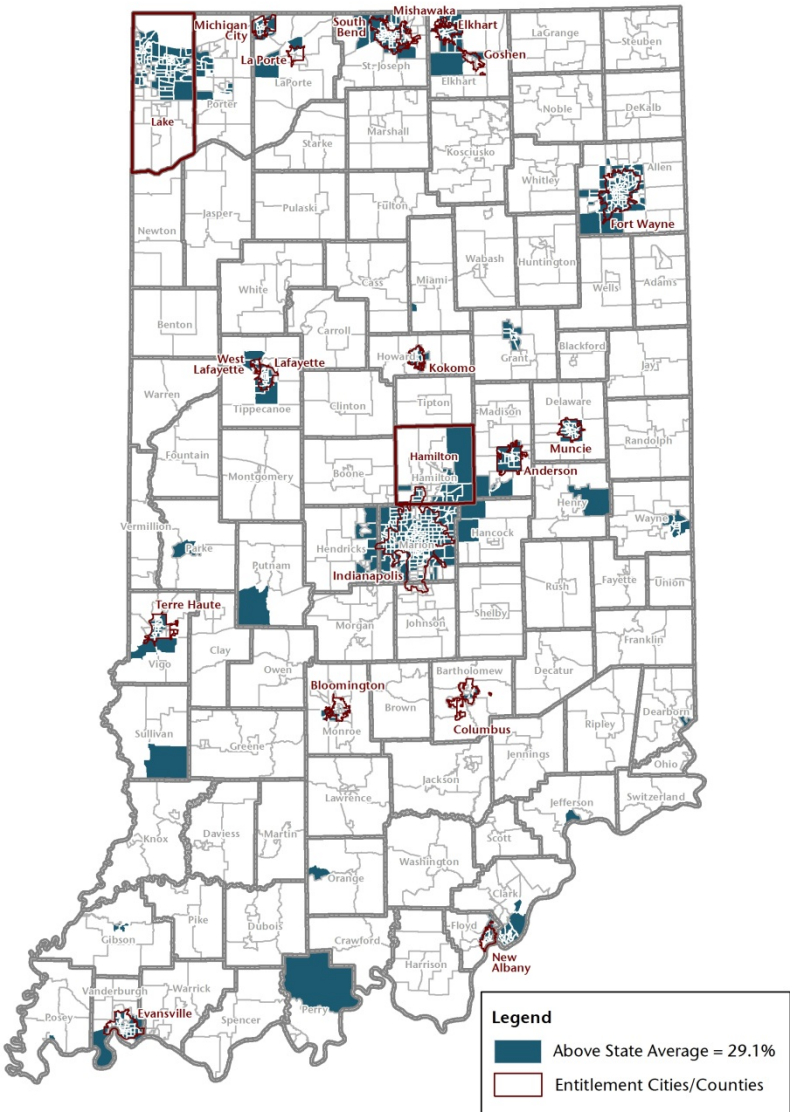
Figure C-8.
Counties in which African American Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, African Americans made up 9.1 percent of the State's overall population; The shaded counties have a higher percentage of their population that is African American than the State overall.

Source: 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

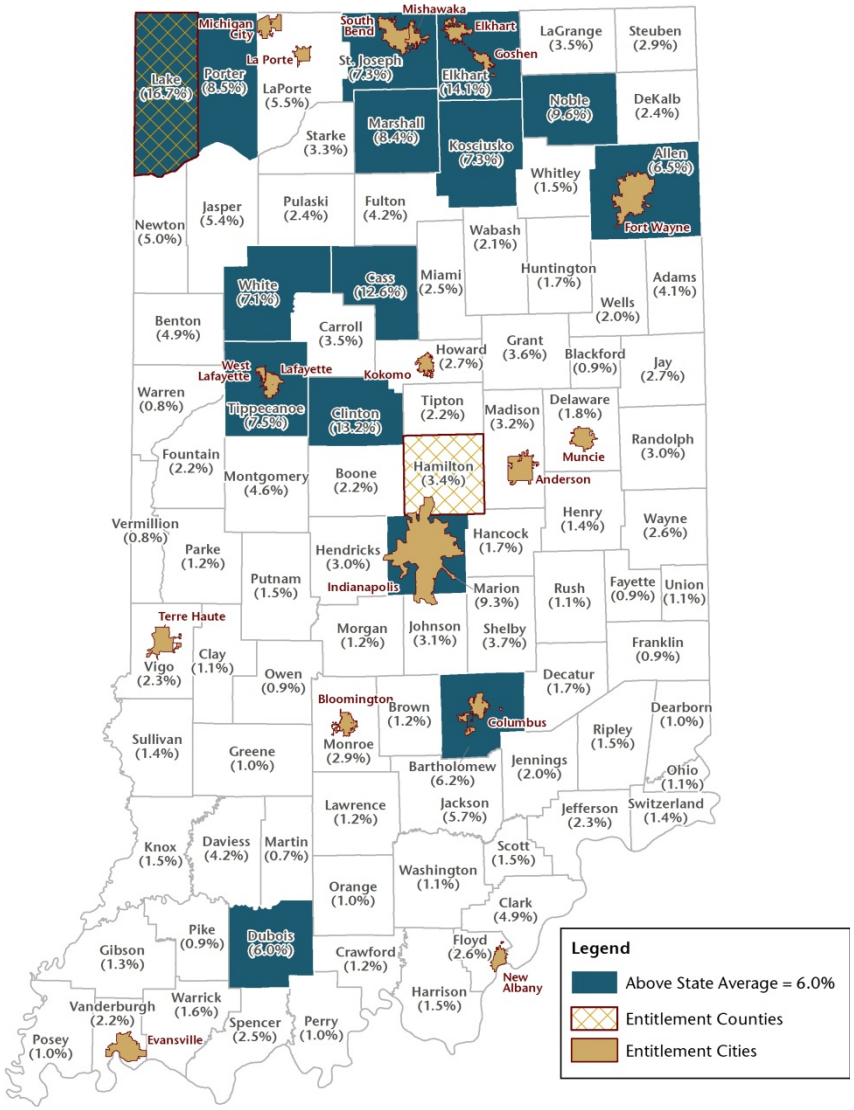
Figure C-9.
Census Tracts in which African American Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, African Americans made up 9.1 percent of the State's population; The shaded Census Tracts have a higher percentage of their population that is African American than the State overall.

Source: 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

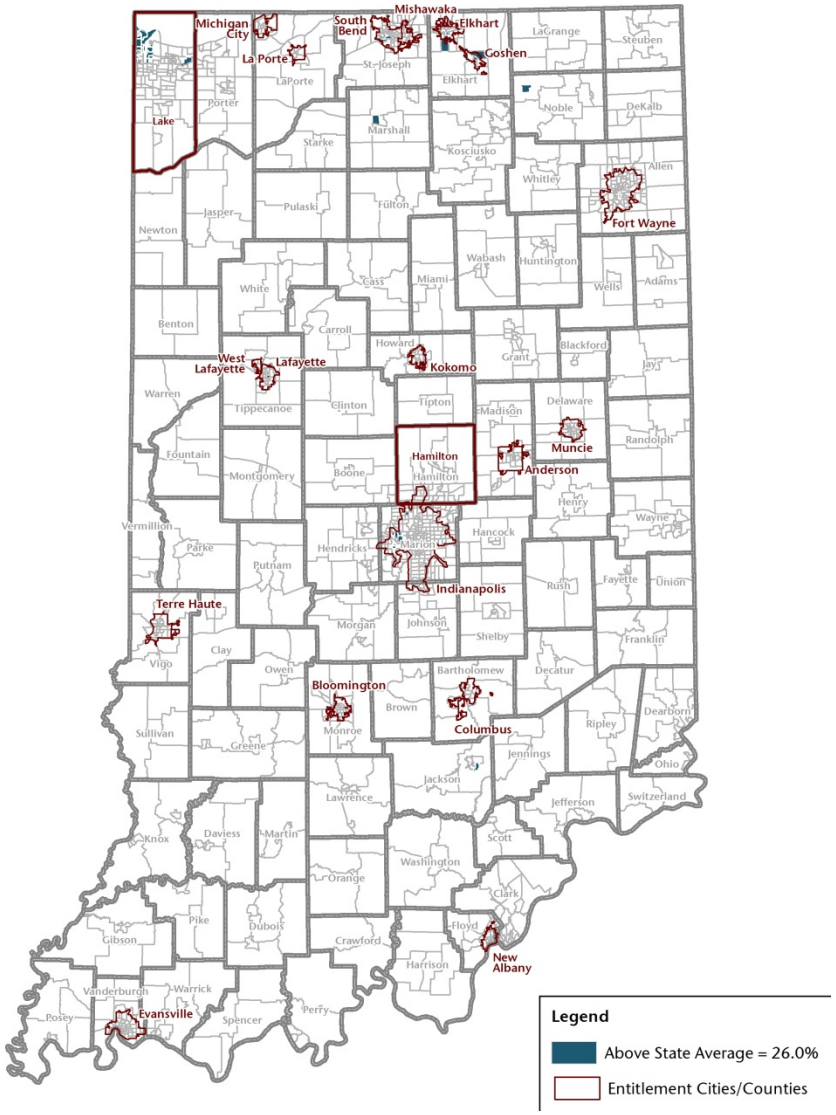
Figure C-10.
Counties in which Hispanic/Latino Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, Hispanics/Latinos made up 6.0 percent of the State's population; The shaded counties have a higher percentage of their population that is Hispanic/Latino than the State overall.

Source: 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

Figure C-11.
Census Tracts in which Hispanic/ Latino Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, Hispanics/Latinos made up 6.0 percent of the State's population; The shaded Census Tracts have a higher percentage of their population that is Hispanic/Latino than the State overall.

Source: 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

Linguistically isolated households and language spoken at home. The Census defines linguistically challenged households as households with no household members 14 years and older that speak English only or speak English "very well." According to the 2009 American Community Survey (ACS) 3-year estimates (covering years 2007, 2008 and 2009), 44,560 households (or 1.8 percent of total households) in Indiana were reported to be linguistically isolated. Of these households, 11,229 spoke Spanish; 11,942 spoke an Asian or Pacific Islander language; 4,812 spoke another Indo-European language; and the remainder spoke other languages.

Figure C-12 shows the percentage of households that were reported to be linguistically isolated between 2007 and 2009 by county, with the shaded areas representing counties with a higher percentage than the State overall.

Figure C-12. Counties Whose Linguistically Isolated Population is Greater than the State Average, State of Indiana, 2007-2009

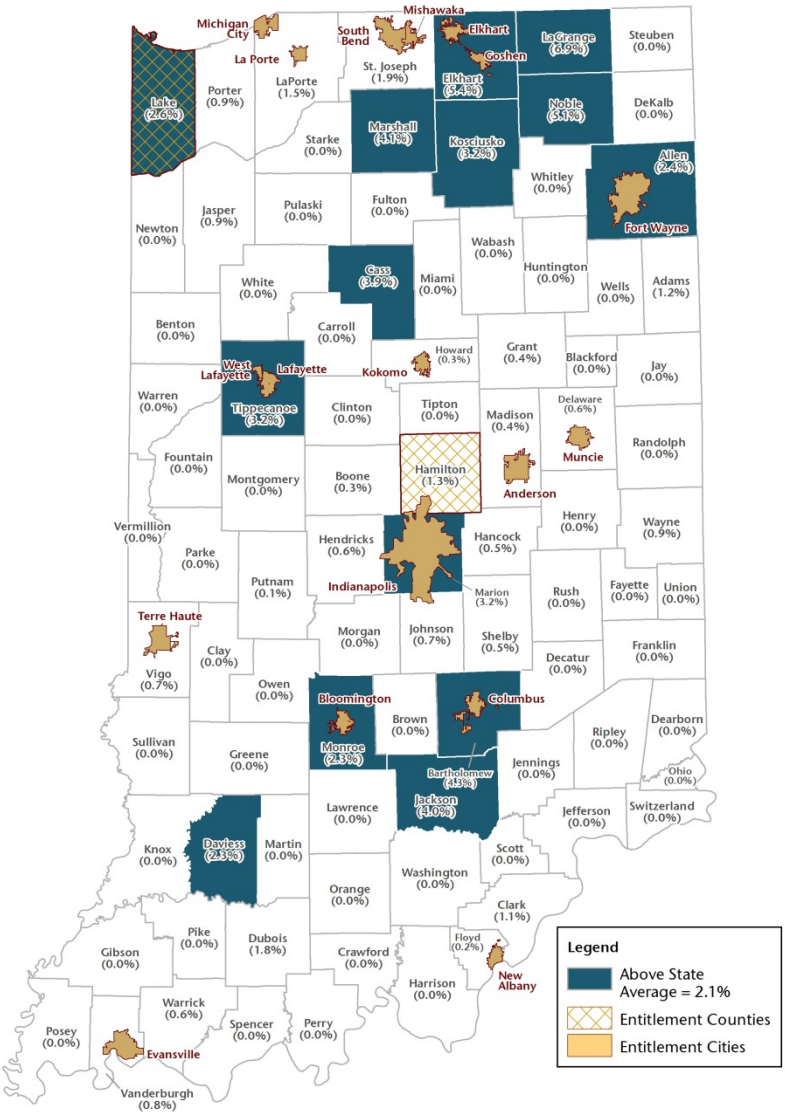
Note:

In 2009, 1.8 percent of total households in Indiana were reported to be linguistically isolated.

The shaded counties have a higher percent of their population that is linguistically isolated than the State overall.

Source:

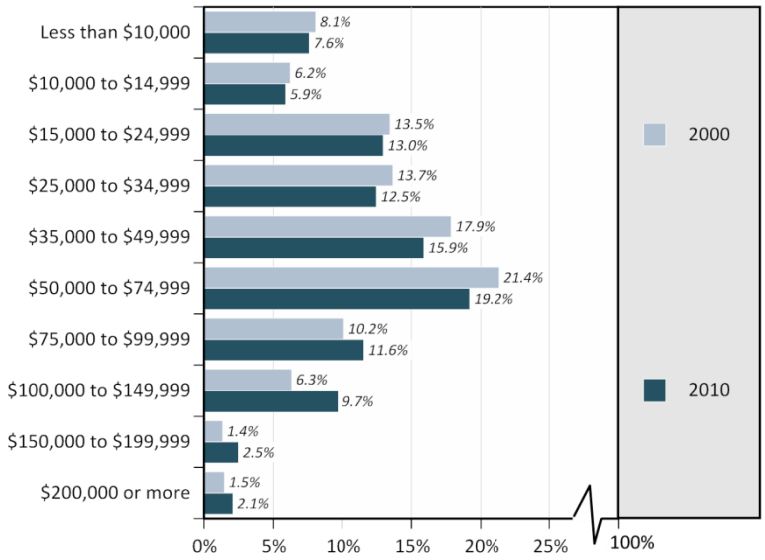
2007-2009 American Community Survey.



Income growth. Indiana's median household income in 2010 was $46,332, compared to $40,865 in 2000. Figure C-13 shows the distribution of income in the State in 2000 compared to 2010 in inflation-adjusted dollars. The percentage of residents in the higher income brackets has risen since 2000. For example, approximately 9 percent of all Indiana households earned $100,000 or more in 2000; in 2010, the percentage had risen to 14 percent of all households.

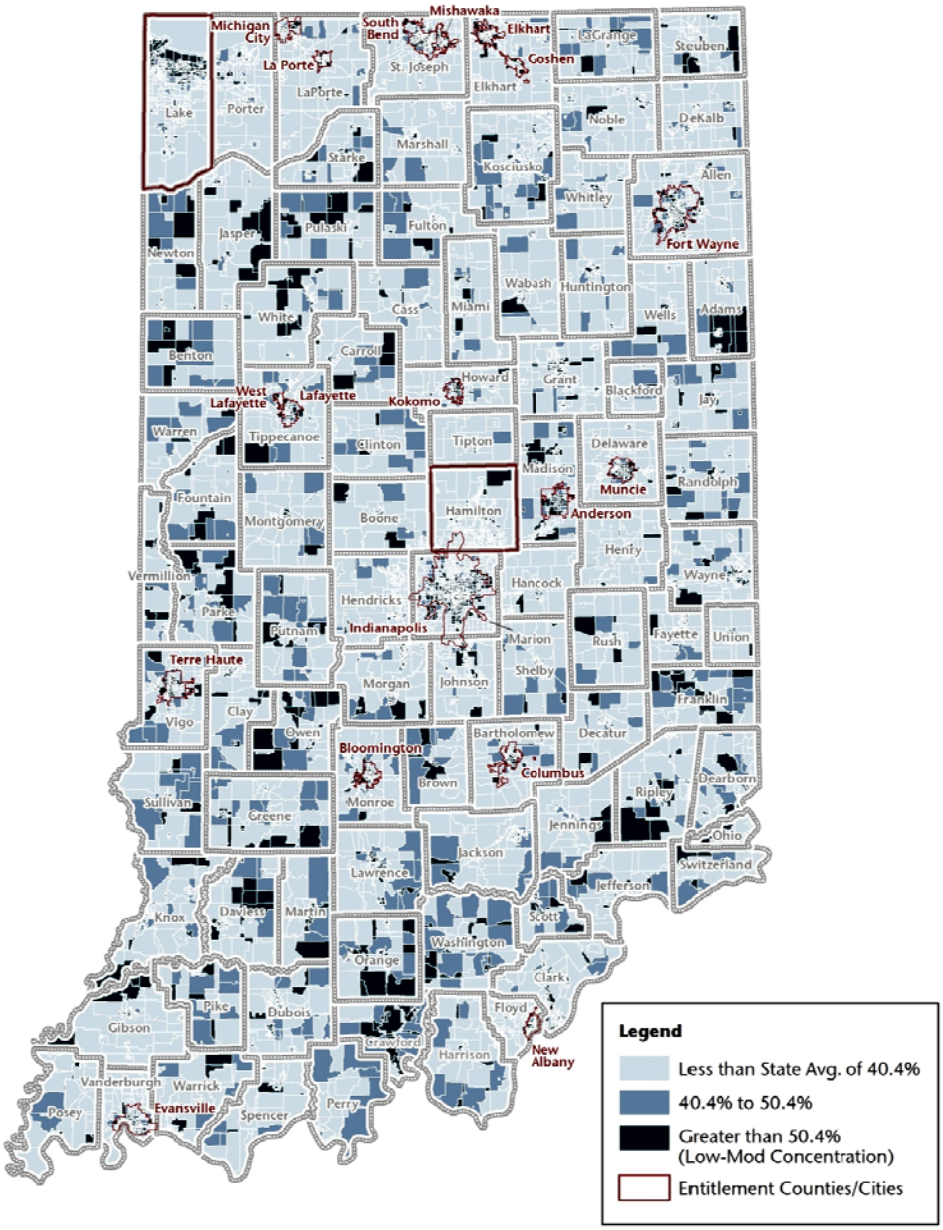
Figure C-13.
Percent of Households by Income Bracket, State of Indiana, 2000 and 2010

Source:
2010 Census.



Low and moderate income. The following figure shows the geographic location by block group of the percent of the population who earn less than 80 percent of the HUD median family income. HUD reports that in FY2010, 40.4 percent of the State's population is low and moderate income. The map shows the areas that have less than the state average, as well as areas where more than 50 percent of residents are low to moderate income.

Figure C-14.
Block Groups in which Low and Moderate Income Population is Greater than the State Average, State of Indiana, 2010



Note: In 2010, the low and moderate income universe made up 40.4 percent of the State's population. The shaded Block Groups have a higher percentage of their population that is low and moderate Income than the State overall.

Source: U.S. Department of Housing & Urban Development (HUD) and BBC Research & Consulting.

Poverty. In 2010, the U.S. Census Bureau reported that 15.3 percent of Indiana residents were living below the poverty level. This is an increase of 6 percentage points from 2000 (9.5 percent of all residents living below poverty level).

As seen in Figure C-15, the percentages of many age groups and family types living below the poverty level has increased from 2000 to 2010. For example, 22 percent of Indiana residents under age 18 lived below the poverty level in 2010, an increase of 10 percentage points from 2000. Similarly, 41 percent of female-headed households with related children and no husband present lived below the poverty level in 2010, an increase of 11 percentage points from 2000.

Figure C-15. Percent Living Below the Poverty Level, State of Indiana, 2000 and 2010

Source:

U.S. Census Bureau's 2000 Census and 2009 American Community Survey.

	2000	2010	Net Change from 2000 to 2010
All residents	9%	15%	6%
Persons under age 18	12%	22%	10%
Persons age 18 to 64	9%	15%	6%
Persons age 65 and older	8%	7%	(1%)
Families with related children under 18 years	10%	18%	8%
Female head of household w/related children present	30%	41%	11%

The Census also provides poverty data from the Small Area Income and Poverty Estimates program, for school districts, counties, and states. The following map shows the percent of the population living below poverty for each county. The darker shaded counties have a higher percent of their population living below the poverty level than the State average of 15 percent.

Figure C-16. Percent of Population Living Below Poverty Level by County, State of Indiana, 2010

Note:

SAIPE estimates 15 percent of the State's population to be living below the poverty level n 2010.

Source:

U.S. Census Bureau's Small Area Estimates Branch.

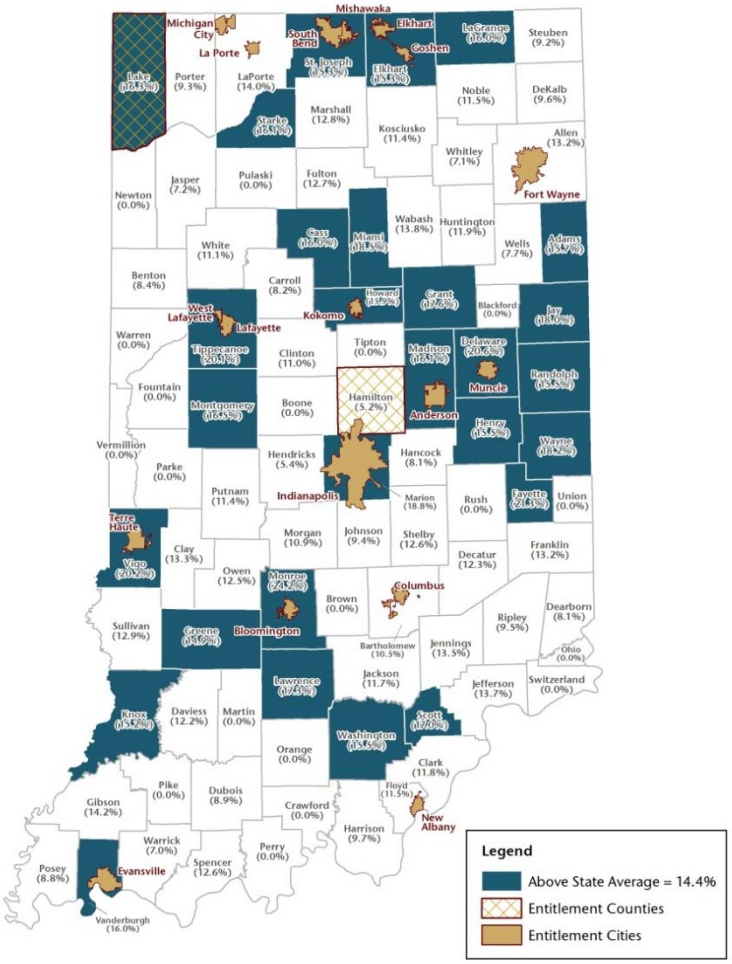
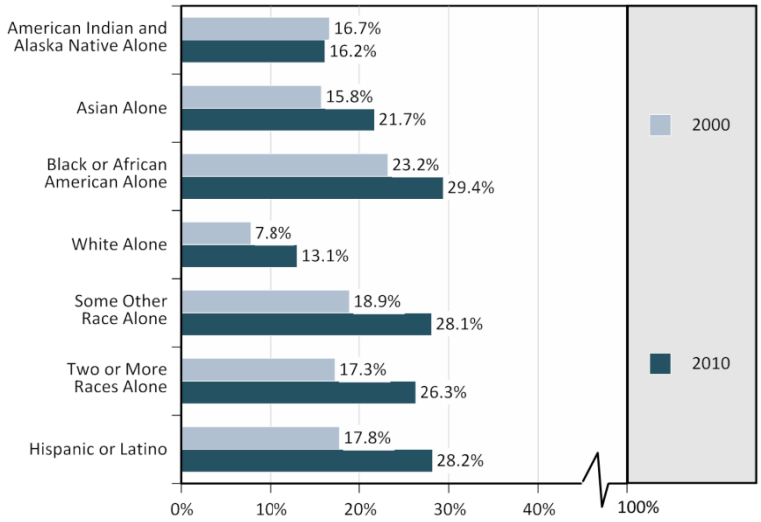


Figure C-17 compares the percentage of persons living in poverty for each race and ethnicity in 2000 and 2010. Indiana residents who were White had the lowest poverty rate in 2010; African Americans, Hispanics/Latinos, those of Two or More Races and those of Some Other Race had the highest rates of poverty in the State. A higher percentage of every race (except for American Indian/Alaskan Native) lived below the poverty level in 2010 than in 2000.

Figure C-17. Percentage of Population Living Below the Poverty Level by Race and Ethnicity, State of Indiana, 2000 and 2010

Source:
2000 Census and 2010 American Community Survey.



Of the State of Indiana's total population of persons living in poverty in 2010, 73 percent were White, 17 percent were African American, 11 percent were Hispanic/Latino, 4 percent were Some Other Race, 3 percent were Two or More Races and 2 percent were Asians. This compares to the general population distribution of 84 percent White, 9 percent Black/African American, 6 percent Hispanic/Latino, 3 percent Some Other Race, 2 percent Two or More Races and 2 percent Asian. Therefore, the state's African American. Hispanic/Latino, Some Other Race and Two or More Race populations are disproportionately more likely to be living in poverty.

In addition, 21 percent of persons with disabilities, or 153,525 persons, lived below the poverty level (data are as of 2009).

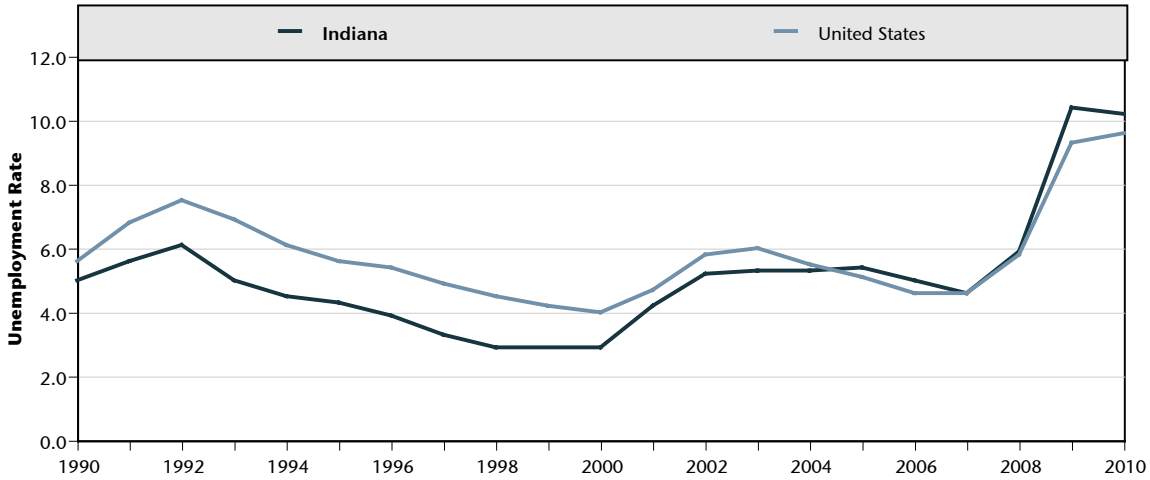
Educational attainment. The percent of college-educated Indiana residents increased moderately between 2000 (19 percent) and 2010 (23 percent). Indiana trails the U.S. average of 28 percent in higher education attainment. In general, Indiana has a less educated population than the U.S. as a whole.

Employment

This subsection addresses the State's economy in terms of unemployment, employment sectors and business growth and decline.

Unemployment. In 2010, the average unemployment rate in Indiana was 10.2 percent. This represents the second highest unemployment rate for the State since 1983 (11.1 percent unemployment). During 2010, monthly unemployment rates reached a low of 9.2 percent in October and December and a high of 11.6 percent in February. Figure C-18 shows the broad trend in unemployment rates since 1990 for Indiana and the United States.

Figure C-18.
Average Annual Unemployment Rate, State of Indiana and United States, 1990 to 2010



Note: Resident Labor Force Estimates (not seasonally adjusted).

Source: Bureau of Labor Statistics as compiled by the Indiana Business Research Center, IU Kelley School of Business.

Indiana had the 12th highest average unemployment rate in 2010 of the states with Nevada having the highest unemployment rate of 14.9 percent.

County unemployment rates ranged from a low of 5.9 percent in Daviess County to a high of 13.9 percent in Elkhart County. Figure C-19 displays the 2010 average unemployment rate by county, as reported by the Bureau of Labor Statistics. The shaded counties have an average unemployment rate higher than the statewide average of 10.2 percent.

Figure C-19.
Average Annual Unemployment Rate, by County, State of Indiana, 2010

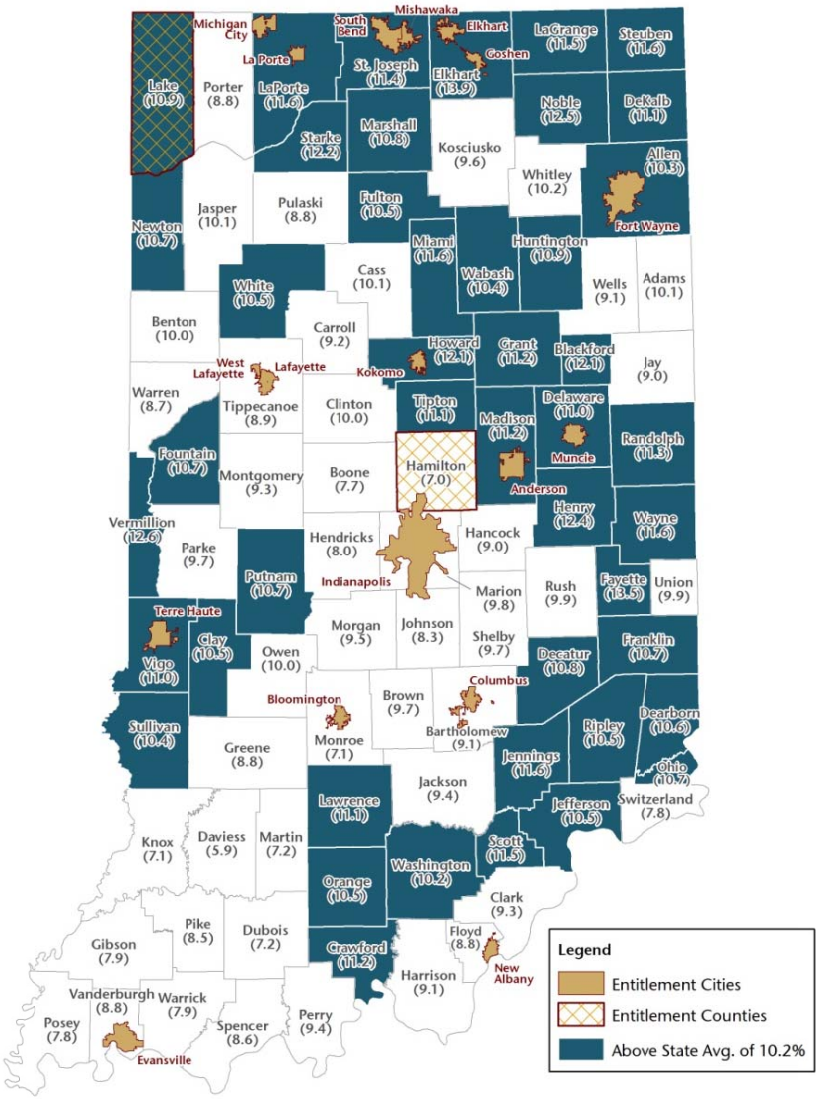
Note:

Indiana's average unemployment rate was 10.2 percent in 2010.

Shaded counties have rates higher than the State's average unemployment rate overall.

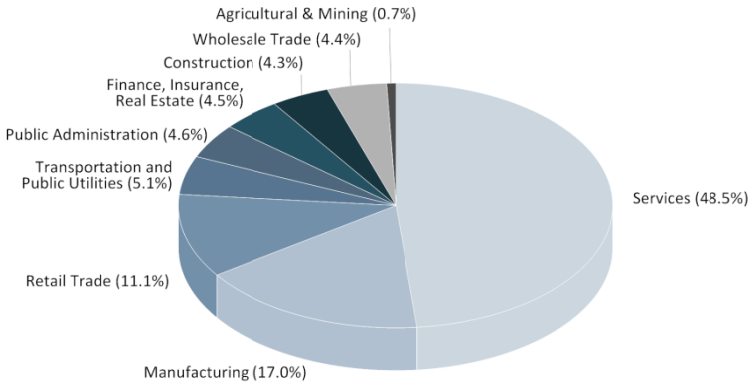
Source:

Bureau of Labor Statistics as compiled by the Indiana Business Research Center, IU Kelley School of Business.



Employment sectors. The service industry and manufacturing industry play a large role in Indiana's job market by providing 49 percent of the State's jobs in the second quarter of 2011. Manufacturing provided 17 percent. Additionally, the retail trade industry employed 11 percent of the State's workforce, as shown in the following figure.

Figure C-20.
Jobs by Industry, State of Indiana, Second Quarter 2011



Source: Indiana Business Research Center, IU Kelley School of Business (based on ES202 data).

From the third quarter of 2005 to the third quarter of 2010, Indiana lost over 160,000 jobs, the majority of which were manufacturing jobs. Comparing employment data from five years ago shows a shift from the proportion of manufacturing jobs to service industry jobs. In the third quarter of 2005, 20 percent of Indiana's jobs were manufacturing while five years later in 2010 manufacturing jobs provided 17 percent of the jobs in Indiana. Comparatively, the service industry made up 44 percent of Indiana's jobs in 2005 while in 2010 the share increased to 48 percent of the jobs.

Figure C-21 shows the second quarter 2011 average weekly wage and the percent of total jobs by employment industry to Indiana. The highest wage industries are the utilities and management of companies and enterprises. However, these two industries only make up 2 percent of all jobs in Indiana. The manufacturing industry, which comprises 17 percent of all jobs, has an average weekly wage $1,010. The lowest wage industries include accommodation and food services and retail trade.

Figure C-21. Average Weekly Wage and Percent of Total Jobs by Industry, State of Indiana, Second Quarter 2011

Source:
Indiana Business Research Center, IU Kelley School of Business (based on ES202 data).

	Average Weekly Wages	Percent of Total Jobs
Total	**$747**	**100%**
Utilities	$1,411	1%
Management of Companies and Enterprises	$1,434	1%
Mining	$1,176	0%
Professional, Scientific, and Technical Services	$1,048	4%
Finance and Insurance	$1,024	5%
Manufacturing	$1,010	17%
Wholesale Trade	$965	4%
Construction	$954	4%
Information	$847	2%
Public Administration	$797	5%
Transportation & Warehousing	$775	5%
Health Care and Social Services	$766	14%
Educational Services	$752	9%
Real Estate and Rental and Leasing	$649	1%
Agriculture, Forestry, Fishing and Hunting	$578	1%
Admin. & Support & Waste Mgt. & Rem. Services	$514	6%
Other Services(Except Public Administration)	$505	3%
Arts, Entertainment, and Recreation	$479	2%
Retail Trade	$449	11%
Accommodation and Food Services	$258	9%

The following figure maps the average weekly wage by county. Indiana's highest average weekly wage is in Martin County ($1,229). The majority of Martin County's employment is in the fields of public administration, professional, scientific, and technical services and manufacturing. Brown County has the lowest average weekly wage ($429) of Indiana counties. Most of the jobs in Brown County are in accommodation and food services and retail trade.

Figure C-22.
Average Weekly Wage by County, State of Indiana, Second Quarter 2011

Note:

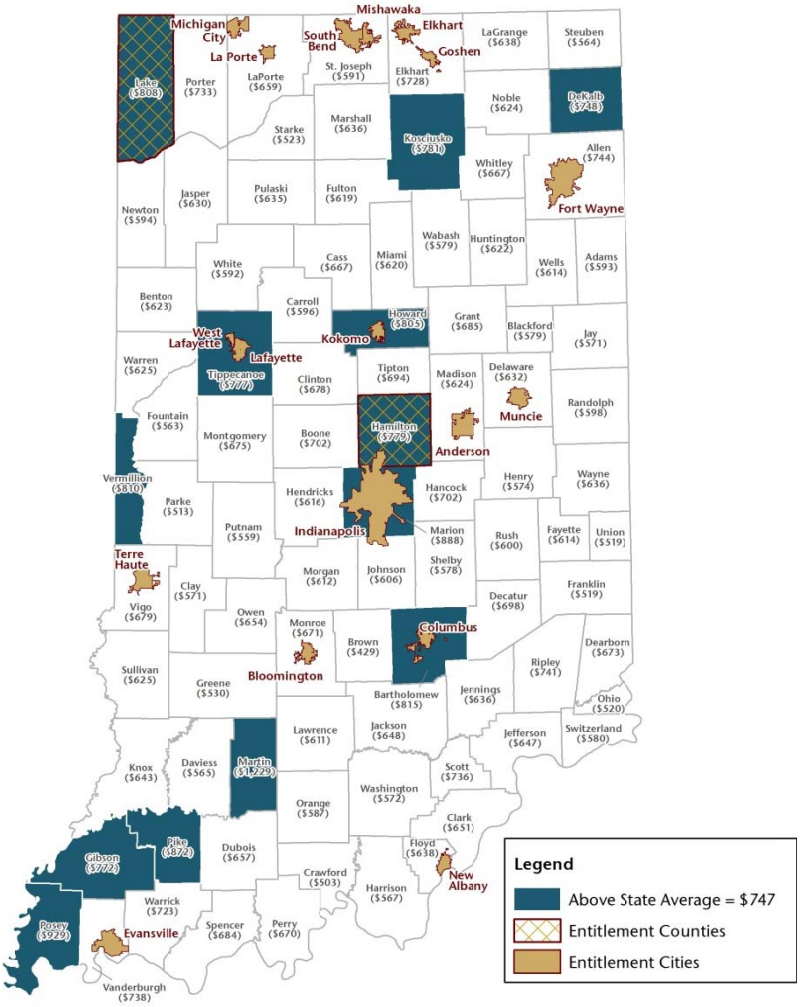
In the second quarter of 2011, the average weekly wage for the State of Indiana was $747.

The lighter shaded counties indicate an average weekly wage below the State overall.

The darker shaded counties indicate an average weekly wage equal to or above the State average.

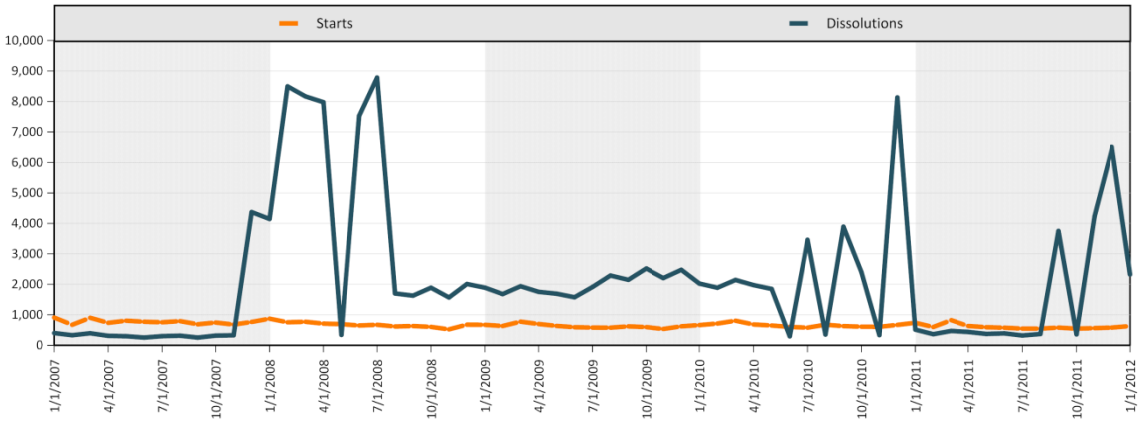
Source:

Indiana Business Research Center, IU Kelley School of Business (based on ES202 data) and BBC Research & Consulting.



Business growth and decline. According to the Indiana Secretary of State, there were 7,300 business starts and 18,000 business dissolutions across the State during 2011. Figure C-23 shows trends in business starts and dissolutions in Indiana.

Figure C-23.
Business Starts and Dissolutions, State of Indiana, January 2007 to January 2012



Source: Indiana Business Research Center, IU Kelley School of Business (based on data from the Indiana Secretary of State).

Housing and Affordability

Data from the 2010 Census indicates Indiana's housing stock increased by 263,222 housing units (or by 10 percent) from 2000 to 2010. Twenty-five counties experienced faster growth in the number of housing units than the State overall. Hamilton County more than doubled the number of housing units it had in 2000.

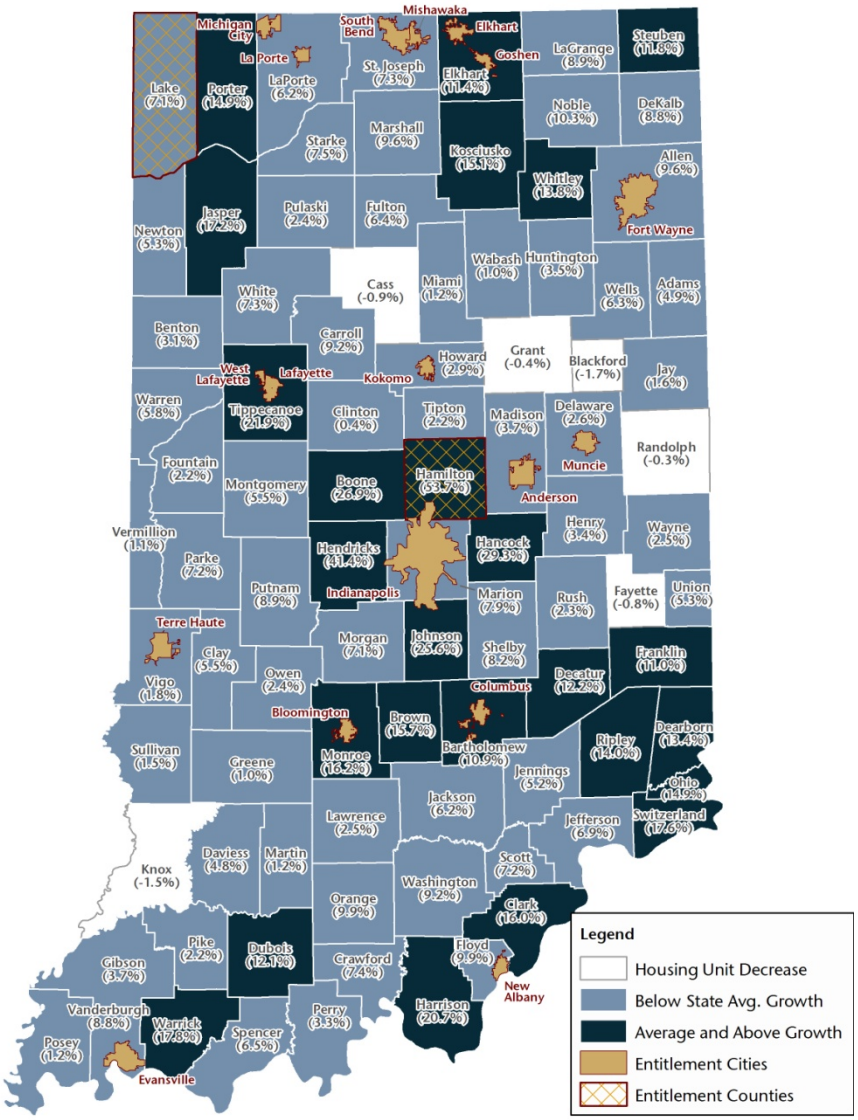
Figure C-24. Housing Unit Change of Indiana Counties, 2000 to 2010

Note:

Indiana's overall housing unit change was 10.4 percent from 2000 to 2010.

Source:

2000 and 2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.



Vacant units. According to the 2010 Census, 10.5 percent of Indiana's housing units were vacant. This is an increase of the vacant rate compared to 2000 when 7.7 percent of the units were vacant. The following map shows the percent of housing units that are vacant by county. The darker shaded counties have a higher percent of their housing units that are vacant than the State average of 10.5 percent. Hendricks County had that lowest vacancy rate with 5.6 percent of its housing units being vacant, while Steuben County has the highest vacancy rate where almost one third (or 31.3 percent) were vacant.

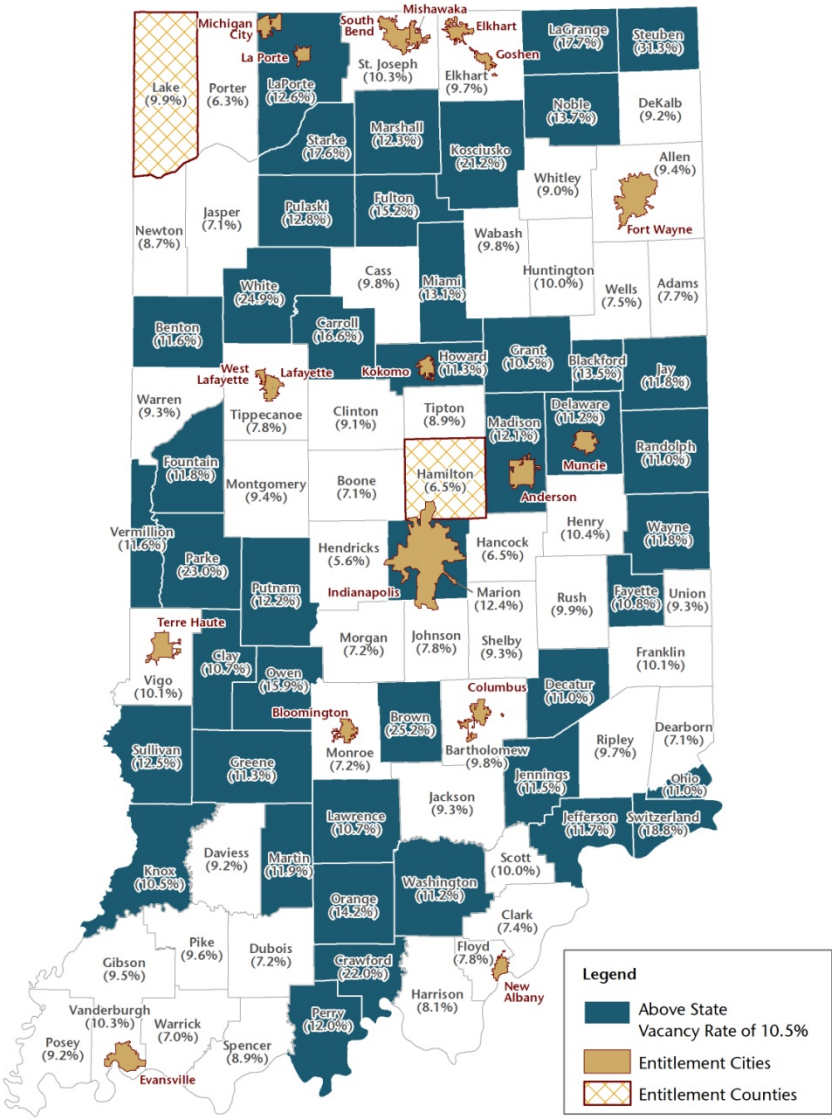
Figure C-25. Percent of Housing Units that are Vacant of Indiana Counties, 2010

Note:

Indiana's overall housing unit vacancy rate was 10.5 percent in 2010.

Source:

2010 Census, compiled by Indiana Business Research Center and BBC Research & Consulting.

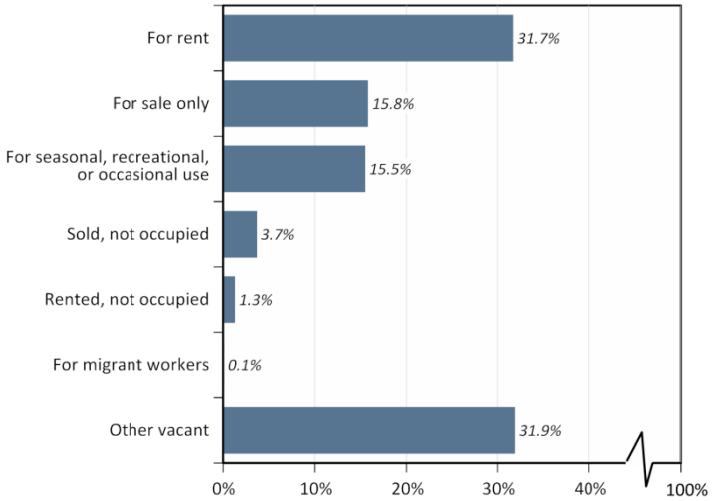


The 2010 Census Bureau's ACS estimates there were 326,267 vacant units in Indiana. The statewide homeownership vacancy rate was estimated to be 2.4 percent and the rental vacancy rate was estimated at 10.4 percent.

In 2010, almost half of all vacant units in Indiana (48 percent) consisted of owner or renter units that were unoccupied and/or for sale or rent. Sixteen percent of vacant units were considered seasonal units, while 32percent of units were reported as "other vacant." Other vacant units included caretaker housing, units owners choose to keep vacant for individual reasons and other units that did not fit into the other categories. Figure C-26 shows the vacant units in the State by type.

Figure C-26.
Vacant Housing Units by Type, State of Indiana, 2010

Source:
2010 American Community Survey.



Type and tenure. Data from the 2010 Census indicates that Indiana's housing stock is primarily comprised of single-family, detached homes (73 percent). Seventy-nine percent of Indiana's housing stock were structures with two or fewer units; 16 percent of homes were structures with 3 units or more; and 5 percent of homes were mobile or other types of housing.

An estimated 70 percent of the occupied housing units were occupied by owners and the remaining 30 percent were occupied by renters. Compared to the nation as a whole Indiana has a higher homeownership rate: the U.S. homeownership rate is 66 percent, compared to Indiana's 70 percent.

The following table shows the rate of homeownership for each county.

Figure C-27.
Percent of Owner Occupied Housing Units, by County, State of Indiana, 2010

Note:

Indiana's homeownership rate was 70 percent in 2010.

Shaded counties have rates higher than the State's homeownership rate overall.

Source:

2010 American Community Survey.

County	Owner Occupied Housing Unit Percentage	County	Owner Occupied Housing Unit Percentage
Brown	83.8%	Porter	76.3%
Crawford	82.6%	Steuben	76.2%
Pike	82.4%	Ripley	76.0%
Whitley	82.3%	Fulton	75.9%
Posey	81.9%	Switzerland	75.7%
Spencer	81.8%	Clay	75.6%
Harrison	81.7%	Ohio	75.3%
Warrick	81.1%	Blackford	75.0%
Newton	81.1%	Orange	75.0%
LaGrange	80.9%	Wabash	74.6%
Martin	80.5%	Daviess	74.6%
Hendricks	80.5%	Benton	74.6%
Franklin	80.3%	Miami	74.1%
Warren	80.3%	Cass	74.0%
Hamilton	80.1%	Johnson	73.8%
Owen	79.9%	Henry	73.7%
Carroll	79.6%	LaPorte	73.6%
Tipton	79.4%	Randolph	73.2%
Starke	79.4%	Jackson	73.2%
Hancock	79.4%	Rush	73.1%
Parke	79.1%	Jefferson	72.8%
Pulaski	78.9%	Montgomery	72.7%
Wells	78.8%	Union	72.5%
DeKalb	78.7%	Clinton	72.0%
Dearborn	78.5%	Bartholomew	71.6%
Boone	78.3%	Shelby	71.5%
Washington	78.3%	Scott	71.5%
Greene	78.2%	Floyd	71.3%
Morgan	77.7%	Madison	70.9%
Noble	77.6%	Howard	70.5%
Huntington	77.2%	Decatur	70.5%
Vermillion	77.1%	Fayette	70.2%
Dubois	76.9%	Clark	70.1%
Sullivan	76.9%	Elkhart	70.0%
Jasper	76.9%	Grant	70.0%
Jennings	76.7%	Allen	69.5%
Gibson	76.7%	Lake	69.3%
Adams	76.6%	St. Joseph	69.3%
Fountain	76.5%	Wayne	67.2%
Kosciusko	76.5%	Knox	66.7%
Perry	76.4%	Vanderburgh	64.5%
Lawrence	76.4%	Delaware	64.3%
Marshall	76.3%	Vigo	63.8%
Putnam	76.3%	Marion	56.5%
White	76.3%	Tippecanoe	55.0%
Jay	76.3%	Monroe	52.6%

Housing condition. Measures of housing condition are relatively scarce. However, the annual release of the ACS's Summary Tables provide a good source of current information on housing conditions at the State level.

The ACS data cover the important indicators of housing quality, including the year the structure was built, overcrowding, plumbing facilities and kitchen facilities. In addition to measuring housing conditions, such variables are also good indicators of community development needs, particularly of weaknesses in public infrastructure. The Census Bureau reports most of these characteristics for occupied housing units.

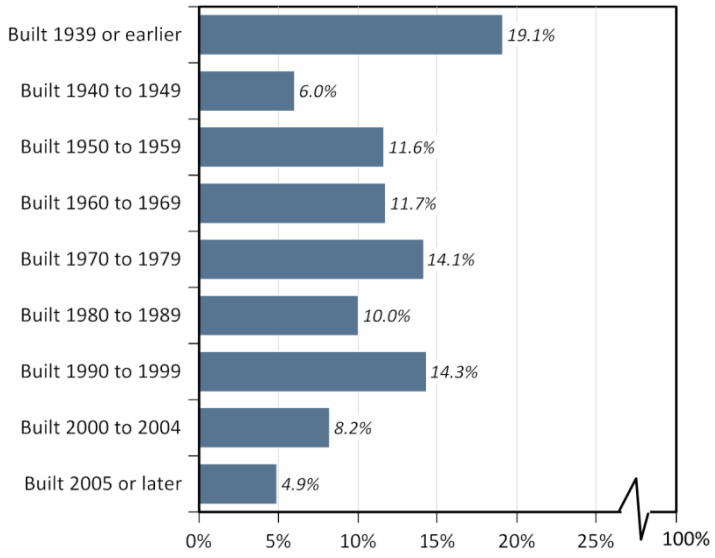
Age. An important indicator of housing condition is the age of the home. Older houses tend to have more condition problems and are more likely to contain materials such as lead paint (see below). In areas where revitalization of older housing stock is active, many old houses may be in excellent condition; however, in general, condition issues are still most likely to arise in older structures.

Older structures are also at higher risk containing lead-based paint. As discussed later in this appendix, units built before 1940 are most likely to contain lead-based paint. Units built between 1940 and 1978 have a lesser risk (lead was removed from household paint after 1978), although many older units may have few if any problems depending on construction methods, renovation and other factors.

Housing age data from the 2010 Census indicate that almost one fifth (19 percent) of the State's housing units, occupied or vacant, was built before 1940, when the risk of lead-based paint is the highest. Approximately 62.5 percent of the housing stock was built before 1979. As of 2010, the median year the housing stock was built in the State was 1971. Figure C-28 presents the distribution of housing units in the State by age.

Figure C-28.
Year Housing Units Were Built, State of Indiana, 2010

Source:
2010 Census



Overcrowded housing. Overcrowding in housing can threaten public health, strain public infrastructure, and points to the need for affordable housing. The amount of living space required to meet health and safety standards is not consistently specified; measurable standards for overcrowding vary. According to HUD, the most widely used measure assumes that a home becomes unhealthy and

unsafe where there are more than 1, or sometimes 1.5, household members per room.[1] Another frequently used measure is the number of individuals per bedroom, with a standard of no more than two persons per bedroom. Assisted housing programs usually apply this standard.

The Census Bureau reports that in 2010, 1.8 percent of the State's occupied housing units, or 46,152 units, were overcrowded, which is defined as 1.01 persons or more per room. Approximately 0.4 percent of the State's housing units were severely overcrowded (more than 1.51 persons per room). These data compare favorably to national averages of 3.4 percent of units that were overcrowded and 1.0 percent severely overcrowded in 2010.

Severely substandard. The 2010 Census reported that approximately 191,500 housing units in the State are considered severely substandard because they lacked either complete plumbing facilities[2] or complete kitchens.[3] Together, assuming no overlap, these units represented 6.9 percent of the State's total housing units in existence in 2010.

Figure C-29 presents the estimated number and percentage of homes in the State with substandard condition problems as of 2010. For the nation overall, 2.7 percent of the housing stock was lacking complete plumbing facilities and 3.2 percent lacked complete kitchen facilities

Figure C-29.
Housing Units Lacking Basic Amenities, State of Indiana, 2010

	Owner Occupied	Renter Occupied	Total Occupied	Vacant	All Housing Units
Housing Units	**1,736,751**	**734,154**	**2,470,905**	**326,267**	**2,797,172**
Lacking complete plumbing facilities	6,080	3,516	9,596	70,147	79,743
Lacking complete kitchen facilities	8,684	11,746	20,430	91,355	111,785
Percent of Housing Units	**62.1%**	**26.2%**	**88.3%**	**11.7%**	**100.0%**
Lacking complete plumbing facilities	0.4%	0.5%	0.4%	21.5%	2.9%
Lacking complete kitchen facilities	0.5%	1.6%	0.8%	28.0%	4.0%

Source: 2010 American Community Survey.

The 2010 ACS also reported the number of housing units with "selected conditions." The variable "Selected Conditions" is defined for owner and renter occupied housing units as having at least one of the following conditions: 1) lacking complete plumbing facilities; 2) lacking complete kitchen facilities; 3) units with 1.01 or more occupants per room ("overcrowded"); 4) selected monthly owner

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1 The HUD American Housing Survey defines a room as an enclosed space used for living purposes, such as a bedroom, living or dining room, kitchen, recreation room, or another finished room suitable for year-round use. Excluded are bathrooms, laundry rooms, utility rooms, pantries, and unfinished areas.

2 The data on plumbing facilities were obtained from both occupied and vacant housing units. Complete plumbing facilities include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit.

3 A unit has complete kitchen facilities when it has all of the following: (1) a sink with piped water; (2) a range, **or** cook top and oven; and (3) a refrigerator. All kitchen facilities must be located in the house, apartment, or mobile home, but they need not be in the same room. A housing unit having only a microwave or portable heating equipment, such as a hot plate or camping stove, should not be considered as having complete kitchen facilities. An icebox is not considered to be a refrigerator.

costs as a percentage of household income greater than 30 percent ("cost burdened owner"); and 5) gross rent as a percentage of household income greater than 30 percent ("cost burdened renter").

Approximately 731,065 of Indiana's housing units had one or more condition problems. Given the State's small percentage of overcrowded and substandard units, these "condition" issues are largely related to affordability. Figure C-30 shows that rental units are much more likely to have two or more of the selected conditions than owner occupied units.

Figure C-30. Selected Conditions by Tenure, State of Indiana, 2010

Source:
2010 American Community Survey.

	Owner Occupied	Renter Occupied	Total Occupied
Housing Units	**1,736,751**	**734,154**	**2,470,905**
No selected conditions	1,352,031	387,809	1,739,840
With one selected condition	375,067	323,179	698,246
With two or more selected conditions	9,653	23,166	32,819
Percent of Housing Units	**100%**	**100%**	**100%**
No selected conditions	77.8%	52.8%	70.4%
With one selected condition	21.6%	44.0%	28.3%
With two or more selected conditions	0.6%	3.2%	1.3%

Substandard housing definition. HUD requires that the State define the terms "standard condition," "substandard condition" and "substandard condition but suitable for rehabilitation." For the purposes of this report, units are in standard condition if they meet the HUD Section 8 quality standards. Units that are substandard but suitable for rehabilitation do not meet one or more of the HUD Section 8 quality standards. These units are also likely to have deferred maintenance and may have some structural damage such as leaking roofs, deteriorated interior surfaces, and inadequate insulation. A unit is defined as being substandard if it is lacking the following: complete plumbing, complete kitchen facilities, public or well water systems, and heating fuel (or uses heating fuel that is wood, kerosene or coal).

Units that are substandard but suitable for rehabilitation include units with some of the same features of substandard units (e.g., lacking complete kitchens or reliable and safe heating systems, or are not part of public water and sewer systems). However, the difference between substandard and substandard but suitable for rehabilitation is that units suitable for rehabilitation will have in place infrastructure that can be improved upon. In addition, these units might not be part of public water and sewer systems, but they will have sufficient systems to allow for clean water and adequate waste disposal.

Without evaluating units on a case-by-case basis, it is impossible to distinguish substandard units that are suitable for rehabilitation. In general, the substandard units that are less likely to be easily rehabilitated into good condition are those lacking complete plumbing; those which are not part of public water and sewer systems and require such improvements; and those heated with wood, coal, or heating oil. Units with more than one substandard condition (e.g., lacking complete plumbing and heated with wood) and older units are also more difficult to rehabilitate.

Lead-safe housing. Pursuant to Section 91.215 of the Consolidated Plan regulations, the following contains an estimate of the number of housing units in the State that may contain lead-based paint hazards and are occupied by the State's low and moderate income families.

Problem with lead-based paint. Exposure to deteriorated lead-based paint and lead dust on the floor and windowsills, as well as lead in the soil, represents one of the most significant environmental threats from a housing perspective. Childhood lead poisoning is one of the major environmental health hazards facing American children today.

Children are exposed to lead poisoning through paint debris, dust and particles released into the air that settle onto the floor and windowsills and can be exacerbated during a renovation. The dominant route of exposure is from ingestion (not inhalation). Young children are most at risk because they have more hand-to-mouth activity and absorb more lead than adults.

Excessive exposure to lead can slow or permanently damage the mental and physical development of children ages six and under. An elevated blood level of lead in young children can result in learning disabilities, behavioral problems, mental retardation and seizures. In adults, elevated levels can decrease reaction time, cause weakness in fingers, wrists or ankles and possibly affect memory or cause anemia. The severity of these results is dependent on the degree and duration of the elevated blood level of lead.

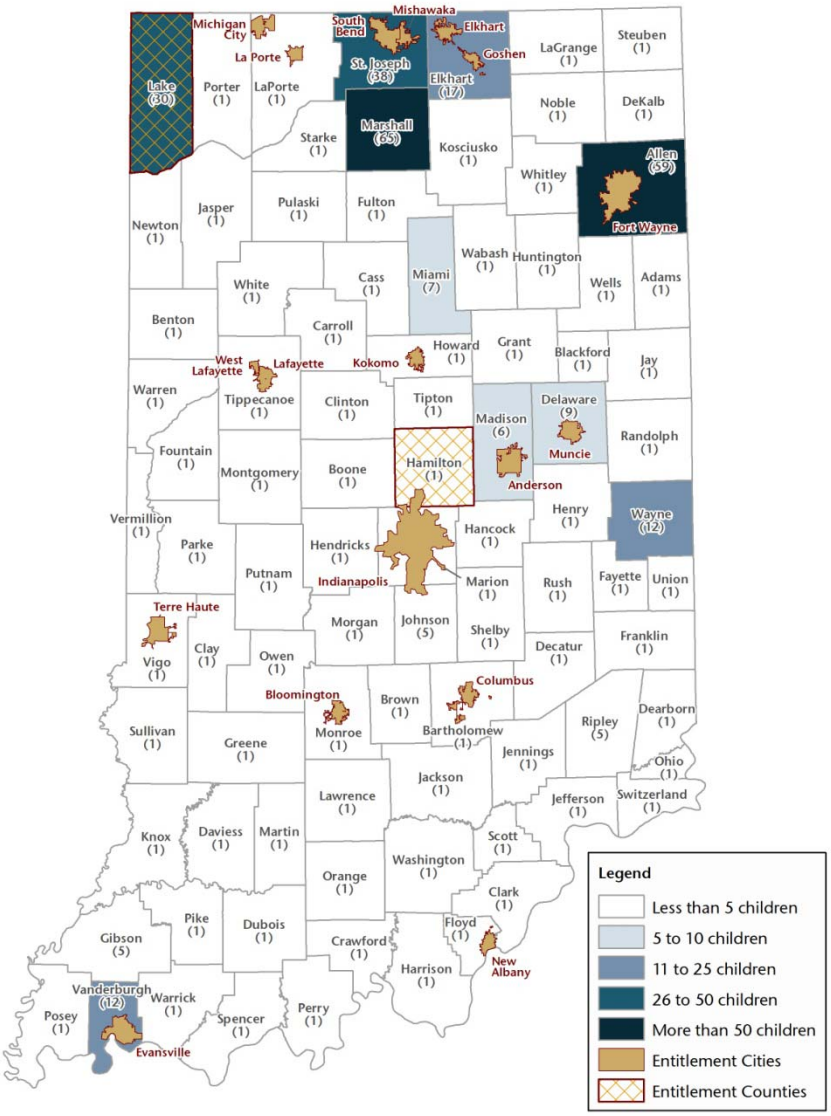
According to the Indiana State Department of Health (ISDH), the number of children under seven years old who were tested for lead increased by 715 in calendar year 2009. The number confirmed as lead-poisoned, however, decreased to 368 children. Since 2000, 469,322 children have been tested, and of those children 5,313 have been confirmed with elevated blood lead levels. Of those children with elevated blood levels whose homes were tested, an estimated 33 counties had 127 properties were determined to contain lead. Marion County had 41 (32 percent) confirmed housing units with documented lead hazards.

The following figure shows the number of children less than 7 years old who were diagnosed with lead poisoning by county in 2009.

Figure C-31. Number of Children(Younger than 7 Years Old) Diagnosed with Lead Poisoning by County, State of Indiana, 2009

Source:

Indiana State Department of Health's Indiana Lead and Healthy Homes Program 2009 Report to the Legislature.



The primary treatment for lead poisoning is to remove the child from exposure to lead sources. This involves moving the child's family into temporary or permanent lead-safe housing. Lead-safe housing is the only effective medical treatment for poisoned children and is the primary means by which lead poisoning among young children can be prevented.

Housing built before 1978 is considered to have some risk, but housing built prior to 1940 is considered to have the highest risk. After 1940, paint manufacturers voluntarily began to reduce the amount of lead they added to their paint. As a result, painted surfaces in homes built before 1940 are likely to have higher levels of lead than homes built between 1940 and 1978. Lead-based paint was banned from residential use in 1978.

Households with lead-based paint risk. Without conducting detailed environmental reviews of the State' housing stock, it is difficult to determine the number of households at risk of lead-based paint hazards. However, people living in substandard units or older housing and who are low income are more likely to be exposed to lead-based paint than higher income households living in newer or rehabilitated older housing.

Almost one fifth (534,090 housing units) of Indiana's housing stock was built before 1940, when lead-based paint was most common. Another 20 percent (493,143 housing units) was built between 1940 and 1960, when lead-based paint was still used, but the amount of lead in the paint was being reduced. Finally, 723,499 Indiana housing units (26 percent) were built between 1960 and 1979 as lead-based paint was phased out and eventually banned. Therefore, 64 percent of the housing stock in the State, or about 1.75 million units, were built when lead-based paint was used, to some extent, in residential housing.

If (as HUD estimates) 90 percent of the pre-1940 units in Indiana are at risk of containing lead paint, 80 percent of the units built between 1940 and 1960 are at risk and 62 percent of units built between 1960 and 1979 are at risk as well, then it is estimated 1.3 million Indiana housing units may contain lead paint. Figure C-32 displays this calculation.

Figure C-32.
Housing Units At Risk of Lead-Based Paint, State of Indiana

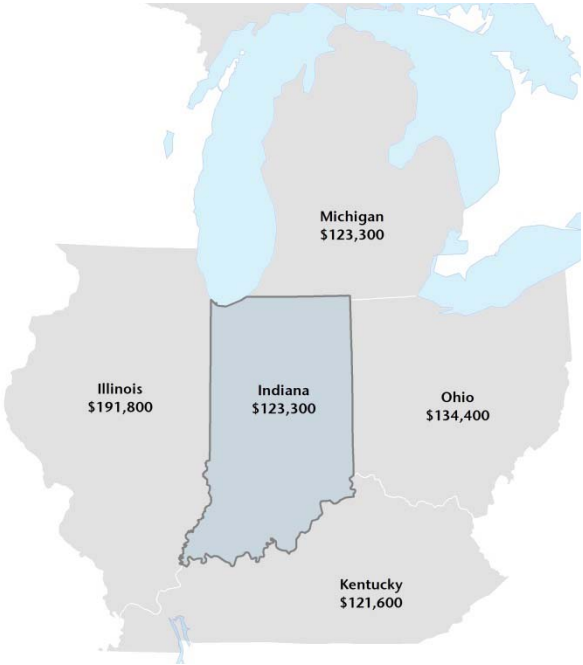
Source:
"Technical Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing," HUD and 2010 American Community Survey.

Year Housing Unit was Built	Number of Housing Units	Estimated Percentage at Risk	Estimated Number of Housing Units at Risk
1939 and earlier	534,090	90%	480,681
1940 to 1960	493,143	80%	394,514
1960 to 1979	723,499	62%	448,569
Total	**1,750,732**		**1,323,765**

Ultimately, the extent to which lead paint is a hazard in these homes depends on if there has been mitigation (e.g., removal, repainting) and how well the units have been maintained. Inadequately maintained homes and apartments are more likely to suffer from a range of lead hazard risks, including chipped and peeling paint and weathered window surfaces. Therefore, it is assumed that lower income households have fewer resources to maintain their homes and may be at higher risk for lead hazards. As a result, based on 2010 data on household income, the year housing units were built and HUD's estimates of risk by year built, as many as 500,000 low and moderate income households could live in units built before 1980 containing lead-based paint and be at higher risk for lead-based paint hazards.

Housing to buy. The Census estimated the median value of an owner occupied home in Indiana as $123,300 in 2010, which is nearly the same as the 2009 median of $123,100. This is substantially lower than the U.S. median home price of $179,900. Regionally, Indiana trails Illinois, Michigan and Ohio in median home prices, as shown in Figure C-33.

Figure C-33.
Regional Median Owner Occupied Home Value, State of Indiana, 2010



Source: U.S. Census Bureau's 2010 American Community Survey.

County owner occupied median home values ranged from a low of $77,000 in Sullivan County to a high of $211,200 in Hamilton County. Figure C-34 displays the 2010 median home value rate by county, as reported by the 2006-2010 ACS. The shaded counties have a median home value rate higher than the statewide median home value.

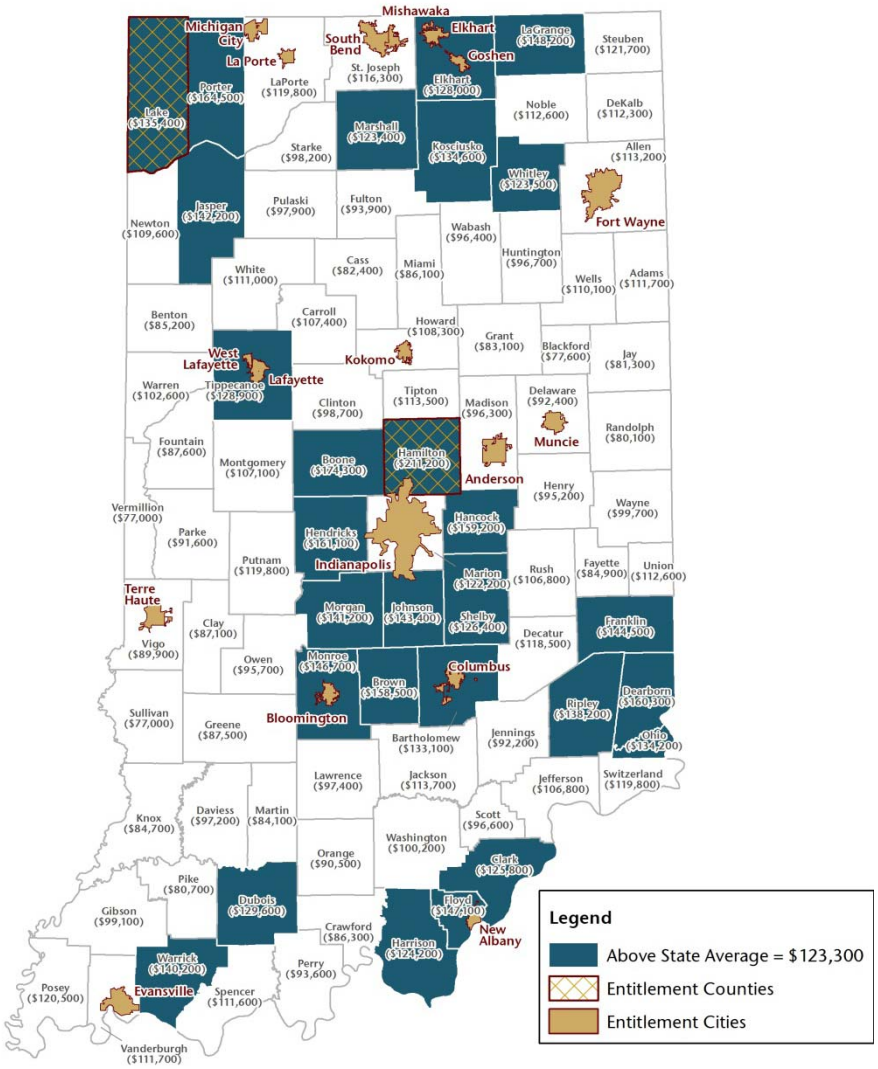
Figure C-34. Median Owner Occupied Home Value by County, State of Indiana, 2010

Note:

Shaded counties have rates higher than the State's median value overall.

Source:

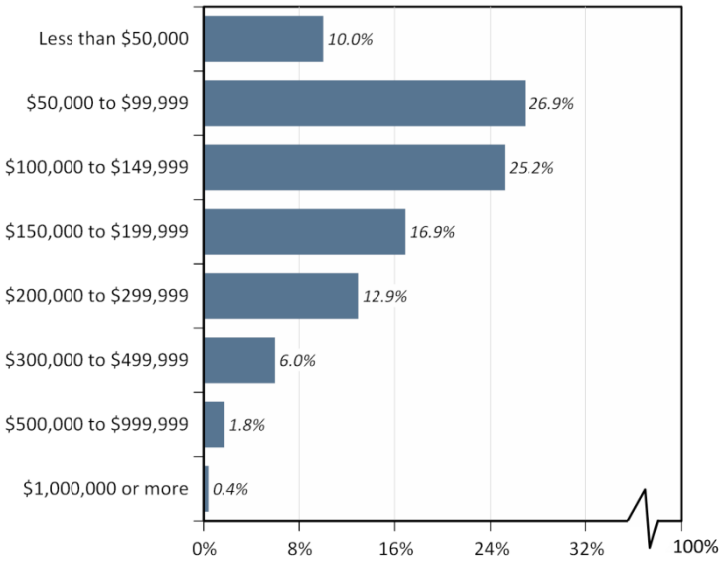
U. S. Census Bureau's 2010 American Community Survey.



In Indiana, 37 percent of owner occupied units had values less than $100,000 and 62 percent were valued less than $150,000. Figure C-35 presents the price distribution of owner occupied homes in the State.

Figure C-35.
Distribution of Owner Occupied Home Values, State of Indiana, 2010

Source:
2010 American Community Survey.



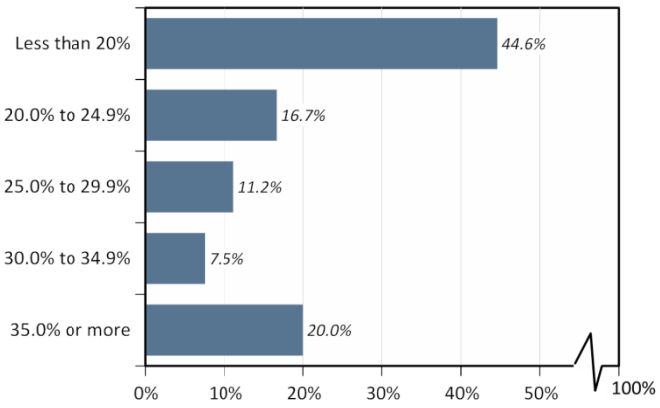
Although housing values in Indiana are still affordable relative to national standards, many Indiana households have difficulty paying for housing. Housing affordability is typically evaluated by assessing the share of household income spent on housing costs. For owners, these costs include mortgages, real estate taxes, insurance, utilities, fuels, and, where appropriate, fees such as condominium fees or monthly mobile home costs. Households paying over 30 percent of their income for housing are often categorized as cost burdened.

In 2010, nearly 28 percent of all owners (about 399,500 households) in the State were paying 30 percent or more of their household income for housing.

Figure C-36.
Owner Housing Costs as a Percent of Household Income, State of Indiana, 2010

Note:
Darker shaded areas indicate cost burdened households.

Source:
2109 American Community Survey.

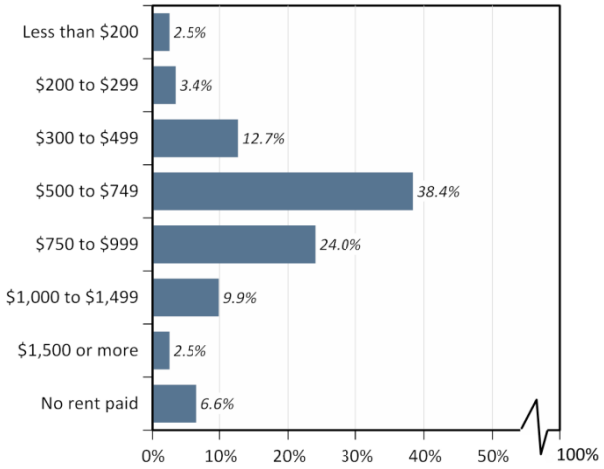


Housing to rent. The Census Bureau reported that the median gross rent in Indiana was $683 per month in 2010. Gross rent includes contract rent and utilities.[4] About 19 percent of all units statewide were estimated to rent for less than $500 in 2010, while another 39 percent were estimated to rent for $500 to $749. The distribution of statewide gross rents is presented in Figure C-37.

Figure C-37.
Distribution of Gross Rents, State of Indiana, 2010

Note:
Renter units occupied without payment of rent are shown separately as "No rent paid."

Source:
2010 American Community Survey.

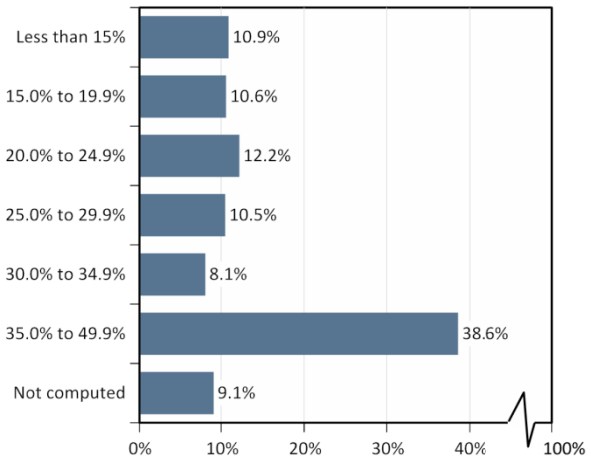


The 2010 ACS estimates that 45 percent of Indiana renters—or 342,833—paid more than 30 percent of household income for gross rent. Rentals constituted only 30 percent of the State's occupied housing units in 2010; however, a much higher percentage of the State's renters were cost burdened (57 percent) than the States owners (27.5 percent). Figure C-38 presents the share of income paid by Indiana renters for housing.

Figure C-38.
Renter Housing Costs as a Percent of Household Income, State of Indiana, 2010

Note:
Darker shaded areas indicate cost burdened households.

Source:
2010 American Community Survey.



[4] According to the U.S. Census, 89 percent of renters in Indiana pay extra for one or more utilities in their rent price.

Housing affordability and housing problems. Housing affordability issues span across various sections of the population. A recent study by the National Low-Income Housing Coalition found that extremely low income households in Indiana's non-metro areas can afford a monthly rent of no more than $411, while the HUD Fair Market Rent for a two bedroom unit in the State is $639. For single-earner families at the minimum wage, it would be necessary to work 68 hours a week to afford a two-bedroom unit at the HUD Fair Market Rent for the State.

According to the study, Indiana's non-metro areas annual median family income increased by 12 percent from 2000 to 2010. However, the fair market rent for a two-bedroom apartment increased by 32 percent during the same time period, indicating a decline in housing affordability over the past nine years. Figure C-39 reports key findings from the study.

Figure C-39. Housing Cost Burden, Indiana Non-Metro Areas, 2010

Source: National Low Income Housing Coalition, Out of Reach 2010.

	No Bedrooms	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Fair Market Rent	**$467**	**$514**	**$639**	**$821**	**$913**
Percent of median family income needed	34%	38%	47%	60%	67%
Work hours/week needed at the minimum wage	50	55	68	87	97
Income needed	$18,680	$20,560	$25,560	$32,840	$36,520

HUD provides special tabulations of the Census, called Comprehensive Housing Affordability Strategy (CHAS) data, to show income constraints for various segments of the population. In late 2009, the data was compiled in a special tabulation from the Census Bureau's annual ACS.

CHAS data is provided in accordance with median family income, or MFI. HUD divides low and moderate income households into categories, based on their relationship to the MFI: extremely low income (earning 30 percent or less of the MFI), very low income (earning between 31 and 50 percent of the MFI), low income (earning between 51 and 80 percent of the MFI) and moderate income (earning between 81 and 95 percent of the MFI).

According to 2009 CHAS data, there were 1 million low income households in the State of Indiana. The majority of these households—556,525 or 55 percent—had some type of housing problem. Figure C-40 shows the number of low income households with housing needs by income range.

Figure C-40. Low Income Households with Housing Problems, State of Indiana, 2009

	Less than 30% of MFI	30% to 50% of MFI	50% to 80% of MFI	Total Low Income Households	Percent of Total Low Income Households
Total households	**280,235**	**276,430**	**450,515**	**1,007,180**	**100%**
With any housing problem	218,850	176,305	161,370	556,525	55%
Cost burden	207,070	166,595	148,570	522,235	52%
Severely cost burden	167,615	61,975	26,075	255,665	25%

Note: HUD defines any housing problem as being cost burdened, living in overcrowded conditions, and/or living in units without complete kitchen and plumbing facilities.

Source: 2009 Comprehensive Housing Affordability Strategy (CHAS) data.

Cost burden and housing unit problems highlight the need for identifying funding sources for community housing improvements. Numerous federal programs exist to produce or subsidize affordable housing. The primary programs include CDBG, HOME, Section 8, Low Income Housing Tax Credits, mortgage revenue bonds, credit certificates and public housing.

In general, low income renters may need help with finding an affordable rental unit or financial assistance to pay the rent. Low income owners generally need assistance with home repairs and maintenance (especially large homeowner households of 5 or more persons); emergency assistance for mortgage or utilities payments in times of great need; and for cost burdened owners, financial literacy and, in worst case scenarios, foreclosure prevention and counseling.

Subsidized housing

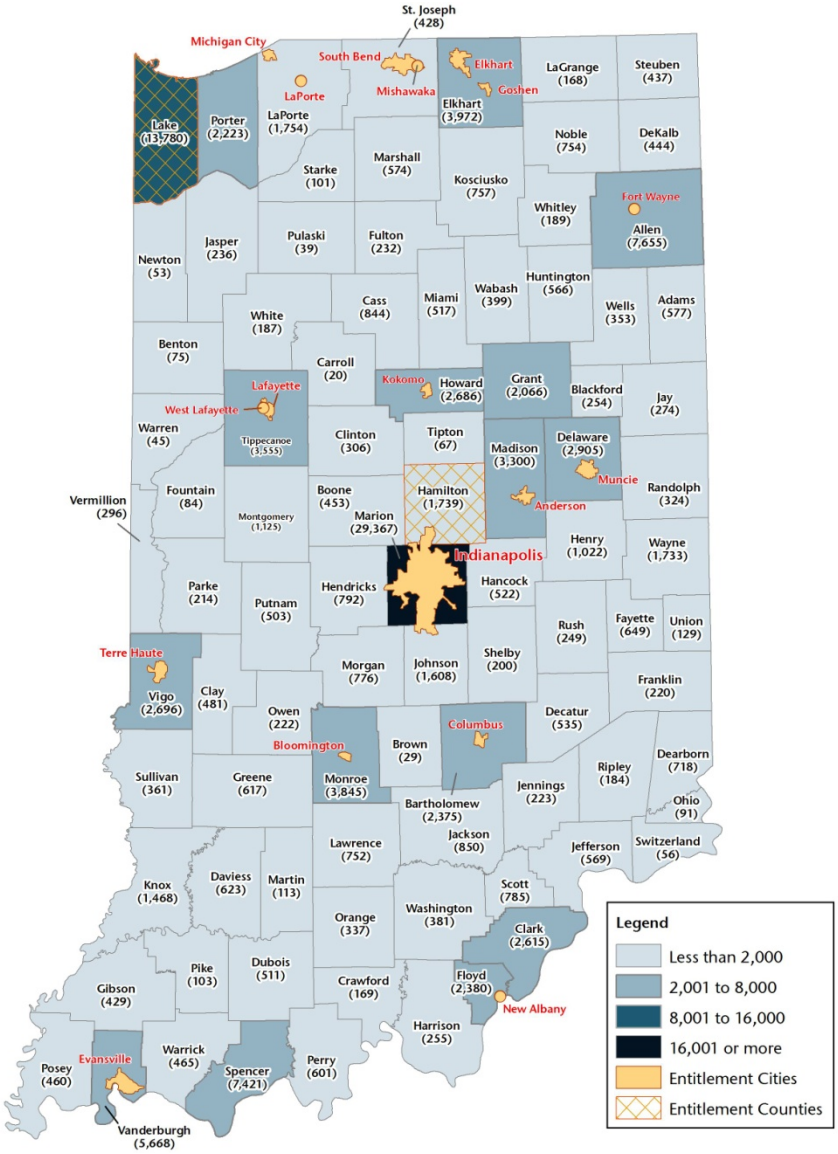
The State of Indiana's lowest income renters are primarily served through assisted housing programs through local housing authorities and the Indiana Housing and Community Development Authority. The housing authorities typically own and manage public housing units and administer Housing Choice Vouchers throughout the State of Indiana. According to HUD's Picture of Subsidized Housing 2008 database, the State of Indiana has an estimated 140,000 subsidized housing units.

These units include Public Housing units, Section 8 Housing Choice Vouchers or Certificates, Section 8 Moderate Rehabilitation units, Section 8 New Construction or Substantial Rehabilitation (including 202/8 projects) units, Section 236 Projects (FHA-Federal Housing Administration), Low Income Housing Tax Credit units and all other multifamily assisted projects with FHA insurance or HUD subsidy (including Section 8 Loan Management, Rental Assistance Program (RAP), Rent Supplement (SUP), Property Disposition, Section 202/811 capital advance, and Preservation. The following figure shows the estimated number of subsidized units available by county.

Figure C-41. Number of Subsidized Housing Units by County, 2008

Source:

HUD's Picture of Subsidized Housing 2008.



Expiring use properties. A growing concern in the country and Indiana is the preservation of the supply of affordable housing for the lowest income renters. In the past, very low income renters have largely been served through federal housing subsidies, many of which are scheduled to expire in coming years. The units that were developed with federal government subsidies are referred to as "expiring use" properties.

Specifically, expiring use properties are multifamily units that were built with U.S. government subsidies, including interest rate subsidies (HUD Section 221(d)(3) and Section 236 programs), mortgage insurance programs (Section 221(d)(4)) and long-term Section 8 contracts. These programs offered developers and owners subsidies in exchange for the provision of low income housing (e.g., a cap on rents of 30 percent of tenants' income). Many of these projects were financed with 40 year mortgages, although owners were given the opportunity to prepay their mortgages and discontinue the rent caps after 20 years. The Section 8 project-based rental assistance contracts had a 20 year term.

Nationally, the U.S. Government Accountability Office Report on expiring mortgages, released in January 2004, notes that in the next 10 years, project-based Section 8 contracts aiding 1.1 million families will expire. Even in the absence of the expiring mortgage problem, the steady erosion of affordable housing would likely continue at the rate of 41,000 units each year.

Many of these contracts are now expiring, and some owners are taking advantage of their ability to refinance at low interest rates and obtain market rents. Most of Indiana's affordable multifamily housing was built with Section 8 New Construction and Loan Management Set-Aside programs. Thus, a good share of Indiana's affordable rental housing could be at risk of elimination due to expiring use contracts. According to HUD's expiring use database, as of February 2010, Indiana had 32,438 units in expiring use properties, or approximately 4.6 percent of the State's total rental units. Eighty counties have all of their expiring use units due to expire through 2015. Figure C-42 shows the percent of units with affordable provisions that are due to expire in the next five years by county along with the total number of expiring units.

Figure C-42.
Percentage of Expiring Use Units That Will Expire by December 2015 by County, as of February 2010

County	Percent of Expiring Use Units Due to Expire by 2015	Number of Expiring Use Units	County	Percent of Expiring Use Units Due to Expire by 2015	Number of Expiring Use Units
Adams	64%	188	La Porte	88%	734
Allen	66%	1,649	Lawrence	91%	217
Bartholomew	78%	498	Madison	100%	596
Blackford	100%	142	Marion	91%	5,999
Boone	100%	194	Marshall	50%	246
Carroll	100%	10	Miami	100%	88
Cass	100%	346	Monroe	69%	491
Clark	84%	842	Montgomery	100%	241
Clinton	100%	95	Morgan	100%	420
Crawford	100%	123	Newton	100%	24
Daviess	100%	236	Noble	96%	224
Dearborn	52%	155	Orange	74%	136
Decatur	88%	203	Owen	100%	68
De Kalb	100%	72	Parke	100%	60
Delaware	80%	499	Perry	100%	93
Dubois	68%	258	Pike	100%	77
Elkhart	92%	899	Porter	100%	245
Fayette	43%	180	Posey	100%	116
Floyd	100%	317	Putnam	100%	132
Fountain	100%	20	Randolph	100%	29
Gibson	66%	291	Ripley	100%	56
Grant	83%	718	Rush	100%	78
Greene	49%	71	St Joseph	76%	1,954
Hamilton	100%	346	Scott	100%	142
Hancock	100%	104	Shelby	100%	146
Harrison	100%	50	Spencer	100%	22
Hendricks	100%	166	Starke	100%	24
Henry	100%	214	Steuben	92%	76
Howard	100%	436	Tippecanoe	96%	1,400
Huntington	100%	129	Union	100%	50
Jackson	80%	276	Vanderburgh	76%	1,089
Jasper	74%	54	Vermillion	100%	148
Jay	100%	36	Vigo	100%	528
Jefferson	100%	365	Wabash	100%	215
Jennings	100%	22	WARRICK	100%	120
Johnson	100%	520	Washington	100%	49
Knox	59%	293	Wayne	86%	733
Kosciusko	88%	167	Wells	30%	143
Lagrange	100%	48	White	77%	62
Lake	68%	3,885	Whitley	100%	50
			Total	**85%**	**32,438**

Note: Expiration dates are according to the "TRACS Overall Expiration Date" as provided by HUD.

Source: U.S. Department of Housing and Urban Development and BBC Research & Consulting.

Public housing authorities. To better understand the demand for rental assistance, a Web survey of Public Housing Authorities (PHAs) in the State was conducted as part of the 2009 Action Plan process, and previously for the 2010-2014 Consolidated Plan process. The survey collected information on Section 8 Housing Choice voucher usage as of December 31, 2010, by individual PHA. Forty-two surveys were mailed, and 13 responses were received, for a response rate of 31 percent.

A similar survey was completed in 2004 and also in 2005 for the 2005-2010 Consolidated Planning process, which allows for some historical comparisons about voucher usage and the demand for vouchers over this five year period.

Voucher utilization and demand. Of the PHAs responding to the current survey, 8 of the 13 (62 percent) administer Section 8 Housing Choice Vouchers. The average number of vouchers administered by the 8 PHAs at the time of the survey was 193, with a low of 55 vouchers and a high of 497 vouchers. The utilization rate was high, with the average being 97 percent. No single housing authority indicated utilization below 89 percent and 6 of the 8 PHAs having a 96 percent or higher voucher utilization rate. In 2004, 91 percent of PHAs had a 95 percent or higher voucher utilization rate. During 2009, three respondents replied the reason their utilization rates dropped was due to decreased funding.

The survey results also indicate that waiting lists are typical, and the wait list length is generally longer than one and a half years. The average number of households on the waiting list was 211, with most housing authorities indicating a wait of greater than one year for all sized units. Most wait lists were in the one to three bedroom categories.

Household characteristics. Most households on waiting lists for vouchers are families with children and households that are living in the lowest median income bracket. On average, 72 percent of voucher waiting lists are households are families with children. The second largest household group is non-elderly persons with disabilities, averaging 15 percent of housing authority waiting lists.

The survey also asked if the PHAs had ever applied for vouchers designated for persons with disabilities. Four of the PHAs said they had applied and received funding. These PHAs said that the vouchers were well utilized and two replied they have waiting lists for these vouchers.

Community needs. The survey also asked the PHAs what the greater need is in each PHA community—additional rental units *or* more tenant-based rental assistance (TBRA). The PHAs responded their communities are in need of additional affordable rental housing and TBRA/rental assistance. Forty-four percent of the PHAs were in greater need of TBRA, 33 percent were in need of additional affordable rental units and 22 percent of respondents needed both rental assistance and affordable rental units.

The majority of Housing Authority respondents responded it is *easy* for the average applicant to find a unit their community that accepts vouchers. However, a couple of PHAs replied that large families (4 plus persons), as having more difficulty finding units that accept vouchers. In addition, a PHA responded that disabled accessible units are also difficult to find.

Accessible units available. Most PHAs that administer accessible public housing units were administering one and two bedroom units. According to the survey, the total number of PHA administered units was 886, with 75 percent of those being one bedroom units, 14 percent being two bedroom units, 10 percent being three bedroom units and the remaining 1 percent are four bedroom units.

State voucher data. The Housing Choice Voucher Program comprises the majority of the Indiana Housing and Community Development Authority's Section 8 rental assistance programs. IHCDA administered vouchers help approximately 4,100 families' pay their rent each month. HCV funding for FY2011 was $19.7 million. Eligibility for the Housing Choice Voucher program is based on a family's household income. The tenants' share is an affordable percentage of their income and is generally calculated to be between 30 to 40 percent of their monthly-adjusted gross income for rent and utilities. The HCV program services are provided by Local Subcontracting Agencies throughout the State of Indiana.

In an effort to better align Indiana's strategic housing goals with targeted voucher recipients, IHCDA has established the following preference categories:

- Existing Applicant—applicant was on waiting list prior to implementation of preferences.
- Residency—applicant is a legal resident of the State of Indiana.
- Homelessness—applicant is currently homeless
- Homelessness prevention—applicant is a victim of domestic violence or an individual that will be released from an institution or will be emancipated from foster care.
- Self-Sufficiency—applicants are working families or enrolled in an educational or training program.
- Elderly—applicant is age 62 or older.
- Disability—meets HUD definition of a person with a disability

IHCDA is also converting approximately 130 housing choice vouchers into project-based rental assistance for five permanent supportive housing projects over the next year.

Special Needs Populations and Housing Statistics

Due to lower incomes and the need for supportive services, special needs groups are more likely than the general population to encounter difficulties finding and paying for adequate housing and often require enhanced community services. The groups discussed in this appendix include:

- Persons experiencing homelessness;
- The elderly;
- Persons with physical disabilities;
- Persons with developmental disabilities;
- Persons with mental illnesses;
- Persons with substance abuse problems;
- Persons with HIV/AIDS;
- Youth; and
- Migrant agricultural workers

A complete analysis of the special needs populations in Indiana is included in Appendix C of the 2010-2014 Consolidated Plan. The following figure updates information in Appendix C that that was modified with changes to the Consolidated Plan regulations associated with the ESG program.

Figure C-44 summarizes resources available for special needs groups.

Figure C-43.
Special Needs Groups in Indiana

Special Needs Group			Number
Persons Experiencing Homelessness	***Population***	**Total (2011 Balance of Indiana):**	**6,166**
		Individuals	3,751
		Individuals in families with children	2,415
	Housing	Emergency beds	2,735
		Transitional housing	2,039
		Safe Haven	746
Elderly	***Population***	**Total population over 65 (2010)**	**841,108**
	Housing	Group quarters population	38,277
		Cost burdened owners	96,295
		Cost burdened renters	48,957
		Nursing facilities (all)	612 facilities/ 66,800 beds
		Living with housing problems:	
		Renters	52,325
		Owners	119,830
Persons with Physical Disabilities	***Population***	**Total (2010)**	**799,586**
	Housing	Households with mobility problems with a housing problem[1]	126,235
Persons with Mental Illness	***Population***	**Total (adult)**	**247,285**
		Target population for State services	93,310
		SMI population served by DMHA (SFY 2008)	51,638
	Housing	Beds reported by CMHCs (2001)	1,900
		Homeless with SMI (Balance of State PIT 2009)	509
Persons with Chronic Substance Abuse	***Population***	**Total**	**455,984**
		Target population for State services	119,100
		Chronically addicted population served by DMHA (SFY 2008)	34,131
	Housing	Beds for substance abuse treatment	5,662
		Homeless with chronic substance abuse (Balance of State PIT 2009)	740
Persons with Developmental Disabilities	***Population***	**Total**	**89,275**
		DD population receiving services from state or non-state agencies (2007)	10,794
		Persons with ID/DD on a waiting list for, but not receiving, residential services	13,896
	Housing	ICF/MR facilities for DD (2010)	4,177
		Persons living in ICF/MR	4,012
		Persons living in nursing homes	1,708
		State institution population	162
Persons with HIV/AIDS	***Population***	**Total living with HIV/AIDS (Dec 2011)**	**10,225**
	Housing	Tenant-based rental assistance units	133
		Short term rent/mortgage and/or utility assistance	332
		Homeless with HIV/AIDS (Balance of State PIT 2009)	19
		Homeless or at-risk of experiencing homelessness	2,785 - 6,033
Youth	***Population***	**Total aging out of foster care each year**	**1,487**
	Housing	Youth shelters (17 years and under)	6 shelters
		Unaccompanied youth (Balance of State PIT 2009)	19
Migrant Farmworkers	***Population***	**Total**	**8,000**
	Housing	State licensed camps (2010)	65
		Living in substandard housing	1,760
		Living in crowded conditions	4,160
		Substandard, cost burdened and crowded conditions	480

Source: BBC Research & Consulting.

Figure C-44.
Summary of Special Needs and Available Resources

Population	Housing Need	Community Need	Primary Resource Available
Homeless	Beds at shelters for individuals Transitional housing/beds for homeless families with children Affordable housing for those at-risk of homelessness	Programs for HIV positive homeless Programs for homeless with substance abuse problems Programs for homeless who are mentally ill Service organization participation in HMIS	ESG CDBG HOME/IHCDA HOPWA Homelessness Prevention & Rapid Re-Housing Program OCRA ISDH County Step Ahead Councils County Welfare Planning Councils Local Continuum of Care Task Forces Municipal governments Regional Planning Commissions State Continuum of Care Subcommittee
Elderly	Rehabilitation/repair assistance Modifications for physically disabled Affordable housing (that provides some level of care) State-run reverse mortgage program Minimum maintenance affordable townhomes	Public transportation Senior centers Improvements to infrastructure	CDBG CHOICE HOME/IHCDA Home Equity Conversion Mortgage Program FSSA - Medicaid, CHOICE, IN AAA, RECAP Public Housing Section 202 Section 8 USDA Rural Housing Services
Youth	Affordable housing Transitional housing with supportive services Rental vouchers with supportive services	Job training Transitional living programs Budgeting	HUD's FUP Medicaid Transitional Housing Program Chafee Foster Care Independence Program IHCDA Education and Training Voucher Program
Migrant Agricultural Workers	Grower-provided housing improvements Affordable housing Seasonal housing Family housing Raise standards for housing development approval	Family programs Public transportation Homeownership education Employment benefits Workers compensation Improved working conditions, including worker safety Literacy training Life skills training	CDBG Rural Opportunities, Inc. USDA Rural Development 514 & 516 Programs Indiana Migratn Education Program Migrant Seasonal Head Start

Source: BBC Research & Consulting.

Figure C-44. (continued)
Summary of Special Needs and Available Resources

Population	Housing Need	Community Need	Primary Resource Available
Physically Disabled	Housing for physically disabled in rural areas Apartment complexes with accessible units Affordable housing for homeless physically disabled	Public transportation Medical service providers Integrated employment programs Home and community-based services	CDBG CHOICE HOME/IHCDA SSI Medicaid Section 811
Mental Illness and Substance Abuse	Community mental health centers Beds for substance abuse treatment Supportive services slots Housing for mentally ill in rural areas	Substance abuse treatment Education Psychosocial rehabilitation services Job training Medical service providers HAP funding Services in rural areas Follow-up services after discharge	CDBG HOME DMHA Hoosier Assurance Plan CMHC CHIP Section 811 Olmstead Initiative Grant
Developmentally Disabled	Semi-independent living programs Group homes	Smaller, flexible service provisions Community settings for developmentally disabled Service providers for semi-independent Integrated employment programs	CDBG CHOICE HCBS - Medicaid HOME/IHCDA SSI Section 811 DDRS and BDDS ICF/MR, Group Homes, Supported Living Olmstead Initiative Grant
HIV/AIDS	Affordable housing for homeless people with HIV/AIDS Housing units with medical support services Smaller apartment complexes Housing for HIV positive people in rural areas Rental Assistance for people with HIV/AIDS Short-term rental assistance for people with HIV/AIDS	Support services for AIDS patients with mental illness or substance abuse problems Medical service providers Public transportation Increase number of HIV Care Coordination sites	HOME/IHCDA HOPWA Section 8 ISDH SPSP

Source: BBC Research & Consulting.

APPENDIX D.
HUD Tables

Table 1. Housing, Homeless and Special Needs (Required)—State of Indiana

Housing Needs (2000 CHAS, State of Indiana)

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 –30% of MFI	**38,394**	**46,715**	**8,815**	**56,330**	**150,254**	**95,273**	**245,527**
%Any housing problem	56.6	77.3	85	74.2	71.3	69.1	70.4
%Cost burden > 30	55.8	75	74.7	73.2	69.4	67.9	68.8
%Cost Burden > 50	36.7	56.9	52.6	59.7	52.6	46.8	50.3
31 - 50% of MFI	**31,384**	**41,935**	**9,335**	**40,285**	**122,939**	**141,201**	**264,140**
%Any housing problem	53.1	60.2	67.2	68.2	61.6	43.6	52
%Cost burden > 30	52.2	57.1	41.6	66.7	57.8	42.1	49.4
%Cost Burden > 50	15.8	8.2	4	17.2	12.8	18	15.5
51 - 80% of MFI	**22,710**	**60,335**	**13,989**	**61,714**	**158,748**	**283,492**	**442,240**
%Any housing problem	30.1	18.1	39.5	23.1	23.7	29.3	27.3
%Cost burden > 30	28.9	13	7.6	21.5	18.1	27.1	23.8
%Cost Burden > 50	8	0.6	0.2	1.4	2	5.8	4.4

Homeless Continuum of Care: Housing Gap Analysis Chart (Balance of State Indiana)

		Current Inventory	Under Development	Unmet Need/ Gap
Individuals				
Example	**Emergency Shelter**	**100**	**40**	**26**
Beds	Emergency Shelter	1,377	0	1,410
	Transitional Housing	679	6	685
	Permanent Supportive Housing	537	76	537
	Total	**2,593**	**82**	**2,632**
Chronically Homeless		181	260	600
Persons in Families With Children				
Beds	Emergency Shelter	1,289	0	1,261
	Transitional Housing	1,360	0	1,360
	Permanent Supportive Housing	254	63	254
	Total	**2,903**	**63**	**2,875**

Table 1. Housing, Homeless and Special Needs—State of Indiana

Special Needs (Non-Homeless) Subpopulations	Unmet Need
1. Elderly	138,861
2. Frail Elderly	37,007
3. Severe Mental Illness	3,477
4. Developmentally Disabled	16,380
5. Physically Disabled	31,518
6. Persons w/Alcohol/Other Drug Addictions	20,500
7. Persons w/HIV/AIDS	2,889
8. Victims of Domestic Violence	2,895
9. Other	

Statewide Point-in-Time Homeless count 1/26/2011

Households *with* Dependent Children	Sheltered								
	Emergency	Safe Haven	Transitional	Unsheltered	2011 Total	2010 Total	2007 Total	% Change 2007 to 2011	% Change 2010 to 2011
Number of Households	315	0	420	41	**776**	914	955	-19%	-15%
Number of Persons (adults and children)	953	0	1347	115	**2415**	2867	2624	-8%	-16%

Households *without* Dependent Children	Sheltered								
	Emergency	Safe Haven	Transitional	Unsheltered	2011 Total	2010 Total	2007 Total	% Change 2007 to 2011	% Change 2010 to 2011
Number of Households	1726	21	1368	517	**3632**	3448	4376	-17%	5%
Number of Persons (adults and unaccompanied youth)	1782	21	1417	531	**3751**	3514	4734	-21%	7%

All Households/All Persons	Sheltered								
	Emergency	Safe Haven	Transitional	Unsheltered	2011 Total	2010 Total	2007 Total	% Change 2007 to 2011	% Change 2010 to 2011
Total Households	2041	621	1188	558	**4408**	4362	5331	-17%	1%
Total Persons	2735	746	2039	646	**6166**	6381	7358	-16%	-3%

SUBPOPULATIONS	Sheltered	Unsheltered	2011 Total	2010 Total	2007 Total	% Change 2007 to 2011	% Change 2010 to 2011
Chronically Homeless (federal definition)	**425**	177	**602**	790	694	-13%	-24%
Severely Mentally Ill	**717**	159	**876**	972	506	73%	-10%
Chronic Substance Abuse	**1489**	248	**1737**	1741	1946	-11%	0%
Veterans	**597**	76	**673**	626	516	30%	8%
Persons with HIV/AIDS	**50**	10	**60**	47	67	-10%	28%
Victims of Domestic Violence	**954**	55	**1009**	858	1203	-16%	18%
Unaccompanied Youth (under 18)	**160**	2	**162**	145	119	36%	12%
TOTALS	**4392**	**727**	**5119**	**5179**	**5051**	**1%**	**-1%**

Table 2A (Required)
State Priority Housing/Special Needs/Investment Plan Table

PART 1. PRIORITY HOUSING NEEDS		Priority Level Indicate High, Medium, Low, checkmark, Yes, No	
Renter	Small Related	0-30%	High
		31-50%	Medium
		51-80%	Low
	Large Related	0-30%	High
		31-50%	Medium
		51-80%	Medium
	Elderly	0-30%	High
		31-50%	High
		51-80%	Medium
	All Other	0-30%	High
		31-50%	High
		51-80%	Medium
Owner		0-30%	High
		31-50%	High
		51-80%	Medium

PART 2 PRIORITY SPECIAL NEEDS	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
Elderly	High
Frail Elderly	High
Severe Mental Illness	High
Developmentally Disabled	High
Physically Disabled	High
Persons w/ Alcohol/Other Drug Addictions	High
Persons w/HIV/AIDS	High
Victims of Domestic Violence	High
Other	

Table 2A (Optional)
State Priority Housing Activities/Investment Plan Table

PART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
CDBG	
Acquisition/Rehabilitation of existing rental units	High
Production of new rental units	Low
Rental assistance	Medium
Acquisition/Rehabilitation of existing owner units	High
Production of new owner units	Low
Homeownership assistance	Medium
HOME	
Acquisition/Rehabilitation of existing rental units	High
Production of new rental units	Low
Rental assistance	Medium
Acquisition/Rehabilitation of existing owner units	High
Production of new owner units	Low
Homeownership assistance	Medium
HOPWA	
Rental assistance	High
Short term rent/mortgage utility payments	High
Facility based housing development	Low
Facility based housing operations	High
Supportive services	High
Other	

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2	**Affordability of Decent Housing**						
DH-2.1	Support the production of new affordable rental units and the rehabilitation of existing affordable rental housing.	HOME	Housing units	2010	135		
				2011	100		
				2012	100		
				2013			
				2014			
			MULTI-YEAR GOAL		**675**		
DH-2	**Affordability of Decent Housing**						
DH-2.2-1	Provide and support homebuyer assistance through homebuyer educations and counseling and downpayment assistance.	HOME	Households/housing units	2010	500		
				2011	700		
				2012	700		
				2013			
				2014			
			MULTI-YEAR GOAL		**2,500**		
DH-2	**Affordability of Decent Housing**						
DH-2.2-2	Provide funds to organizations for the development of owner occupied units.	HOME	Housing units	2010	25		
				2011	25		
				2012	25		
				2013			
				2014			
			MULTI-YEAR GOAL		**125**		

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2	**Affordability of Decent Housing**						
DH-2.2-3	Provide funds to organizations to complete owner occupied rehabilitation.	HOME	Housing units	2010	300		
				2011	240		
		CDBG		2012	240		
				2013			
				2014			
			MULTI-YEAR GOAL		**1,500**		
DH-2	**Affordability of Decent Housing**						
DH-2.1	Build capacity of affordable housing developers by providing **predevelopment loans** and **organizational capacity**.	HOME	Housing units	2010	21		
				2011	13		
				2012	13		
				2013			
				2014			
			MULTI-YEAR GOAL		**105**		
				2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-1	**Availability/Accessibility of Decent Housing**						
DH-1.1	Improve the range of housing options for homeless and special needs populations by supporting **permanent supportive housing** and **tenant based rental assistance**.	HOME/ESG	Households/housing units (5 year) Permanent supportive housing = 250 TBRA = 1,000	2010	250		
				2011	240		
				2012	348		
				2013			
				2014			
			MULTI-YEAR GOAL		**1,250**		
DH-1	**Availability/Accessibility of Decent Housing**						
DH-1.2	Support activities to improve the range of housing options for special needs populations and to end chronic homelessness through the **Emergency Solutions Grant (ESG)** program by providing operating support to shelters; rapid re-housing activities; and case management to persons who are homeless.	ESG	Shelters/ Clients with: Operating support = 55 shelters Essential services = 53 shelters with 15,000 clients annually Rapid re-housing=130 annually	2010	135/110		
				2011	2,506*		
				2012	86shelters /130 clients		
				2013			
				2014			
			MULTI-YEAR GOAL		**135/550**		
DH-1	**Availability/Accessibility of Decent Housing**						
DH-1.3	Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for housing information, permanent housing placement and supportive services.	HOPWA	Households with Housing information services Permanent housing placement Supportive services	2010	375		
				2011	175		
				2012	175		
				2013			
				2014			
			MULTI-YEAR GOAL		**1,875**		

**2011 outcomes/ goals are based upon McKinney Vento Act as amended by HEARTH legislation and HUD's FY11 allocation estimates. Five year goals were based on 2010 funding assumptions, which did not include an increased allocation of ESG or consider program changes as a result of HEARTH.*

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
DH-2	**Affordability of Decent Housing**						
DH-2.2	Improve the range of housing options for special needs populations through the **Housing Opportunities for Persons With AIDS (HOPWA)** program by providing recipients who assist persons with HIV/AIDS with funding for short term rental, mortgage, and utility assistance; tenant based rental assistance; facility based housing operations; and short term supportive housing.	HOPWA	Households/units with Tenant based rental assistance Short term rent, mortgage and utility assistance Facility based housing operations Short term supportive housing	2010	528		
				2011	528		
				2012	528		
				2013			
				2014			
			MULTI-YEAR GOAL		**2,635**		
				2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				
				2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators (5 years)	Program Year	Expected Number	Actual Number	Percent Completed
SL-1	**Availability/Accessibility of Suitable Living Environment**						
SL-1.1	Improve the quality and/ or quantity of neighborhood services for low and moderate income persons by continuing to fund programs (such as **OCRA's Community Focus Fund**).	CDBG	Emergency services = 35-45 Public facility projects = 30 Downtown revit projs = 10 Historic preservation projs = 10 Brownfield/clearance = 10-25	2010	19-24		
				2011	15		
				2012	13		
				2013			
				2014			
			MULTI-YEAR GOAL		**95**		
SL-3	**Sustainability of Suitable Living Environment**						
SL-3.1	Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing to fund programs (such as OCRA's **Community Focus Fund**).	CDBG	Infrastructure systems	2010	24		
				2011	20		
				2012	23		
				2013			
				2014			
			MULTI-YEAR GOAL		**120**		
SL-3	**Sustainability of Suitable Living Environment**						
SL-3.2	Improve the quality and/or quantity of public improvements for low and moderate income persons by continuing the use of the planning and community development components that are part programs (such as OCRA's **Planning Fund**) funded by CDBG and HOME dollars.	CDBG	Planning grants	2010	29		
				2011	30		
		HOME		2012	45		
				2013			
				2014			
			MULTI-YEAR GOAL		**145**		

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators (5 years)	Program Year	Expected Number	Actual Number	Percent Completed
SL-3	**Sustainability of Suitable Living Environment**						
SL-3.3	Improve the quality and/or quantity of public improvements for low and moderate income persons through programs (such as OCRA's **Flexible Funding Program**, newly created in 2010).	CDBG	Community development projects, 10-25/five years : 2010 goals: Flexible Funding Program = 3 Stellar Communities = 4 Main Street Revitalization Program = 2	2010	2-5		
				2011	9		
				2012	12		
				2013			
				2014			
			MULTI-YEAR GOAL		**10-25**		
				2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				
				2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				

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

Optional Table 2C Summary of Specific Objectives and 3A Summary of Specific Annual Objectives

Specific Obj. #	Outcome/Objective Specific Annual Objectives	Sources of Funds	Performance Indicators	Program Year	Expected Number	Actual Number	Percent Completed
EO-3	**Sustainability of Economic Opportunity**						
EO-3.1	Continue the use of the OCRA's **Community Economic Development Fund (CEDF)**, which funds infrastructure improvements and job training in support of employment opportunities for low to moderate income persons.	CDBG	Jobs	2010	275		
				2011	200		
				2012	120		
				2013			
				2014			
			MULTI-YEAR GOAL		**1,300**		
EO-3	**Sustainability of Economic Opportunity**						
EO-3.1	Fund training and micro-enterprise lending for low to moderate income persons through the **Micro-enterprise Assistance Program**.	CDBG	Projects	2010	0		
				2011	0		
				2012	0		
				2013			
				2014			
			MULTI-YEAR GOAL		**As needed**		
	.			2010			
				2011			
				2012			
				2013			
				2014			
			MULTI-YEAR GOAL				

APPENDIX E.
OCRA CDBG 2012 Method of Distribution

STATE OF INDIANA

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

INDIANA OFFICE OF COMMUNITY AND RURAL AFFAIRS

FY 2012 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 2012. **The State of Indiana's anticipated allocation of federal Community Development Block Grant (CDBG) funds for FY 2012 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. **During FY 2012, the State of Indiana does not propose to pledge a portion 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).**

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 2012 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 2012 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 2012 Consolidated Plan if the Office of Community and Rural Affairs' **Method of Distribution for FY 2012 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 2012 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 2012 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 2012 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 2012 FUND DISTRIBUTION

Sources of Funds:

FY 2012 CDBG Allocation	$27,107,784
CDBG Program Income	$0
Total:	$27,107,784

Uses of Funds:

1. Community Focus Fund (CFF)	$15,378,970
2. Housing Programs	$3,415,581
3. Community Economic Development Fund	$1,200,000
4. Flexible Funding Program	$900,000
5. Stellar Communities Program	$3,000,000
6. Planning Fund	$1,300,000
7. Main Street Revitalization Program	$1,000,000
8. Technical Assistance	$271,077
9. Administration	$642,156
Total:	$27,107,784

(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 2012 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 2012 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): $15,378,970

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)	$11,678,970
2.	Emergency Services projects (fire trucks, fire stations, ems stations)	$1,500,000
3.	Other public facilities (i.e., senior centers, health centers, libraries)	$1,500,000
4.	Historic preservation projects	$500,000
5.	Brownfield/Clearance projects	$200,000

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 each year 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. Specific threshold criteria and point awards are explained in Attachments C, D and E to this Consolidated Plan.

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: $3,415,581

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 2012 Consolidated Plan for the method of distribution of such subcontracted CDBG funds from the Office of Community and Rural Affairs to the IHCDA.

C. Community Economic Development Fund/Program: $1,200,000

The Community Economic Development Fund (CEDF) will be available through the Indiana Office of Community and Rural Affairs. This fund will provide funding for various eligible economic development activities pursuant to 24 CFR 507.203. The Office of Community and Rural Affairs will give priority for CEDF-IDIP funding to construction of off-site and on-site infrastructure projects in support of low and moderate income employment opportunities.

Eligible CEDF activities will include any eligible activity under 24 CFR 570.203, to include the following:

1. Construction of infrastructure (public and private) in support of economic development projects;
2. Loans or grants by applicants for the purchase of manufacturing equipment;
3. Loans or grants by applicants for the purchase of real property and structures (includes vacant structures);
4. Loans or grants by applicants for the rehabilitation of facilities (vacant or occupied);
5. Loans or grants by applicants for the purchase and installation of pollution control equipment;
6. Loans or grants by applicants for the mitigation of environmental problems via capital asset purchases.

The following criteria will be considered when reviewing projects/applications:

1. The importance of the project to Indiana's economic development goals;
2. The number and quality of new jobs to be created;
3. The economic needs of the affected community;
4. The economic feasibility of the project and the financial need of the affected for-profit firm, or not-for-profit corporation; the availability of private resources;
5. The level of private sector investment in the project.

The review process by the Office of Community and Rural Affairs is based on the criteria above, in consultation with the Indiana Economic Development Corporation as necessary. Grant applications will be accepted and awards made until funding is no longer available. The intent of the program is to provide necessary public improvements or capital equipment for an economic development project to encourage the creation of new jobs. In some instances, the Office of Community and Rural Affairs may determine that the needed facilities/improvements may also benefit the project area as a whole (i.e. certain water, sewer, and other public facilities

improvements), in which case the applicant will be required to also meet the "area basis" criteria for funding under the Federal Act.

1. Beneficiaries and Job Creation/Retention Assessment:

The assistance must be reasonable in relation to the expected number of jobs to be created or retained by the benefiting business(es) within 18 months following the date of grant award. Before CDBG assistance will be provided for such an activity, the applicant unit of general local government must develop an assessment, which identifies the businesses located or expected to locate in the area to be served by the improvement. The assessment must include for each identified business a projection of the number of jobs to be created or retained as a result of the assistance.

2. Public Benefit Standards:

The Office of Community and Rural Affairs will conform to the provisions of 24 CFR 570.482(f) for purposes of determining standards for public benefit and meeting the national objective of low and moderate income job creation or retention will be all jobs created or retained as a result of the public improvement or financial assistance by the business(es) identified in the job creation/retention assessment in 1 above. The investment of CDBG funds in any economic development project shall not exceed the maximum allowable per job in accordance with 24 CFR 570.209 and 24 CFR 570.208(a)(4)(vi)(F); at least fifty-one percent (51%) of all such jobs, during the project period, shall be given to low and moderate income persons.

Projects will be evaluated on the amount of private investment to be made, the number of jobs for low and moderate income persons to be created or retained, the cost of the public improvement or financial assistance to be provided, the ability of the community (and, if appropriate, the assisted company) to contribute to the costs of the project, and the relative economic distress of the community. Actual grant amounts are negotiated on a case by case basis and the amount of assistance will be dependent upon the number of new full-time permanent jobs to be created and other factors described above. Construction and other temporary jobs may not be included. Part-time jobs are ineligible in the calculating equivalents. Grants made on the basis of job retention will require documentation that the jobs will be lost without such CDBG assistance and a minimum of fifty-one percent (51%) of the beneficiaries are of low and moderate income.

Pursuant to Section 105(e)(2) of the Federal Act as amended, and 24 CFR 570.209 of related HUD regulations, CDBG-CEDF funds allocated for direct grants or loans to for-profit enterprises must meet the following tests, (1) project costs must be reasonable, (2) to the extent practicable, reasonable financial support has been committed for project activities from non-federal sources prior to disbursement of federal CDBG funds, (3) any grant amounts provided for project activities do not substantially reduce the amount of non-federal financial support for the project, (4) project activities are determined to be financially feasible, (5) project-related return on investment are determined to be reasonable under current market conditions, and, (6) disbursement of CDBG funds on the project will be on an appropriate level relative to other sources and amounts of project funding.

A need (financial gap), which is not directly available through other means of private financing, should be documented in order to qualify for such assistance; the Office of Community and Rural Affairs will verify this need (financial gap) based upon historical and/or pro-forma projected financial information provided by the for-profit company to be assisted. Applications for loans based upon job retention must document that such jobs would be lost without CDBG assistance and a minimum of fifty-one percent (51%) of beneficiaries are of low-and-moderate income, or the recipient for-profit entity agrees that for all new hires, at least 51% of such employment opportunities will be given to persons of low and moderate income. All such job retention/hiring performance must be documented by the applicant/grantee, and the OCRA reserves the right to track job levels for an additional two (2) years after administrative closeout.

D. The Flexible Funding Program: $900,000

The Office of Community and Rural Affairs recognizes that communities may be faced with important local concerns that require project support that does not fit within the parameters of its existing CDBG programs, but are nonetheless deserving of program funding.

The Flexible Funding Program is designed to provide funding for projects that are deemed a priority by the State but do not meet the timeframes of existing programs.

These activities must 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.

The community must demonstrate that the situation requires immediate attention (i.e., that participation in CFF program would not be a feasible funding alternative or poses an immediate or imminent threat to the health or welfare of the community) and that the situation is not the result of negligence on the part of the community. Communities must be able to demonstrate that reasonable efforts have been made to provide or obtain financing from other resources and that such effort where unsuccessful, unwieldy or inadequate. Alternatively, communities must be able to demonstrate that an opportunity to complete a project of significant importance to the community would be lost if required to adhere to the timetables of competitive programs. Additionally, projects will be evaluated using the scoring criteria set forth in Attachment D.

E. Stellar Communities Pilot Program: $ 3,000,000

The State of Indiana will to set aside $3,000,000 of its FY 2012 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.

The IHCDA has committed $15,000,000 to this pilot program. The INDOT has committed up to $6,000,000 to this pilot program.

Evaluation and selection of the final two communities to pilot 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.

F. Planning Fund: $ 1,300,000

The State (Office of Community and Rural Affairs) will set aside $1,300,000 of its FY 2012 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.

G. Main Street Revitalization Program: $1,000,000

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 one (1) time per year. 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.

H. 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 2012 Consolidated Plan is $271,078, which constitutes one-percent (1%) of the State's FY 2012 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.

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

The State (Office of Community and Rural Affairs) will set aside $642,155 of its FY 2012 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 2012 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, 2012, and ending June 30, 2012, unless subsequently amended, for all FY 2012 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 Community Focus Fund (CFF).

PROGRAM APPLICATION

The Community Economic Development Fund Program (CEDF), Flexible Funding Program (FF), and Planning Fund/Program (PL) will be conducted through a single-stage, continuous application process throughout the program year. The application process for the Community Focus Fund (CFF) and the Main Street Revitalization Program (MSRP) will be divided into two stages. Eligible applicants will first submit a short program proposal 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 Community Focus Fund (CFF) application per cycle. 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 CFF applicants for applications lacking a credible readiness to proceed on the project or having other planning needs to support a CFF 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 Rebecca Skillman heads the Office of Community and Rural Affairs. Principal responsibility within the OCRA for the CDBG program is vested in Kathleen Weissenberger, Director of Grant Services. 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 and the Planning Fund process resides with the Office of Community and Rural Affairs. Primary responsibility for providing "outreach" and technical assistance for the Community Economic Development Program and award process also resides with OCRA. Primary responsibility for providing

“outreach” and technical assistance for the Housing award process resides with the Indiana Housing & Community Development Authority who will act as the administrative agent on behalf of the 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) projects is ten-percent (10%) of the **total estimated project costs**. This percentage is computed by adding the proposed CFF grant amount and the local matching funds amount, and dividing the local matching funds amount by the total sum of the two amounts. The 2012 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 Community Economic Development Fund (CEDF); such investment will, however, be evaluated as part of the project's impact, and should be documented. The Business Office reserves the right to determine sources of matching funds for CEDF 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 6 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 or OCRA monitoring finding resolutions (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. 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), Flexible Funding (FF), Main Street Revitalization Program (MSRP), Stellar Communities Program (SCP) 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, FF, MSRP, SCP or PL grant (Indiana cities and incorporated towns).

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

e. An Indiana county may have two (2) open CFF's. FF's, MSRP's and/or PL and apply for a third CFF, FF, MSRP or PL. A county may have only three (3) open CFF's,FF's, MSRP's or PL's. All grants must have an executed construction contract by the application due date.

2. The cost/beneficiary ratio for all CDBG funds will be maintained at $5,000, except for CEDF projects where that ratio will not exceed the maximum allowable per job in accordance with 24 CFR 570.209 and 24 CFR 570.208(a)(4)(vi)(F). Housing-related projects are to be submitted directly to the Indiana Housing & Community Development Authority (IHCDA) under its programs.

3. At least 5% 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 for CFF. 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.

6. For area basis projects, applicants must provide convincing evidence that circumstances in the community have so changed that a survey conducted in accordance with HUD survey standards is likely to show that 51% of the beneficiaries will be of low-and-moderate income. This determination is not applicable to specifically targeted projects.

C. Housing Programs: Refer to Method of Distribution for Indiana Housing & Community Development Authority within this FY 2012 Consolidated Plan

D. Community Economic Development Program/Fund (CEDF):

Applicants for the Community Economic Development Fund assistance must meet the General Criteria set forth in Section A above, plus the specific program requirements set forth in the "Method of Distribution" section of this document.

D. Stellar Communities Program/Fund (SCP):

Applicants for Stellar Communities Program assistance must meet the General Criteria set forth in Section A above, plus the specific program requirements set forth in the "Method of Distribution" section of this document.

GRANT EVALUATION CRITERIA
750 POINTS TOTAL

Community Focus Fund (CFF), Flexible Fund (FF) 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)

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
0-4 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.

ATTACHMENT F

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, units of general local government, and the CDBG Policy Advisory committee 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 2012 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 2012 consolidated planning process:

The Republic, Columbus, IN
Indianapolis Star, Indianapolis, IN
The Journal-Gazette, Fort Wayne, IN
The Chronicle-Tribune, Marion, IN
The Courier Journal, Louisville, KY
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.

APPENDIX F.
IHCDA 2012 Method of Distribution

2011-2012 STRATEGIC INVESTMENT POLICY AND PROCESS

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STRATEGIC INVESTMENT POLICY

Indiana Housing & Community Development Authority (IHCDA) creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing technical and financial resources into the development efforts of its partners across Indiana.

Within this framework, IHCDA seeks partnerships that offer innovative solutions to community challenges. As evidenced from the socio-demographic data, survey results, and formal and informal discussions with stakeholders, IHCDA has identified the following strategic priorities for its investment decisions: comprehensive development, aging in place, ending homelessness, and high performance building.

IHCDA's commitment to investing in community solutions meant its method of distributing a variety of resources had to fundamentally change. Traditionally IHCDA was organized around specific funding sources. . The move to funding solutions places the focus on the strategic fit of a proposed activity, the strength of the sponsor and its development team, and the financial feasibility and readiness of the development.

As a result, IHCDA has created a single allocation and investment process that bundles a variety of federal and state resources. This new investment process will also enable the project development team to work more closely with IHCDA staff to identify issues and obstacles that may occur, and to provide feedback and support in resolving issues and overcoming obstacles to ensure project success.

STRATEGIC INVESTMENT PRIORITIES

Comprehensive Community Development

Every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

Threshold Items

- Projects must be focused on a targeted area. An entire town, city, or county does not meet the definition of a targeted area.
- Projects must encompass or be part of a multi-faceted effort and/or will act as a catalyst to spur other development in the community.
- Applicants must provide documentation that the project is a community effort with broad support, such as but not limited to a written plan.

Regarding any housing portion of submissions under this priority:

- New Construction developments must be completed to at least meet the minimum standard set by the National Association of Home Builders.[1]
- Homes and rental units to be assisted for rehabilitation are required to have an energy audit completed prior to incurring any hard costs and also at the completion of the project.[2] The scope of work must address the items identified in the Energy Audit. Energy Audits may be completed by:

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[1] http://www.nahbgreen.org/Certification/default.aspx

[2] http://www.energysavers.gov/your_home/energy_audits/index.cfm/mytopic=11160

- An individual that maintains and currently holds an appropriate Building Professionals Institute (BPI) Certification
- A RESNET-certified auditor
- A certified HERS (Home Energy Rating System) Rater
- An individual that has successfully completed IHCDA's energy auditor training program

- All beneficiaries are required to receive appropriate information and training on energy savings. The required booklet can be found on the Strategic Investment page on IHCDA's website.[3]

Aging in Place

Aging in place refers to making our living environment safe and adaptable so that everyone can remain independent and continue to thrive in their homes and community even as circumstances change. While the primary target populations for aging in place strategies are seniors and persons with disabilities, everyone benefits from buildings and communities that are accessible, visitable, and livable.

Threshold Items

- New Construction developments must be completed to at least meet the minimum standard set by the National Association of Home Builders.[4]
- All units/homes to be assisted under this priority will be required to conduct a needs assessment on each beneficiary/household to determine need for accessibility improvements and/or supportive services. Construction or rehabilitation must meet a need that is essential for day to day living.
- All services provided to the beneficiary/household (current or subsequent) must be in place via a letter of cooperation, memorandum, or executed agreement.

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[3] http://www.in.gov/ihcda/3119.htm

[4] http://www.nahbgreen.org/Certification/default.aspx

- Units/Homes to be assisted for rehabilitation are required to have an energy audit completed prior to incurring any hard costs and also at the completion of the project. The scope of work must address the items identified in the Energy Audit. Energy Audits may be completed by:
    - An individual that maintains and currently holds an appropriate Building Professionals Institute (BPI) Certification
    - A RESNET-certified auditor
    - A certified HERS (Home Energy Rating System) Rater
    - An individual that has successfully completed IHCDA's energy auditor training program
- For homeowner rehabilitation and homebuyer projects,, 100% of the units must be targeted and developed for beneficiaries that are either disabled and/or at least 55 years of age.
- For rental projects, 100% of the units must be targeted and developed for beneficiaries that are at least 62 years of age OR 80% of the units must be targeted and developed for beneficiaries that are at least 55 years of age or older.
- All beneficiaries are required to receive information and training on energy savings. The required booklet can be found on the Strategic Investment page on IHCDA's website.[5]

Ending Homelessness

Merely *managing* homelessness is in no one's best interest. IHCDA and its partners are focused on systematically preventing and ending homelessness for those most vulnerable in our communities. By identifying an individual's or family's barriers to self-sufficiency and targeting the most appropriate housing solution, we can help to minimize the number of people that enter the homelessness delivery system and the duration of time they spend in it. For the chronically homeless--those who cycle through health care institutions and

[5] http://www.in.gov/ihcda/3119.htm

correctional facilities seeking services and shelter-- linking services with housing provides them stability and reduces the burden on other community systems.

Regarding beneficiaries, disabled is defined as any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment. The definition of a person with disabilities does not exclude persons who have the disease acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV). However, for the purpose of qualifying for low income housing, the definition does not include a person whose disability is based solely on any drug or alcohol dependence.

Threshold Items

- All Permanent Supportive Housing projects must have successfully been accepted into and completed the process of the Indiana Permanent Supportive Housing Institute (IPSHI)[6]. If not accepted or not eligible for the IPSHI, applications development of existing Permanent Supportive Housing units must be accompanied by a letter of support from the Community Services staff expressing their approval of the application going through the SIP process.

High Performance Building

How we create community solutions is equally as important to what solutions are desired. High performance building integrates with and optimizes the surrounding environment through architectural and site design, construction techniques and materials, as well as resource use and recovery. Done right, high performance building maximizes quality and durability by minimizing environmental impacts and operating costs.

Threshold Items

- New Construction developments must be completed to at least meet the minimum standard set by the National Association of Home Builders.[7]

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[6] http://www.csh.org/Indiana Program

[7] http://www.nahbgreen.org/Certification/default.aspx

- Units/Homes to be assisted for rehabilitation are required to have an energy audit completed prior to incurring any hard costs and also at the completion of the project. The scope of work must address the items identified in the Energy Audit. Energy Audits may be completed by:
    - An individual that maintains and currently holds an appropriate Building Professionals Institute (BPI) Certification
    - A RESNET-certified auditor
    - A certified HERS (Home Energy Rating System) Rater
    - An individual that has successfully completed IHCDA's energy auditor training program
- All beneficiaries are required to receive appropriate information and training on energy savings. The required booklet can be found on the Strategic Investment page on IHCDA's website. Energy Savers Booklet
- All proposals under this priority are encouraged to design their developments to also meet one or more of the other IHCDA priorities.
- Proposals that are presented ONLY under this priority will be required to provide significant leveraging as part of the development.
- Proposals presented ONLY under this priority that assist homeowners will be required to develop and administer a revolving loan program to create program income for use on future, eligible activities.

Emergency Home Repair

Addressing health & safety issues is very important in the development of any type of housing rehabilitation program. Situations arise where detriments to a home create a threat to the residents' health and/or safety that could result in a variety of problems with personal health or day to day living. Improvements such as this not only remove the threat but provide the resident with a safe, decent, housing solution that reduces the risk of further occurrences and also provides them with a viable housing option while maintaining their residence that will contribute to the stabilization of the existing neighborhood.

Threshold Items

- Intended to address health and safety issues ONLY. Such issues must be documented and deemed to be detrimental to the home/unit where if not corrected, an order to vacate or demolition order is placed on the home/unit.

- Health & Safety issues must be documented by an entity authorized to make such determinations. These entities may include but are not limited to the following: local building inspector, health department, fire marshall, Family & Social Services Administration (FSSA), etc. **Prior to release of funds, the recipient must supply written documentation of the emergency.**

- Clearly established program guidelines are required. The guidelines should be submitted at the time of application.

- $10,000 subsidy limit per home, $100,000 maximum award amount.

- The award term for this program is 12 months.

How to Apply

Interested parties have two options under which they may apply.

Option 1

Applicants may apply for an allocation of funds to assist in creating or maintaining an emergency home repair fund. This option will allow communities to have immediate access to funds as emergencies occur.

- This program is designed to address emergency situations that pose an immediate threat to a resident's health and safety. Therefore the requirement to submit an Environmental Review (ER) at the time of submitting the application has been waived. Once the properties have been identified, the ER must be submitted to Adrienne Schmetzer, Architectural Design and Construction Review Manager (aschmetzer@ihcda.in.gov or 317-232-7777).

Option 2

Applicants may apply for an allocation of emergency repair funds in conjunction with another activity/priority (i.e. Aging in Place). Properties must be identified at the time of submitting the application. These properties must be located within the target area identified for the other housing activity.

- Beneficiaries should be income-certified with complete scope of work done on home prior to application.
- The applicant may initiate the Environmental Review (ER) process after receiving authorization to proceed to Phase 2 of the Strategic Investment Process. The ER must be submitted to Adrienne Schmetzer, Architectural Design and Construction Review Manager (aschmetzer@ihcda.in.gov or 317-232-7777).

PROJECT APPLICATION DEADLINES

There are no application deadlines. Applications will be accepted on a first-come, first-served basis from July 1, 2011 through June 30, 2012.

PROJECT FUNDING LIMITS

There are no established funding limits. Award size ranges from a few thousand to several million dollars, depending on the size of the organization and the scope of the project. IHCDA reviews the amount needed for each specific project based on scope of work, costs and other factors. While there is no cap on a total project request, applicants, when applicable, must adhere to the most current 221(d)3 subsidy limits appropriate for income targets and unit size.[8] IHCDA will only invest an amount it deems necessary to ensure the financial feasibility of a project.

ELIGIBLE APPLICANTS

Eligible applicants include cities, towns, counties, townships, public housing authorities, CHDO's, not-for-profit 501(c)3 or 501(c)4 corporations, and for-profit developers These entities must also be free of any funding restrictions or probationary actions from IHCDA.

[8] http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophsg221d3n4

GEOGRAPHIC AREAS FOR FUNDING

IHCDA only funds projects within Indiana. The majority of our awards go to organizations or local units of government located in small cities, towns and rural communities. Except for permanent supportive housing projects, activities located within a participating jurisdiction[9] or entitlement community[10] must demonstrate equal and comparable financing from the local unit of government to be considered for an IHCDA investment.

WHAT WE DO NOT FUND

IHCDA does not fund:

- requests from individuals, political, social, or fraternal organizations;
- endowments, special events, arts, or international projects;
- scholarships requested by individuals;
- institutions that discriminate on the basis of race, creed, gender, national origin, age, disability or sexual orientation in policy or in practice;
- projects in furtherance of sectarian religious activities, impermissible lobbying, legislative or political activities;
- medical research or medical profit-making enterprises.

Due to the large volume of materials we receive, please do not send annual reports, publications, bound materials, letters of support, invoices, videos, cassettes, compact discs, news clippings, books, magazines or newsletters.

PROJECT APPLICATION SUBMISSION GUIDELINES

Part 1: Strategic Assessment

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[9] http://portal.hud.gov/hudportal/HUD?src=/states/indiana/community/home

[10] http://www.hud.gov/local/in/community/cdbg/#cities

1. After reviewing the funding priorities, if you feel there is a **strong match** between our priorities and your request, we encourage you to review the project application, contact your local Real Estate Production Analyst with questions, and submit Part 1: Strategic Assessment, for funding consideration.

2. Click http://www.in.gov/ihcda/3119.htm to access application forms and instructions.

3. The forms are in an Excel spreadsheet format. Response text boxes have been formatted to capture all text although not visible in all cases. IHCDA staff will reformat these boxes for reviewing purposes.

4. *Applicants should submit photos of the building, home or land on which the project development will take place. These photos should be formatted as separate email attachments to the Part 1 Strategic Assessment application, and should be formatted to open using the 2007 Windows XP operating system.*

5. Part 1: The Strategic Assessment should be submitted electronically. Send the document as an attachment in an email to SIP@ihcda.in.gov. Type "Strategic Funding Application" in the subject line.

6. The IHCDA Review Team meets weekly on Wednesdays. Applications that are received *by 5:00pm on Friday* will be reviewed at the following Wednesday's Review Team meeting. Applications received *after 5:00pm on Friday* will be reviewed at the meeting one week from the next Wednesday. IHCDA has committed to respond to you about the status of the Strategic Assessment by each Friday regarding applications that were reviewed on Wednesday.

Part 2: Sponsor and Project Assessment

1. Applicants invited to proceed to Part 2 of the Strategic Investment Process will have ***45 days*** to submit Parts 2A and 2B. Part 2A and 2B application forms that are received after the date specified (30 days from the date of your letter to proceed to Phase II), will be assessed a late fee of $250.

2. Because of the greater amount and complexity of information to analyze in the Part 2A and 2B applications, IHCDA may take up to 30 days to complete our Part 2 review.

3. As part of the Part 2 review, IHCDA staff will review each application with the IHCDA Executive Review Committee (ERC). Staff or the ERC may then request more information or may request that the applicant come to present their project request to the committee.

4. Pending the ERC's recommendation, IHCDA will present a funding proposal to the applicant, at which point will constitute Part 3 of the Strategic Investment process.

5. IHCDA prefers that Part 2A and 2B applications and supporting material be submitted via email to SIP@ihcda.in.gov. However, due to the format and amount of supporting information requested, materials may be submitted in person or by mail. Please address all application documents to the address listed below.

   Indiana Housing and Community Development Authority
   Attention: Strategic Funding Coordinator
   30 South Meridian Street, Suite 1000
   Indianapolis, IN 46204

6. Although the project application process is set forth in stages above, the Project Application, in its entirety, may be submitted at the same time. Additional information may be required. Part of the intent of the strategic funding process is to help determine the optimal funding structure for the project, so the final financing structure of the project may differ from what is set forth in the application.

PROJECT APPLICATION EVALUATION PROCESS

All applications will be reviewed individually by at least two review teams comprised of IHCDA staff and senior management. At a minimum, each project application will be reviewed and evaluated on criteria listed below.

Part 1: Strategic Assessment

- The development concept is assessed for its alignment with the strategic priorities of IHCDA: Ending Homelessness, Aging in Place, High Performance Building, and Comprehensive Development.

- IHCDA follows up with sponsor to clarify or secure supplemental information.

Part 2: Sponsor and Project Assessment

a. Sponsor Assessment

- The sponsor and its development team are assessed for their qualifications and experience in the proposed activity, their performance on past/current IHCDA awards/projects, and their capacity to take on this additional work

- The sponsor is assessed for its financial strength based on previous three audits and YTD financials.

b. Project Assessment

- The proposed activity is assessed for its demand and impact on the local market and the intended beneficiaries (e.g., market survey and/or pre-qualified waiting list).

- All revenue and cost assumptions are tested and verified in the construction and operating pro formas.

- The sponsor is assessed on its readiness to proceed with the proposed activity including site control, architectural schematics, construction estimates, and other funding commitments.

- At staff discretion/recommendation, IHCDA conducts a site visit or the applicant makes formal presentation. IHCDA follows up with the sponsor to clarify or secure supplemental information.

Part 3: Investment Negotiation and Structuring

- An IHCDA Review Team develops and proposes an investment strategy, which includes the funding source and the award type (grant or loan) IHCDA develops an investment strategy based on highest and best use of available resources and an acceptable deal structure. IHCDA provides an investment summary to the applicant.

- The applicant accepts or negotiates investment terms as needed.

- IHCDA identifies any potential and known regulatory requirements based on the proposed activity and its scope (e.g., Davis-Bacon, URA). The development is assessed on submission of Environmental Review Record and initiation of Section 106 Review process.
- Applicant submits necessary information and forms specific to the proposed activity and recommended funding source (such as wage determinations, relocation costs, Section 106 determination, Environmental Review Records, etc.).
- IHCDA and the applicant negotiate and adjust the investment amount and terms as needed.
- IHCDA confirms the process, conditions and arrangements for disbursement of funds to the applicant.
- IHCDA presents the investment to its Board for approval.

Part 4: Investment Execution and Disbursement

- IHCDA prepares award/loan documents, including a "closing" or monitoring checklist.
- The applicant prepares all necessary information and forms in accordance with appropriate checklist (Certifications, Title Insurance, etc.).
- IHCDA executes award documents and disburses funds.
- IHCDA schedules and completes closing or award execution with the sponsor.
- Applicant records all appropriate documents (lien, covenants, deed restriction, income restriction, mortgages) in appropriate venue, if applicable.
- IHCDA schedules and provides compliance training with the sponsor as necessary.
- Applicant provides necessary set-up forms in accordance with IHCDA Funds Management policy.

- IHCDA provides the initial disbursement.
- Subject to fulfillment of precedents, IHCDA provides construction draws in accord with draw schedule.
- IHCDA provides the final disbursement and signs off on final inspection of project.

METHOD OF DISTRIBUTION (CHANGES ONLY)

AMENDMENT TO THE FIVE-YEAR CONSOLIDATED PLAN

SECTION IV: FIVE YEAR STRATEGIC GOALS, OBJECTIVES AND OUTCOMES (CHANGES ONLY)

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

- Objective DH-1.1 (Availability/Accessibility): Improve the range of housing options for homeless and special needs populations.
  DH-1.1 outcomes/goals:
  - Support the construction and rehabilitation of migrant farm worker housing.
    - *Five year outcome/goal*: 40 beds
    - *2010 outcome/goal:* 40 beds; $500,000 CDBG

AMENDMENT TO THE 2011 ACTION PLAN

SECTION IV: 2011 ACTION PLAN (CHANGES ONLY)

- Objective DH-1.1 (Availability/Accessibility): Improve the range of housing options for homeless and special needs populations.
  DH-1.1 outcomes/goals:
  - Support the construction and rehabilitation of migrant farm worker housing.
    - *Five year outcome/goal*: 40 beds
    - *2011 outcome/goal:* 40 beds; $500,000 CDBG.

APPENDIX F: METHOD OF DISTRIBUTION (CHANGES ONLY)

Migrant Farm Worker Housing

IHCDA will make available $500,000 in CDBG funds for the production of affordable housing for migrant farm workers by eligible nonprofit housing development organizations. 3All applications must meet the National Objective of Benefit to Low/Moderate Income Persons.

The intent of this activity is to provide funding for the acquisition, rehabilitation and/or new construction of housing that is used temporarily by migrant and/or seasonal farm workers while they are working at a farm or farming related business.

The purpose of farm worker housing is to provide decent, safe, and affordable on-farm housing to farm workers. Assistance is available through local units of government to growers who are owners of existing or vacant housing provided for low-income farm workers.

New construction is only allowed if carried out by a Community Based Development Organization, as defined by the CDBG regulations in 24 CFR 570.204(c) or by an entity carrying out an activity as defined in Section 105(a)(15) of Title 1 of the Housing and Community Development Act of 1974 as amended. F

Eligible migrant/seasonal farm worker activities **DO NOT** include the use of a facility for an emergency shelter or transitional housing. Also, CDBG funds may not be used for supportive services or operating expenses.

Eligible Beneficiaries

- Individuals or families assisted must be persons that are members of groups presumed by HUD to be of low to moderate income (i.e., migrant/seasonal farm workers) and presumed by IHCDA to be at or below 30% of the area median income for that county; therefore, income verification is not required. This requirement remains in effect throughout the affordability period.
- An eligible migrant/seasonal farm worker is a person employed in agricultural work of a seasonal or other temporary nature who is required to be absent overnight from his or her permanent place of residence.
- Eligible beneficiaries do not include immediate family members of an agricultural employer or a famr labor contractor, and temporary H-2A foreign workers. H-2A temporary foreign workers are non-immigrant aliens authorized to work in agricultural employment in the United States for a specified time period, normally less than 1 year.

Applications will be evaluated in accord with IHCDA's Strategic Investment Process, unchanged from the 2011 Action Plan.